



CITY OF RICHMOND

REPORT TO COMMITTEE

TO: Public Works and Transportation Committee
FROM: Robert Gonzalez, P. Eng.
 Director, Engineering
RE: **2006 Capital Program Project by City Forces**

DATE: December 23, 2005
FILE: 6340-20-P.04401

STAFF RECOMMENDATIONS

That City forces be authorized to construct the 2006 Broadmoor Watermain Replacement Project with the approved 2006 Capital Budget of \$812,000.

Robert Gonzalez, P. Eng.
 Director, Engineering

FOR ORIGINATING DIVISION USE ONLY					
ROUTED TO:		CONCURRENCE		CONCURRENCE OF GENERAL MANAGER	
Water Services		Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
Budgets		Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
REVIEWED BY TAG		YES		N/A	
		<input checked="" type="checkbox"/>	<i>DW</i>	<input type="checkbox"/>	
REVIEWED BY CAO			YES		N/A
			<input checked="" type="checkbox"/>	<i>CD</i>	<input type="checkbox"/>

STAFF REPORT

ORIGIN

City Purchasing Policy No. 3102 states that any project exceeding \$250,000 “*shall require a publicly tendered contract.*” In past years, Council has received and approved reports from staff recommending an exemption to this Policy whereby City forces could be utilized to complete watermain replacement projects that exceeded \$250,000 without going through the public tendering process.

This report is to obtain Council’s approval for City Forces to complete the Broadmoor Watermain Replacement Project with the 2006 approved Capital Budget of \$812,000.

DISCUSSION

City forces have demonstrated the skill to successfully undertake watermain replacement projects within local subdivisions in an efficient and cost effective manner. Maintaining a philosophy of project completion by City Forces provides an opportunity for the City to:

- Maintain and enhance construction skills essential for day-to-day operations and emergency situations.
- Maintain the viable option to keep the private sector “in-check”, particularly during these periods of high construction activity.
- Provide cost certainty in this highly volatile construction market we are currently experiencing.

City forces were contracted to complete the 2004 Broadmoor and 2005 More Subdivision Watermain Replacement Projects. Watermain projects of a similar nature were also publically tendered as part of the 2004 Capital Program and awarded to the private sector. A unit price cost comparison is contained in Appendix A. We wish to note that due to the large increase in construction costs over the past two years, one should take that into consideration when comparing 2004 to 2005 costs.

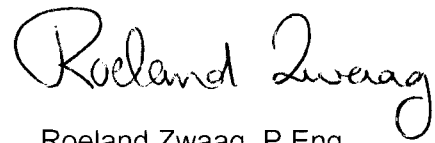
As staff have demonstrated effective project completion in the past, it is recommended that the present philosophy be continued and that City forces be utilized to construct the 2006 Broadmoor Watermain Replacement Project (Budget \$812,000).

FINANCIAL IMPACT

The 2006 Broadmoor Watermain Replacement Project budgeted at \$812,000 was included as part of the approved 2006 Capital Program and has dedicated funding from the Water Utility.

CONCLUSION

Staff recommends that City forces complete the 2006 Broadmoor Watermain Replacement Project.

A handwritten signature in black ink that reads "Roeland Zwaag". The signature is written in a cursive, flowing style.

Roeland Zwaag, P.Eng.
Project Engineer, Engineering Design & Construction

RZ:rz

Appendix A

2004/2005 Watermain Replacement Cost Comparison

Local subdivision projects

Project Name	Contractor	Size	Cost * (\$ / metre)
Broadmoor Watermain (2004)	City Forces	150 mm	\$ 290
More Subdivision (2005)	City Forces	150/200 mm	\$ 446
Baker View (2004)	Pedre Contractors	150 mm	\$ 442
More Subdivision (2004)	Pedre Contractors	150/200 mm	\$ 383

* Cost includes City tie-ins and all other costs associated with the construction of the project.