

February 27, 2009

Mayor and Council
Corporation of the District of Central Saanich
1903 Mount Newton Cross Road
Saanichton, BC V8M 2A9

**Project and
Construction
Management**

1162 Fort Street
Victoria, B.C.
V8V 3K8
Telephone 385-1505
Facsimile 385-9851

Dear Mayor Mar and Members of Council:

Re: Mount Newton / Senanus Drive Watermain Extension

We have examined the report dated February 19, 2009 prepared by Genivar, specifically the subject extension of the watermain along Mt. Newton X Rd. & Senanus Drive to provide **residential demands only**.

We are pleased to submit the following firm price for the design and construction of the extension as per items 1.0 and 2.0 and the project cost summary on Page 24 of the report (the "Construction Cost Estimate").

The price includes:

- Engineering design
- Construction administration
- A contingency in the amount of \$205,000
- Performance and Maintenance Bond covering the hard cost of construction.

Total Price: **One Million Four Hundred and Ninety Thousand Dollars (\$1,490,000).**

Denford Construction Management Ltd. (DCM Ltd) will provide the guarantee of the maximum cost as outlined above and the complete construction and administration of the project for a fee of One Dollar, **(\$1.00)**.

Acting on behalf the Municipality, DCM Ltd. will provide it with detailed monthly reports of work completed, costs to date and cost to complete in order to ensure that any additional savings achieved are passed on to the benefit of the local service area residents.

This proposal is open for acceptance until 4pm March 31, 2009. We are prepared to proceed with the engineering design. We estimate it will take 90 days to complete surveys and design to the Municipal standards and a further 90 days to complete the construction.

We are prepared to proceed with the engineering design immediately and the construction as soon as the plans are approved.

We will be pleased to meet with you and your staff to discuss this proposal in detail.

Yours very truly,



Denford Construction Management Ltd.
Gordon Denford, President

DENFORD
CONSTRUCTION - MANAGEMENT