

**RESORT MUNICIPALITY OF WHISTLER**

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STAFF REPORT TO COUNCIL

PRESENTED: December 5, 2023
FROM: Infrastructure Services
SUBJECT: SOUTH WHISTLER WATER SUPPLY UPGRADE PROJECT PHASE II

REPORT: 23-122
FILE: E203-07

RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

That the recommendation of the General Manager of Infrastructure Services be endorsed.

RECOMMENDATION(S)

That Council award the contract for the South Whistler Water Supply Upgrade Project Phase II in the amount of \$6,138,500 (exclusive of GST) to Drake Excavating (2016) Ltd. in accordance the E203-07 Tender Award Recommendation, attached as Appendix A to Administrative Report No. 23-122.

PURPOSE OF REPORT

The purpose of this Report is to inform Council of the status of the South Whistler Water Supply (SWWS) Upgrade Project and procurement process, and to request approval to proceed with the contract award for the construction work to implement Phase II of the SWWS Upgrade Project in the amount of \$6,138,500 (exclusive of GST).

☐ Information Report ☒ Administrative Report (Decision or Direction)

DISCUSSION

Background

The Resort Municipality of Whistler (RMOW) supplies potable water to the South Whistler area, Cheakamus Crossing and Function Junction. In alignment with the [2015 Comprehensive Water Conservation and Supply Plan](#), Phase II of the SWWS Upgrade project has been identified to enhance the capacity of the Cheakamus water system, specifically allowing the water from the South Whistler area to be pumped to the Creekside and Village zones as needed. This strategic initiative is crucial to accommodate planned community growth outlined in the Official Community Plan (OCP) and addresses evolving corrosion management standards for maintaining drinking water quality.

The comprehensive project, encompassing a continuous improvement program, is geared towards upgrading assets, enhancing operational efficiency, ensuring safety for Municipal staff, and fortifying the overall system redundancy. A fundamental aspect of this project is the focus on drinking water corrosion management, prioritized based on findings from the Water Distribution Corrosion Study (2015) prepared by Kerr Wood Leidal Associates Ltd.

To align with Health Canada's drinking water guidelines, a critical component of Phase II of the project involves the implementation of pH control treatment. This treatment aims to elevate the raw water pH level from approximately 6.4 to the targeted 7.5, thereby reducing the rate of corrosion within municipal and private water systems.

Recognizing the challenges posed by supply chain limitations on infrastructure projects, the project has been thoughtfully divided into two phases. Phase I, encompassing the civil works, has been successfully completed in the current year (2023). This segment involved the installation of 540 meters of high-pressure water main from Lynham Road, traversing Highway 99, and connecting to the existing Cheakamus Crossing water system near the Whistler Wastewater Treatment Plant.

Moving forward, Phase II focuses on the construction of the Pump Station and Treatment Facility, which includes tie-ins to the completed Phase I works, commissioning, and programming. The Phase II scope also entails the decommissioning of two unused wells and the integration of existing control systems into a centralized pump station. Recognizing the longer lead times associated with procuring items such as pumps and treatment equipment, Phase II is scheduled to commence upon award, with completion anticipated in Q2 2025.

This phased approach not only optimizes project scheduling but also ensures financial predictability by mitigating the impacts of supply chain limitations. The RMOW looks forward to the successful execution of Phase II, marking another significant stride in our commitment to providing high-quality drinking water.

Analysis

TENDER RESULTS

The procurement process for the SWWS Upgrade Project Phase II, initiated through the Invitation to Tender, was transparently conducted by posting the tender on the RMOW bid opportunities page and BC Bid. The public advertisement period extended from September 22, 2023, to October 24, 2023, during which potential bidders had the opportunity to familiarize themselves with the project. To facilitate communication and address any queries, a non-mandatory pre-tender site meeting was convened on October 5, 2023.

Three responsive and qualified tender submissions were received to execute the project. Following a thorough evaluation, it has been determined that the lowest price bid from Drake Excavating (2016) Ltd. (Drake), not only meets the necessary qualifications but is also fully compliant with the Instructions to Tender.

In consideration of the tender submissions, staff recommends the contract be awarded to Drake. The rationale for this recommendation is substantiated by both the competence of the low bidder and their adherence to the provided tender instructions.

The comparative analysis of the tender submissions is detailed in Table 1 – Tenderer's Submissions:

TENDERER		TOTAL PRICE (EXCLUDING GST)	VARIANCE TO ENGINEER'S ESTIMATE (%)
1	Drake Excavating (2016) Ltd.	\$6,138,500	-29

2	NAC Constructors Ltd.	\$7,697,023	-11
3	Coastal Mountain Excavations Ltd.	\$7,816,990	-9
Engineer's Estimate (HDR Inc.)		\$8,617,000	

The tabulated results indicate that Drake has submitted the most competitively priced bid, presenting a significant cost advantage with a -29 per cent variance to the Engineer's Estimate. This cost-effectiveness, coupled with their compliance with the project requirements, positions Drake as the preferred contractor for the SWWS Upgrade Project Phase II.

The RMOW looks forward to a successful collaboration with Drake, expressing confidence that their expertise will enhance the timely and efficient completion of Phase II of the SWWS Upgrade Project. Notably, Drake demonstrated their capabilities by successfully completing Phase I of this project and has a proven track record, having successfully executed various other infrastructure projects for the Infrastructure Projects Team over the past three years.

POLICY CONSIDERATIONS

Council Policy F-29: Procurement Policy and Administrative Procedure D-1: Procurement requires Council approval for any contracts over the value of \$500,000.

2023-2026 Strategic Plan

The 2023-2026 Strategic Plan outlines the high-level direction of the RMOW to help shape community progress during this term of Council. The Strategic Plan contains four priority areas with various associated initiatives that support them. This section identifies how this report links to the Strategic Plan.

Strategic Priorities

☐ Housing

Expedite the delivery of and longer-term planning for employee housing

☐ Climate Action

Mobilize municipal resources toward the implementation of the Big Moves Climate Action Plan

☐ Community Engagement

Strive to connect locals to each other and to the RMOW

☐ Smart Tourism

Preserve and protect Whistler's unique culture, natural assets and infrastructure

☒ Not Applicable

Aligns with core municipal work that falls outside the strategic priorities but improves, maintains, updates and/or protects existing and essential community infrastructure or programs

Community Vision and Official Community Plan

The OCP is the RMOW's most important guiding document that sets the community vision and long-term community direction. This section identifies how this report applies to the OCP.

Goals, Objectives, and Policies

Goal 12.1 of Whistler's OCP is to provide safe drinking water and reliable water supplies. This project is directly related to this goal, and specifically to the following objective and policy:

12.1.1. Objective Maintain a potable water supply system that continues to produce sufficient domestic water quantities for current and planned future development, and water quality that meets or exceeds the Canadian Drinking Water Guidelines and fulfils the requirements of the Permit(s) to Operate issued by the Local Health Authority.

12.1.1.1. Policy Maintain a water supply system, as illustrated in Schedule H, that continues to produce sufficient domestic and firefighting water quantities for current and planned future development, and water quality that meets or exceeds the Canadian Drinking Water Guidelines and fulfils the requirements of the annual Permit(s) to Operate issued by the Local Health Authority.

12.1.1.2. Policy Implement water conservation measures and water supply improvements, if required, while adhering to all provincial water conservation guidelines.

12.1.1.7. Policy Implement the recommendations in the Source Water Protection Plan (which is required under the annual Permit to Operate issued by the Local Health Authority).

12.1.1.8. Policy Investigate the resiliency of the water supply and distribution systems with respect to the impact of climate change and natural disasters.

BUDGET CONSIDERATIONS

The financial framework for the SWWS Upgrades Project Phase II is anchored in the approved budget provided under project code E203-07 Water Pump Station Upgrades. This project has successfully secured a grant under the Investing in Canada's Infrastructure Program – Environmental Quality Program, receiving funding from both the Provincial and Federal Government. The grant's total value amounts to \$4,486,482.

The comprehensive, multi-year project budget is delineated in Table 2 – Total Project Budget:

BUDGET CODE NUMBER & NAME	2023 BUDGET	2024 BUDGET	2025 BUDGET	TOTAL
E203-07 Water Pump Station Upgrades	\$2,961,000	\$7,500,000	\$1,150,000	\$11,161,000
Grant Funding Bylaw 2402	\$-1,000,000	\$-3,486,402	\$0	\$-4,486,402
Total	\$1,961,000	\$4,013,598	\$1,150,000	\$6,674,598

Table 3 – Drake Tender Results and Budget Comparison offers a detailed breakdown of the budget in

relation to the tender results for the specific activities associated with Drake:

BUDGET CODE NUMBER AND NAME	2024-2025 BUDGET	ENGINEERS COST ESTIMATE	DRAKE EXCAVATING (2016) LTD.	VARIANCE TENDER TO BUDGET (%)
E203-07 Water Pump Station Upgrades	\$8,650,000	\$8,617,000	\$6,138,500	-29
Total	\$8,650,000	\$8,617,000	\$6,138,500	-29

Notably, the project tender costs fall comfortably within the 2024-2025 budget, affirming the financial viability of the project. The budget analysis demonstrates a favorable outcome with Drake, as their tendered price exhibits a significant -29 per cent variance when compared to the allocated budget.

TOTAL 2024-2025 PROJECT COST OVERVIEW

Table 4 summarizes the estimated 2024-2025 project cost for procurement, construction, and contract administration. The -29 per cent variance between the engineer's estimate and Drake's bid is attributed to competitive market conditions, efficiency gains, contractor experience, and supply chain efficiencies. In the current market (in southwestern British Columbia), many contractors are bidding on municipal infrastructure projects, leading to more assertive contract bids. Despite the negative variance, the RMOW remains confident in the transparency of the bidding process and Drake's qualifications. This variance is seen as an opportunity to leverage cost efficiencies without compromising project quality. Ongoing monitoring and communication with the contractor will ensure success in delivering a high-quality and sustainable water infrastructure project.

Table 4 – 2024-2025 Estimated Project Cost and Budget:

BUDGET CODE NUMBER AND NAME	2024-2025 PROJECT COST – DRAKE EXCAVATING (2016) LTD.	2024-2025 CONTRACT ADMINISTRATION (CA) COST	PROGRAMMING AND COMMISSIONING	TOTAL 2024-2025 ESTIMATED PROJECT COST (TENDER PLUS CA PLUS PROGRAMMING)	TOTAL 2024-2025 BUDGET
E20307 Water Pump Station Upgrades	\$6,138,500	\$766,000	\$165,000	\$7,069,500	\$8,650,000
Total	\$6,138,500	\$766,000	\$165,000	\$7,069,500	\$8,650,000

LÍŁWAT NATION & SQUAMISH NATION CONSIDERATIONS

The RMOW is committed to working with the Líl'wat People, known in their language as *L'il'wat7úl* and the Squamish People, known in their language as the *Skwxwú7mesh Úxwumixw* to: create an enduring

relationship; establish collaborative processes for Crown land planning; achieve mutual objectives; and enable participation in Whistler's resort economy.

There are no specific considerations to include in this report.

COMMUNITY ENGAGEMENT

Level of community engagement commitment for this project:

☒ Inform ☐ Consult ☐ Involve ☐ Collaborate ☐ Empower

RMOW staff are proactively engaging with the community through various communication channels to discuss the project and its potential impact. The project team is dedicated to minimizing disruptions during the construction phase. An ongoing communication plan is being developed to inform the community about changes to the drinking water, with the rollout scheduled before the commissioning in Q1 of 2025. We are committed to maintaining open lines of communication and ensuring transparency throughout the project's lifecycle.

REFERENCES

Appendix A – E203-07 Tender Award Recommendation

SUMMARY

Staff recommend Council award the contract for the South Whistler Water Supply Upgrade Project – Phase II in the amount of \$6,138,500 (exclusive of GST) to Drake Excavating (2016) Ltd. This phase includes the construction of the Pump Station and Treatment Facility, incorporating tie-ins to the successfully completed Phase I works, along with commissioning and programming. It aligns with our commitment to long-term water system management, emphasizing sustainability and resilience in our infrastructure.

SIGN-OFFS

Written by:

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