
TO: Mike Donnelly
Manager of Water & Utility Services

DATE: February 4, 2014

FROM: Gerald St. Pierre
Project Engineer, Water and Utilities

FILE: 5500-20-FC-18-7570

SUBJECT: Hawthorne Rise Sanitary Sewer Extension – Construction Tender Award

PURPOSE

To consider the award of the construction contract for the Hawthorne Rise Sanitary Sewer Extension project.

BACKGROUND

The subject properties are comprised of 19 lots located in the southern half of Hawthorne Rise, near Johnstone Road and Island Hwy West in French Creek. (See Figure 1). This section of Hawthorne Rise was one of the earlier developments in the French Creek area, and the properties have been serviced by individual septic tanks and on-site septic field disposal systems for over 25 years. As the area has become more developed, sanitary sewer mains have been installed by developers nearby, and most of the properties in the area are now serviced by the community sanitary sewer system. Several Hawthorne Rise residents expressed an interest in having sanitary sewer mains extended to include the southern half of Hawthorne Rise.

At the owners' request, petitions were mailed to the Hawthorne Rise property owners in May 2013. Signed petitions were received at the RDN Administration Office, with 12 of the 19 property owners in favour of proceeding with the project (more than 50%). The combined value of these properties represents more than 50% of the net taxable value of all land and improvements in the proposed service area. Therefore, with sufficient petition support received, the sanitary sewer capital financing service establishing bylaw, Bylaw No. 1686 and the loan authorization bylaw, Bylaw No. 1687 were adopted by the Board. The Regional District of Nanaimo French Creek Sewerage Facilities Local Service Boundary Bylaw No. 813.51 (2013) and Northern Community Sewer Local Service Boundary Bylaw No. 889.65 (2013) were also adopted by the board.

Detailed Design of the sewer extension was completed by Timberlake-Jones Engineering with the construction portion put out to tender on January 15th, 2014. On January 30th, 2014 the tender was closed and tenders were received from 9 tenderers. Upon completion of an evaluation of the tenders received, the 9 compliant tenders were as follows:

Vendor	Tender Price (without GST)
Milestone Equipment Contracting Inc.	\$121,546.77
Knappett Industries (2006) Ltd.	\$149,140.00
Windley Contracting (2010) Ltd.	\$149,535.50
Locar Industries Ltd.	\$159,190.00
Stone Pacific Contracting Ltd.	\$165,100.00
N. Dale Contracting Inc.	\$171,350.00
Parksville Heavy Equipment Ltd.	\$178,695.96
David Stalker Excavation Ltd.	\$205,024.80
Palladian Developments Inc.	\$244,000.00

The lowest tender price was submitted by Milestone Equipment Contracting Inc. for \$121,546.77.

The Consultant, Timberlake-Jones Engineering, reviewed the tenders and recommended awarding to Milestone Equipment Contracting Ltd.

ALTERNATIVES

1. Award the tender for the Hawthorne Rise Sanitary Sewer Expansion construction to Milestone Equipment Contracting Inc. for \$121,546.77.
2. Do not award the tender and re-tender the project.
3. Provide alternate direction to RDN Staff regarding the project.

FINANCIAL IMPLICATIONS

Under option 1, the project can proceed as planned. The loan authorization bylaw authorized the expenditure of up to \$380,000 for sewer main construction, engineering costs and capital charges. Costs for this project, with the recommended bid, now stand at:

Engineering	\$ 40,020.00
Construction	\$ 121,546.77
Contingency	\$ 12,200.00
Capital Charges	\$ 53,333.00
Total	\$ 227,099.77

This total represents a reduction in costs to residents generated by very competitive pricing from the vendors. Property owners will be advised of the exact amount owing once construction is complete and all costs have been accounted for. Owners will be able to pay their share of the project up front as a 'lump sum' or their amount can be amortized over 20 years and added to parcel taxes. Security issuing and temporary borrowing bylaws authorizing up to \$250,000 are included with this report for approval in order to proceed with the borrowing related to this project.

SUMMARY/CONCLUSIONS

Hawthorne Rise Residents have expressed interest in having a sanitary sewer main extended into their neighbourhood. RDN Staff held an information meeting and sent out petitions to the residents with successful completion of the petition in June of 2013.

Detailed Design of the sewer extension was completed by Timberlake-Jones Engineering with the construction portion put out to tender on January 15th, 2014. On January 30th, 2014 the tender was closed with 9 tenders received. The lowest tender price was received from Milestone Equipment Contracting Ltd. for \$121,546.77 and the Consultant has recommended awarding the project to this vendor.

RECOMMENDATION

1. That the Board approve Milestone Equipment Contracting Inc. be awarded the construction of the Hawthorne Rise Sanitary Sewer Extension project for the tender price of \$121,546.77.
2. That "Hawthorne Rise Sanitary Sewer Capital Financing Service Security Issuing Bylaw No. 1696, 2014" be introduced and read three times.
3. That "Hawthorne Rise Sanitary Sewer Capital Financing Service Interim Financing Bylaw No. 1697, 2014" be introduced and read three times.
4. That "Hawthorne Rise Sanitary Sewer Capital Financing Service Security Issuing Bylaw No. 1696, 2014" be adopted.
5. That "Hawthorne Rise Sanitary Sewer Capital Financing Service Interim Financing Bylaw No. 1697, 2014" be adopted.

Gerald St. Pierre

Report Writer

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Manager Concurrence

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COMMENTS:

Figure 1 – Location Plan

