



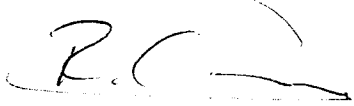
City of Richmond

Report to Committee

To Public Works & Transportation - June 23, 2004
To: Public Works and Transportation Committee **Date:** May 26, 2004
From: Robert Gonzalez, P.Eng. **File:** 03-1000-20-T.1563
 Director, Engineering
Re: **Contract T.1563 – 2004 Watermain Replacement**
Viking Way (Bridgeport Rd. to Vulcan Way), Bakerview Subdivision, and
Mores Subdivision

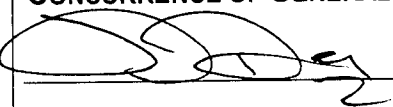
Staff Recommendation

That the City of Richmond enter into a contract with Pedre Contractors Ltd., in accordance with Contract T.1563 – 2004 Watermain Replacement, for the total amount of \$955,880.00.



Robert Gonzalez, P.Eng.
 Director, Engineering
 (4150)

Att. 1

FOR ORIGINATING DIVISION USE ONLY					
ROUTED TO:		CONCURRENCE		CONCURRENCE OF GENERAL MANAGER	
Water Services	Y	<input checked="" type="checkbox"/>	N		
Budgets	Y	<input checked="" type="checkbox"/>	N		
REVIEWED BY TAG		YES	NO	REVIEWED BY CAO	
		<i>fall</i> <input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>fall</i> <input checked="" type="checkbox"/>	

Staff Report

Origin

This project is part of the 2004 Capital Works Program.

Background

The work proposed under this project includes replacement of the existing Asbestos Cement (AC) watermains with new PVC mains. The existing AC mains are at or near the end of their life expectancy, and in order to reduce maintenance costs associated with pipe failure, their replacement is required. The planned watermain replacements are in the Mores and Bakerview subdivisions, and along Viking Way, between Bridgeport Road and Vulcan Way.

Construction is expected to start in July and be complete by the end of October subject to weather and other uncontrollable delays.

According to Policy 3102.01, *Purchasing and Publicly Tendered Contracts*, the CAO, together with the General Manager, Engineering and Public Works, can award the contract provided the conditions of this policy are met. One of the conditions of the policy is that a minimum of three qualified tenders must be received.

Since only two qualified tenders were received, award of Tender No. T.1563 must therefore be approved by Council.

Analysis

Tenders were received from Pedre Contractors Ltd., and Progressive Contracting (Delta) Ltd., as highlighted in Table 1. The bid received from Progressive Contracting (Delta) Ltd., contained a mathematical error and the Tender Price reflected below represents the corrected total.

Staff also included a greater quantity of watermain replacement in the tender than the original scope of work in the event that we received tender prices lower than our project estimates. The tender allows the City to delete the additional scope of work without penalty should the tender prices with the additional watermain replacement exceed our budget.

The lowest bid received from Pedre Contractors Ltd., with the additional work included exceeds the approved budget. Accordingly the bids received were adjusted to remove the additional work as noted in Table 1.

Table 1 – Tender No. T.1563 Results

Company	Tender Price	Tender Price with Optional Work Removed
Pedre Contractors	\$ 1,465,720.00	\$ 955,880.00
Progressive Contracting	\$ 1,771,776.00	\$ 1,151,134.00

Based upon the tender price received from Pedre Contractors Ltd., with the optional work removed, the work can be completed within the approved budget as shown in Appendix A. Accordingly, staff recommends that Council award the contract to Pedre Contractors Ltd.


Financial Impact

Funding details are shown in Appendix A.

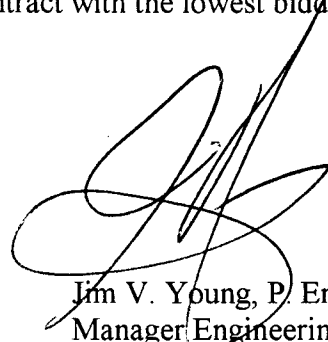
Current Funding Available	\$ 1,566,100.00
Funding Required	<u>\$ 1,552,625.21</u>
Remaining Balance	<u>\$ 13,474.79</u>

Conclusion

Staff recommends that the City enter into a contract with the lowest bidder, Pedre Contractors Ltd., in the amount of \$955,880.00.



Scott Groves, P.Eng.
Project Engineer
(4179)



Jim V. Young, P/ Eng.
Manager Engineering Design and
Construction
(4610)

JVY/SG:cjr

APPENDIX A

Tenders Received

Company	Tender Price	Tender Price with Optional Work Removed
Pedre Contractors	\$ 1,465,720.00	\$ 955,880.00
Progressive Contracting	\$ 1,771,776.00	\$ 1,151,134.00

Total Project Cost With Optional Work Removed

	Total
Project Budget (2004 Capital Program)	\$ 1,566,100.00
Pedre Contractors Limited	\$ 955,880.00
Utility Charges	\$ 60,000.00
Landscaping	\$ 65,000.00
City Forces (watermain tie ins)	\$ 332,000.00
City Overhead (5%)	\$ 69,144.00
Contingency (5%)	\$ 72,601.21
Funding Required	\$ 1,552,625.21
Excess Funds	\$ 13,474.79

Funding Sources

Funding Source: Tender T.1563	Project	Funding Approval to Date	Total Package Funding Required	Additional Funding Required (Unallocated)
2004 – Water Utility Capital	Mores Subdivision	\$ 595,000.00	\$ 583,781.28	(\$ 11,218.72)
2004 – Water Utility Capital	Bakerview Subdivision	\$ 344,000.00	\$ 342,425.48	(\$ 1,574.52)
2004 – Water Utility Capital	Viking Phase 2	\$ 627,100.00	\$ 626,418.45	(\$ 681.55)
TOTAL		\$ 1,566,100.00	\$ 1,552,625.21	(\$ 13,474.79)