



REQUEST FOR DECISION

To: Board of Directors

From: Russell Dyson, CAO

Meeting Date: August 24, 2016

Subject: Alberni Valley Regional Airport Lighting Project – Tender Award

Recommendation:

THAT the Alberni-Clayoquot Regional District Board of Directors receive the Alberni-Valley Regional Airport lighting tender results dated August 24, 2016.

Summary:

Staff issued a call for tenders for the AVRA Lighting Project which closed at 2:00 pm on Friday, August 19th, 2016. A total of six submissions were received and all were on time. Signal Electric submitted a proposal that was non-compliant as it was incomplete. The tenders submitted are summarized below:

Contractor	Corrected Submitted Price (incl. GST)	5% GST	Correct Price (without GST)
Bowerman Excavating	\$1,053,621.72	\$50,172.46	\$1,003,449.26
Raylec Power LP	\$1,187,727.15	\$56,558.44	\$1,131,168.72
Tristar Electric	\$1,263,290.49	\$60,156.69	\$1,203,133.80
Lamont Electrical Services	\$1,328,874.27	\$63,279.73	\$1,265,594.54
Wacor Holdings Ltd.	\$1,429,844.03	\$68,087.81	\$1,361,756.22

As this is a relatively large airport electrical job we stipulated in the tender call that the contractor demonstrate airport electrical experience. All the proposals provide that they have installed similar electrical airfield works expect the lowest proposal from Bowerman Excavating Ltd. (or their subcontractors). Airfield electrical projects operate differently than other typical installations and are a specialized process to install. The way airfield electrical systems operate (series circuits on constant current regulators) and the way the components interconnect (airfield connector kits, counterpoise, etc.) are not typical of any other electrical systems (buildings, commercial works, industrial installations, etc.)

The engineer requires the confidence that the contractor can provide the expertise on the electrical work without this a Tetra Tech representative to be on site to oversee the work due to their lack of experience. Raylec Power LP is the next lowest bid and has the experience in these electrical installations and is currently performing the same work at another ACRD site and performance is meeting expectations.

Because of these Bowerman Excavating Ltd shortcomings, the engineer cannot recommend the lowest proposal for this bids received. The recommendation from the Engineer is to select Raylec Power LP.

Raylec Power LP (Raylec) submitted the second lowest compliant bid on this RFP, complete with substantial evidence of adequate experience on similar projects. The engineer has reviewed the Raylec tender and found that they included all of the required documentation and bonding to satisfy this RFP. The engineer has worked with Raylec on many similar projects at other airports, and is presently working with them on the ACRD's airfield lighting project at the Long Beach (Tofino) Airport (CYAZ). The engineer has a good working relationship with Raylec and are confident in their abilities to fulfill all requirements of this project at AVRA.

If Bowerman Excavating is selected as the winning bid for this tender, there may be an increased requirement for a Tetra Tech representative to be on site to oversee the work due to their lack of experience. This may incur additional costs for project supervision that would be passed on to the ACRD (both time and disbursements).

Background:

In April of 2016, staff submitted an application for funding to the BC Air Access Program. The funding application was successful and the ACRD will receive a maximum of \$729,215 or 50% of the total eligible project costs, whichever is less, toward the installation of a runway lighting system.

Time Requirements – Staff & Elected Officials:

There will be modest time requirements for Administration Staff to complete this project. Airport Staff will require a high level of attention to manage the project.

Financial:

The BC Air Access Program (BCAAP) will provide a grant of 50% of the project costs to a maximum of \$729,215 for the lighting project. The combined cost of the successful tender and the engineering fees total \$1,254,727.15 and would provide the AVRA the 50% grant of \$627,363.58.

Staff has been advised that there will be an ability to submit interim funding requests as the project is being completed.

Policy or Legislation:

The tender was advertised as per ACRD's purchasing policy.



Approved by: _____
Russell Dyson, Chief Administrative Officer



August 24, 2016

ISSUED FOR REVIEW
FILE: C31103399-04

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

Attention: Mr. Andrew McGifford
Manager of Environmental Services

Subject: Rationale for Selection of Raylec Power LP - AVRA Lighting Project Award
Alberni Valley Regional Airport - AVRA

CONFIDENTIALITY STATEMENT

This document contains confidential commercial and technical information and must not be released in whole, or in part, to any third party without the express written consent of Tetra Tech EBA Inc.

1.0 INTRODUCTION

Tetra Tech EBA Inc. (Tetra Tech) was asked by the Alberni Clayoquot Regional District (ACRD) to expand on the rationale for recommending that Raylec Power LP (Raylec) be awarded the contract for the AVRA airfield lighting project, instead of accepting the low bid from Bowerman Excavating (BE).

2.0 PRIMARY TECHNICAL REASONINGS

A number of technical reasons support the recommendation of Raylec over BE as the preferred contractor for this project:

- a) Airfield lighting systems are specialized, high voltage systems that do not operate like other conventional electrical systems. They demand specialized knowledge and experience to install, connect and maintain. These systems operate as series circuits on Constant Current Regulators [CCRs], and the manner in which the components interconnect (i.e. airfield connector kits, counterpoise, etc.) are not typical of any other electrical systems, including buildings, commercial works, industrial installations, etc.). These systems would be unfamiliar to anyone who does not have airfield electrical experience.
- b) The fact that the system primary distribution voltage can be up to 5000V makes it potentially hazardous to those installing, connecting or maintaining the systems, if they do not have appropriate training, qualifications and experience with them.
- c) This is a completely new airfield electrical installation, thus requiring the installation contractor to work on all aspects of the system from the connection to the power utility; distribution networks; and system control. Sufficient experience installing comparable sized airfield electrical projects is required, not only to ensure proper installation, but to guarantee the safety of the installing personnel and those who must subsequently maintain the system.

- d) Typical Occupational Health & Safety (OH&S) regulations require that owners ensure personnel working on a project they sponsor have sufficient and appropriate training, qualifications and experience to undertake the work. It is Tetra Tech's duty as the owner's representative, to ensure that the recommended installation contractor has sufficient qualifications and experience to undertake the work. This is the reason the tender for this project required details of the bidder's applicable experience and project references.
- e) There is a Canadian Standards Association standard (CSA Z463 - Guideline on Maintenance of Electrical Systems) that defines qualified experience for an airport electrician. Among other requirements, the qualifications include minimum training and experience working on airport electrical systems (under the supervision of other qualified personnel). The CSA Z463 document lists minimum requirements to be able to maintain airport electrical systems, and the installation contractor for this project should possess comparable training, qualifications and experience.

3.0 POTENTIAL COST IMPLICATIONS

Tetra Tech anticipates that if an underqualified and inexperienced contractor, such as BE, is selected to undertake the work, an increased presence from the engineer and their staff, including more frequent inspections would be required on this project. This increased vigilance would be needed to ensure the work is completed as specified, i.e. the high standards expected for airfield electrical system installations. An increased project supervision presence represents a potentially significant additional cost to the ACRD: increased fees and disbursements over the course of this two year project. This possibility should be weighed against the higher construction cost of the Raylec bid versus the BE bid.

4.0 SUMMARY

Tetra Tech's recommendation to award the contract to Raylec for this project was rendered by weighing all the reasons outlined above. It is Tetra Tech's opinion the additional costs associated with selecting Raylec for the work represents value added by their qualifications and experience. This is expected to provide the ACRD with a level of confidence for the completion of the project, and the electrical systems operation in the years to come.

5.0 CLOSURE

We trust you will find the information above to be in order. If you have additional questions, please do not hesitate to contact the undersigned.

Respectfully submitted
Tetra Tech EBA Inc.

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