April 2, 2009

DRINKING WATER TUNNEL COMPLETION CONTRACT AWARDED

Metro Vancouver has finalized negotiations and awarded a contract to the Seymour-Cap Partnership – comprising the companies Frontier-Kemper/J.F.Shea/Aecon – for completion of the twin tunnels component of the Seymour Capilano Filtration Project.

The Seymour-Cap Partnership bid $181 million to complete the tunnels, and will proceed using the original engineering design and the two tunnel boring machines currently in place.

The project, which will provide filtration and ultra-violet disinfection of drinking water from two of Metro Vancouver’s three source water supplies, has four key elements: the filtration plant, located in the Lower Seymour Conservation Reserve; the Capilano pumping station; twin tunnels that will convey water from the Capilano source to the plant for treatment and return treated water for distribution; and an energy recovery facility.

While both the filtration plant and energy recovery facility are nearing completion, and the pumping station is complete, work on the twin tunnels was halted in January of 2008 by Bilfinger-Berger Canada Inc., the original contractor. Bilfinger-Berger refused to proceed with work in accordance with the contract, and as a result its right to perform further work was terminated in May, 2008.

In the late summer and fall of 2008, Metro Vancouver conducted a pre-qualification and RFP process inviting proposals from potential contractors capable of completing the two 7.1 kilometre, 3.8 metre diameter tunnels. Following pre-qualification, three consortia were identified. Two of the three consortia submitted compliant bids.

Initially budgeted at $200 million, which included Bilfinger-Berger’s $105 million contract for tunnel construction as well as engineering, tunnel liner and other associated expenditures, overall costs for the tunnels component are projected to double to $400 million.

Metro Vancouver has filed suit and intends to recover the additional costs of completing the tunnels from Bilfinger-Berger. A trial date has not been set.

Work on the tunnels is expected to commence in April, with completion anticipated at the end of 2012 or early 2013. Filtration plant construction is expected to be completed this spring and the plant fully operational by the fall.

For information, please call the Metro Vancouver Information Centre at 604 432-6200.