



## REQUEST FOR DECISION

**To:** Board of Directors

**From:** Andrew McGifford CPA, CGA, Manager of Environmental Services

**Meeting Date:** March 23, 2016

**Subject:** AVRA Runway 30 Extension project - Tender Award

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### Recommendation:

***THAT the Alberni-Clayoquot Regional District Board of Directors award the tender for the Alberni Valley regional Airport Runway 30 Extension project to Bowerman Excavating Ltd. for a total contract price for Part A and Part B (provisional) for \$4,155,339.08 (including GST).***

### Summary:

The ACRD advertised an Invitation to Tender for the AVRA Runway 30 Extension project. The tender closing was 2:00 pm on March 18, 2016. A total of nine (9) tenders submissions were received by the closing date and time. All nine submissions were compliant. A review of the tender submissions completed by Tetra Tech EBA Inc. is attached.

### Background:

The Board of Directors, at the February 10<sup>th</sup>, 2016 board meeting directed staff to proceed with the tender for the AVRA Runway Expansion project. Approval is in place to borrow up to a maximum of \$6 million for the expansion project. The runway expansion project will provide significant benefits including:

- Retaining and expanding aerospace activity and employment
- Support future container terminal development and LNG terminal development in the Alberni Valley
- Provide an alternate landing for the Long Beach Airport for poor weather conditions
- Improve accessibility for fixed wing medical transfers from the West Coast General Hospital. (BC EHS has submitted a letter of support for this project).
- Attract courier service
- Attract Scheduled service

The runway expansion was estimated to cost \$5,958,820. The lowest bid came in much lower than the estimated cost. This bid also includes completion of provisional items, including runway resurfacing, fencing and taxiway. If the board does not concur with both Part A and Part B of the tender the lowest price tender would not be Bowerman Excavating(BE), the lowest Part A tender was Western Watershed Designs Ltd. at \$2,800,482.67 (\$168,522.92 less than BE).

Bowerman Excavating has completed various ACRD projects and contracts and the quality of work has met expectations in each circumstance.

**Time Requirements – Staff & Elected Officials:**

Staff time to work with the contractor and engineer to complete the project, while coordinating continued airport operations to the greatest extent possible.

**Financial:**

If the expansion proceeds with the lowest tender from Bowerman Excavating as recommended the AVRA service has the financial capabilities to undertake the complete AVRA expansion project as tendered for both Part A and part B (provisional items). The ACRD staff have estimated the costs associated with the AVRA expansion to be in the \$4.9 million range with a contingency for outstanding and unconfirmed costs to this point.

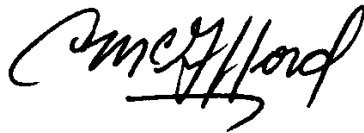
Borrowing through the Municipal Finance Authority of British Columbia will allow up to a maximum of \$6,000,000 as authorized through "Port Alberni Airport Expansion Loan Authorization Bylaw No. F1120, 2015". The 2016-2020 draft Financial Plan has also been prepared with the full intention of proceeding if the results from the tender were favorable and no further changes would be required at 3<sup>rd</sup> reading.

**Policy or Legislation:**

As per ACRD purchase policies.

**Options Considered:**

None at this time as the project follows direction provided by the Board upon consideration of the benefits of the proposal, other options and associated costs.



Submitted by: \_\_\_\_\_  
Andrew McGifford, CPA, CGA, Manager of Environmental Services



Approved by: \_\_\_\_\_  
Russell Dyson, Chief Administrative Officer

March 22, 2016

ISSUED FOR USE  
FILE: C31103399-01

Alberni-Clayoquot Regional District  
3008 5th Avenue  
Port Alberni, BC V97 8M5

**Attention:** Mr. Mark Fortune  
Airport Superintendent

**Subject:** Tender Evaluation – Runway 30 Extension  
Alberni Valley Regional Airport - AVRA

## 1.0 INTRODUCTION

Quotations were solicited from contractors to provide general contracting services for the Runway 30 Extension Project at the Alberni Valley Regional Airport (AVRA), on behalf of the Alberni-Clayoquot Regional District (ACRD). The tender period was from February 26, 2016 to March 18, 2016.

A review of the tender submissions received by Tetra Tech EBA Inc. (Tetra Tech); a summary of our findings; and a recommendation for award based on these findings, are included in the sections that follow.

## 2.0 TENDERS RECEIVED

A total of nine (9) tender submissions were received by the closing date and time. Of the nine submissions, all were deemed compliant by Tetra Tech.

Bidders were tasked with providing estimates in two parts: Part A included works that must be completed on the project; Part B included provisional items subject to property access rights or sufficient budget before they would proceed. The table that follows includes a summary of both Part A and Part B tender submissions, as well as the combined total for each qualified bid.

**Table 1: Bid Summary**

Contractor	Part A Corrected not incl. GST	Part B Corrected not incl. GST	Total Bid Price Corrected Incl. GST	Rank
Bowerman Excavating Ltd.	\$2,969,005.59	\$988,460.20	\$4,155,339.08	1
Dawson Construction Ltd.	\$3,779,063.58	\$1,423,742.90	\$5,462,946.80	7
Jacob Bros Construction	\$3,454,960.00	\$673,920.00	\$4,335,324.00	3
Wacor Holding Ltd.	\$3,418,898.46	\$932,753.38	\$4,569,234.43	4
Milner Group Ventures. Inc.	\$4,646,247.55	\$934,459.15	\$5,859,742.04	9
Hazelwood Const. Svc. Ltd.	\$3,355,377.43	\$1,000,751.43	\$4,573,935.30	5
JJM Construction Ltd.	\$4,340,915.00	\$1,119,405.00	\$5,733,336.00	8
Western Watershed Designs Ltd.	\$2,800,482.67	\$1,262,090.30	\$4,265,701.62	2
Jake's Construction	\$3,385,015.00	\$1,120,735.00	\$4,731,037.50	6

There were a number of mathematical errors found in the Western Watershed Designs Ltd. bid; however, Tetra Tech has recalculated the numbers based on the unit prices given. Those corrected numbers are reflected in the tables above. The adjusted total for the Western Watershed bid is within \$110,000 of the low bid.

Western Watershed Designs Ltd. submitted price compared to the corrected price is as follows:

**Table 2: Western Watershed Designs Ltd. Price Correction**

Item	Submitted	Corrected
Sub-Total Price	\$4,356,128.86	\$4,062,572.97
GST	\$217,806.44	\$203,128.65
<b>Total Price</b>	<b>\$4,573,935.30</b>	<b>\$4,265,701.62</b>

There were also some minor mathematical errors found in the Bowerman Excavating Ltd. bid; however, Tetra Tech has recalculated the numbers based on the unit prices given. These corrected numbers are reflected in Table 1: Bid Summary, above.

The Bowerman Excavating Ltd. submitted price compared to the corrected price is presented in Table 3, below.

**Table 3: Bowerman Excavating Ltd. Price Correction**

Item	Submitted	Corrected
Sub-Total Price	\$3,957,515.79	\$3,957,465.79
GST	\$197,875.79	\$197,873.29
Total Price	\$4,155,391.58	\$4,155,339.08

### 3.0 LOW BIDDER EVALUATION – BOWERMAN EXCAVATING LTD.

Bowerman Excavating Ltd. (BE) submitted the lowest compliant total bid on this tender call. However, they were not the lowest bid for either Part A or Part B taken separately. As this tender was evaluated on the total bid price, BE is considered the low bidder.

Tetra Tech has reviewed the BE submitted tender and found that it includes all of the required documentation and bonding to satisfy the tender requirements.

The mathematical errors in the tender submission are likely due to rounding errors and Tetra Tech recommends that the calculated unit rates for each line item be reviewed and confirmed with BE prior to execution of a contract.

Tetra Tech does not have direct experience working with BE and are unable to comment on any similar projects they have conducted. However, they are a local contractor and the ACRD may have experience with them in the past. Any previous working relationship or experience with BE should be considered in the decision by the Board.

Tetra Tech is not aware of any quality of work or legal issues associated with BE at this time.

## 4.0 AIRPORT CONSTRUCTION EXPERIENCE

BE appears to have limited airport construction experience. However, it is Tetra Tech’s opinion that, given their overall project experience, this is unlikely to have adverse impacts on the final product or the construction process itself. We are confident that the project requirements are within their abilities and with the guidance of an on-site engineer from Tetra Tech and Airport Management, the contractor will be able to successfully navigate the airport environment.

## 5.0 SUMMARY

Tetra Tech recommends the submitted Tender from Bowerman Excavating Ltd. be accepted for the Runway 30 Extension Project, and that the contract, inclusive of bid upon provisional items, be awarded to this contractor for a total value of \$4,155,339.08 (including GST).

## 6.0 CLOSURE

We trust you will find this evaluation and recommendation in order. If you require additional information, please do not hesitate to contact the undersigned.

Respectfully submitted,  
Tetra Tech EBA Inc.



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