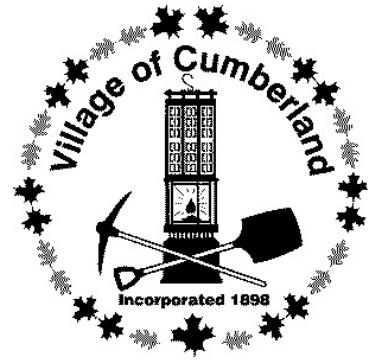


COUNCIL REPORT



REPORT DATE: September 2, 2026
MEETING DATE: September 8, 2026

File No. 5200-Capital Projects

TO: Mayor and Councillors
FROM: David Dougherty, Director of Engineering and Public Works
SUBJECT: 2026 Capital Works Tender Results- Sewer Separation

RECOMMENDATION

THAT Council approve the award of the 2026 Capital Works Tender for Sewer Separation to *David Stalker Excavating Ltd.* in the amount of \$1,057,132.50 (excluding GST); and

THAT Council Authorize the Chief Administration Officer to execute the contract;

PURPOSE

The purpose of this report is to provide Council with the results of our 2026 Capital Works Sewer Separation Project Tender for utility upgrade work and seek approval to award the construction to *David Stalker Excavating Ltd* as the lowest compliant tenderer. Implementation is intended to be starting fall of 2026 and wrapping up in the Spring of 2027.

PREVIOUS COUNCIL DIRECTION

Date	Resolution
June 22, 2026	That Council direct staff to reduce the scope of the 2026 Roads and Utilities project by separating the Penrith Avenue underground utility and surface works from the 2026 projects and proceed with the underground utility replacement work on the Lane South of Maryport and the Lane South of Windermere; and THAT staff report back to Council on design costs and considerations for parking and standardization of the Penrith Avenue surface works improvements and underground utility infrastructure replacement portion of the scope to be allocated under a separate project. THAT Council approve the expenditure of up to \$1,106,660 for 2026 underground utility replacement work for the lane South of Maryport and lane South of Windermere with • \$156,940 to be funded through Storm Drain Development Cost Charge Reserve; and • \$949,720 to be funded from Linear Asset Renewal Reserve;

	and THAT Council direct staff to bring forward an amendment to the adopted 2026- 2030 Financial Plan Bylaw to reflect this budget increase.
December 8, 2025	THAT Council direct staff to continue planning the 2026 Roads and Utilities Capital Works Projects to include Penrith Avenue from First Street to Fourth Street redesign as set out in the Penrith Avenue Improvements Project Drawing, November 2025.

BACKGROUND

Design work was completed this year for the areas shown on the map below and include:

- Lane South of Windermere Avenue from Second to Fifth Street (storm/sewer separation project)
- Lane South of Maryport Avenue from Third to Seventh Street (storm/sewer separation project)



These projects are part of an overarching sewer separation program to align with requirements of the Villages Liquid Waste Management Plan. The two laneway locations have been prioritized due to condition and size for this year and carry on from recently completed capital projects this summer under the 2025 Road and Utilities project which separated sewer upstream in the laneway south of Maryport from First Street to Second Street and along First Street as well as a section on Ulverston between third and Fourth Street.

The Scope of this year's capital works project is focused only on the replacement of failing underground sewer pipes and separation by way of adding storm mains and connections to each of the lots serviced within the laneways. Restoration of the laneways and intersections is expected to match existing conditions or better where applicable.

Lane South of Maryport between Third Street and Seventh Street

The scope of work for the storm and sanitary separation project in the lane south of Maryport remains relatively unchanged. However, during the pre-construction process, higher volumes of shallow bedrock was discovered which adds cost, time and complexity to the construction, which is factored in the estimation.

It should also be noted that all the underground utility replacement work for each project is being sized to accommodate the potential future demand from population growth and development. This requires installing larger pipe sizes in most cases as well as larger excavations, and additional rock removal when encountered. This is departure from past practice that involved only constructing the minimum size required to achieve compliance whenever possible.

The location of the service connections is also a challenge for this laneway as old or poor records may be inaccurate or not available for a many of the lots. This may result in additional effort needed to confirm location, size, material of the pipe and the depth. This effort is also considered in the estimation for the contact.

Lane South of Windermere between Second Street and Fifth Street

The scope of work for the storm and sanitary separation project in the lane south of Windermere remains relatively unchanged. However, during the pre-construction process, higher volumes of shallow bedrock was discovered which adds cost, time and complexity to the construction, which is factored in the estimation.

Continually, to Maryport area noted above all the underground utility replacement work for each project is being sized to accommodate the potential future demand from population growth and development.

The location of the service connections is also a challenge for this laneway and associated effort is needed to confirm location, size, material of the pipe and the depth. This effort is also considered in the estimation for the contact.

Competitive Procurement Process

Tender package ITT 2602 was completed by our design consultant, ISL Engineering, and was issued at the end of July for public tender and two addendums inclusive of an extension of tender closing to August 27th, 2026.

Five bid responses were received by closed envelop and ranged in value from \$1,109,898 up to \$1,574,960 inclusive of GST, as summarized in the table below.

Proponent-Contractor	Bid Results inclusive GST
David Stalker Excavating Ltd.	\$1,109,989.13
IWC Excavation Ltd.	\$1,311,066.75
Knappett Industries Ltd.	\$1,322,191.50
Milestone Equipment Contracting Inc.	\$1,491,789.60
Hazelwood Construction Services Inc.	\$1,574,960.10

The tender documents considered budget constraints permitting Council to reduce or remove projects included in the 2026 Capital Works Tender based on available funds.

Social procurement was considered as part of the tender process like in previous years capital works tenders and consistent with the Village's Social Procurement Framework. All bids had to meet the social procurement requirements to be considered. David Stalker Excavating Ltd. submission was able to demonstrate the following social procurement goals were met:

David Stalker Excavating submission was able to demonstrate the following social procurement goals were met:

- Meet or exceed wage rates for Comox Valley Region living wage values.
- Increasing the number of local jobs with opportunities for 1-4 local positions with industry experience and potentially 1-2 positions for inexperienced positions for this scale of project.
- Provide financial support to local community businesses by purchases of construction materials, food and drinks, supplies.
- Providing in-kind support to donation of company equipment and labour force may be used for designated community projects during time of project duration.
- Equipment fleet is of a newer series with environmentally friendly features to reduce emissions and security feature to ensure of situational awareness and supervision.

Please refer to the attached letter of Recommendation from the Consultant (ISL Engineering) for further bid submission details.

FINANCIAL IMPLICATIONS

Council approved a budget of \$2,199,549 for the 2026 Capital Works Sewer Separation Project at the June 22, 2026 Council meeting. Updated estimate based on the tender results is well within the approved budget inclusive of design, construction, permits, other soft costs and 10% contingency. Any unused funds will remain available for future projects.

The approved funding is included in the table below.

Projects	Linear Asset Renewal Reserve	DCC - Storm	Total
Lane south of Windermere	\$811,148	\$79,067	\$890,215
Lane South of Maryport Avenue	\$1,231,462	\$77,873	\$1,309,335
Total	\$2,042,610	\$156,940	\$2,199,550

Engineering Services

ISL Engineering provided the design and tendering services and will oversee the contract administration for this project. Engineering services will be subject to the 7% Provincial Sales Tax (PST) starting October 1, 2026 per the Province 2026 Budget. PST represents an additional cost to the Village.

Grants

Staff has applied to the Build Communities Strong Fund (BCSF) in July 2026 for a potential grant funding of up to 40% of the value of the project. This project is a fair candidate for this stream of applicants. The Direct Delivery stream will provide \$6 billion over 10 years directly to eligible recipients to support regionally significant, local, and climate adaptation infrastructure projects. Of the \$6 billion, \$1 billion will be dedicated to smaller-scale projects administered by Canada's seven Regional Development Agencies. At the time of this report, staff have not been notified of any announcements.

Any successful grant funding will be included in the financial plan as a budget amendment, and it is expected that grant funding will offset portions of the budget increase recommended in this report if successful.

OPERATIONAL IMPLICATIONS

As with any capital work project, time from our Public Works crew will be required along with our Engineering staff, both during the project and upon completion, to inspect the completed works. The importance of these works occurring should be noted as we spend a fair amount of time maintaining old pipes, asphalt surfaces and reacting to sewer backup and watermain break calls.

CLIMATE CHANGE IMPLICATIONS

No direct climate change implications for the proposed work other than adverse weather that may impact the construction schedule have been identified and carbon emissions resulting from the work vehicles will be reported in the annual reporting for the Local Government Climate Action Plan. THE outcomes of this project are in alignment with one of the key requirements under the Stage 3 Liquid Waste Management Plan (LWMP) to separate combined sewers.

ALTERNATIVES

- i. THAT Council approve the award of the 2026 Roads and Utilities Capital Works Tender to David Stalker Excavating Ltd. for a reduced and specified scope; and
THAT Council Authorize the Chief Administration Officer to execute the contract.
- 1. Cancel the tender and not award the construction work to David Stalker Excavating Ltd.
- 2. Not proceed with any action at this time.

STRATEGIC OBJECTIVE

- ☐ Diverse & Healthy Community
- ☒ Sustainable Service Delivery & Asset Management
- ☐ Community Planning

ATTACHMENTS

- 1. 2026 Sewer Separation Package, ITT-2602 Tender Summary and Recommendation, September 2, 2026

CONCURRENCE

Annie Bérard-Ball, Director of Corporate Services **ABB**

Respectfully submitted,

D. Dougherty

David Dougherty
Director of Engineering and Public Works

M. Mason

Michelle Mason
Chief Administrative Officer



250-470 Puntledge Road, Courtenay BC V9N 3R1, T: 250.361.3230

September 2, 2026
ISL Reference: 34445

Village of Cumberland
2673 Dunsmuir Avenue
Cumberland, BC V0R 1S0

Attention: David Dougherty, Director of Engineering and Public Works

Dear David Dougherty:

Reference: 2026 Sewer Separation Package
CONTRACT NO. ITT-2602

As you are aware, tenders closed for the above contract on August 27, 2026 at 3:00 p.m. Five completed tenders were received and reviewed by ISL for accuracy (detailed summary attached). The tender values appear as below:

<u>Contractors:</u>	<u>Tender price (inclusive of GST)</u>
Hazelwood Construction	\$1,574,960.10
Milestone Equipment Contracting Inc	\$1,491,789.60
Knappett Industries (2006) Ltd.	\$1,322,191.50
IWC Excavation Ltd.	\$1,311,066.75
David Stalker Excavating Ltd.	\$1,109,989.13

All the tenders and the values have been checked and are correct arithmetically for the amounts shown above.

The above tenders are in compliance with the Village of Cumberland's Instructions to Tenderers. Based on the above, we recommend awarding the contract to the low bidder, which in this case is David Stalker Excavating Ltd., for the amount of \$1,109,989.13, inclusive of GST.

Should you have any concerns or require additional clarification in this regard, please call.

Sincerely,

Tyler Kenworthy
Contract Administrator

TK/md
Attachmen