



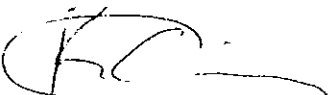
City of Richmond

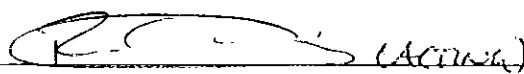
Report to Committee

To: General Purpose Committee *To General Purposes - Sep 4, 2007*  
 From: Robert Gonzalez, P.Eng. Date: August 21, 2007  
 Director, Engineering File: *03-1000-20-T.3042*  
 Re: T.3042 - Aztec Area Drainage Upgrades and Water main Replacement -  
 Transfer of Funds

Staff Recommendation

That transfer of \$500,000 in funding from the 2006 No. 2 Road – Steveston Highway to Monteith Road (40449), Broadmoor AC water main replacement (40446), and Comstock AC water main replacement (40447) projects to the 2006 Aztec water main replacement and drainage upgrades (40333) project be approved to award Contract T.3042.

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

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<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>	
Budgets .....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	 (ACIWA)	
<b>REVIEWED BY TAG</b>	YES <input checked="" type="checkbox"/> <i>GI</i> NO <input type="checkbox"/>	<b>REVIEWED BY CAO</b>	YES <input checked="" type="checkbox"/> <i>GI</i> NO <input type="checkbox"/>

## Staff Report

### Origin

The 2006 Aztec water main replacement and drainage upgrades project was included in the Capital Program. Tenders to complete drainage upgrades and water main replacement in the Aztec Area of the City under Contract No. T.3042 closed on June 28, 2007. Based upon the lowest bid received from B. Cusano Contracting Inc., the total estimated cost for this project exceeds the budget approved by Council as part of the 2006 Capital Program.

The purpose of this report is to request Council's authorization to complete three funding transfers from projects that were successfully completed and have excess funds remaining, to allow the City to award the contract and enable the Aztec project to proceed.

### Analysis

The City has an ongoing program whereby ageing asbestos cement water mains are replaced on an annual basis through the Capital Program. Furthermore, the City completed a drainage system capacity assessment of the Aztec area and identified that the storm sewers also required upgrading. The scope of work for contract T.3042 includes the installation of 500 metres of 900mm diameter storm sewer and 500 metres of 200mm/300mm diameter water main along the same section of Dallyn Road.

The Capital Budget of \$900,000 to complete water main replacement and drainage system capacity upgrades was approved by Council in 2006. Since Council approval, the complexity of the water main replacement work has increased from that originally anticipated. The total estimated costs to complete the contract items is \$1,378,000. See Attachment 1 for detailed breakdown of total estimated costs and funding availability.

Given the current construction climate, staff strategically tendered the Aztec project in the early summer and provided considerable schedule flexibility for the contractor to obtain the best price possible. Staff also combined the water main replacement and drainage upgrades in one contract to reflect economy of scale and achieve efficiencies. Only one bid was received.

Staff does not consider re-tendering an appropriate option given that the work needs to be completed in the dry months. Also, experience has shown that re-tendering does not result in lower bids given the current construction market conditions.

In order to proceed with award of Contract T.3042 to B. Cusano Contracting Inc., additional funding is required.

Staff have identified suitable 2006 projects which were successfully completed under budget. The 2006 No. 2 Road – Steveston Highway to Monteith Road project has \$130,000 remaining, the 2006 Broadmoor AC water main replacement project has \$150,000 remaining, and the 2006 Comstock AC water main replacement project has \$220,000 remaining.

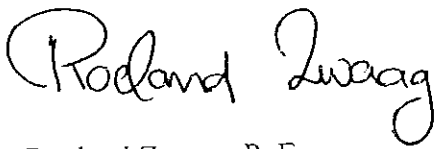
Staff assessed the one bid received and deems it to reflect fair market value. It is therefore recommended that the funding transfer is completed in to order to award Contract T.3042.

**Financial Impact**

Award of contract T.3042 and completion of the Aztec area drainage upgrades and water main replacement requires the transfer of \$500,000 from 2006 projects already completed (Attachment 1).

**Conclusion**

Staff received one tender for work under Contract T.3042 for upgrading storm sewer and replacing water main in the Aztec area. In order to proceed with this project, a funding transfer is required.



Roeland Zwaag, P. Eng.  
Project Engineer  
(4377)

RZ:rz

## Attachment 1

Summary – Total Estimated Costs and Funding Availability

<b>Available Funding (2006 Capital Program)</b>	
AC Aztec Area Drainage Upgrades and Watermain Replacement (40333)	\$ 900,000
Transfer from No. 2 Road Project (40449)	\$ 130,000
Transfer from Broadmoor Project (40446)	\$ 150,000
Transfer from Comstock Project (40447)	\$ 220,000
<b>Total Available Funding</b>	<b>\$ 1,400,000</b>
<b>Estimated Costs</b>	
Contract T.3042	\$ 1,050,000
<u>Work by City Forces</u>	
Water main tie-ins and water service transfers	\$ 100,000
Tree Trimming / Protection	\$ 25,000
Terasen Gas Work	\$ 50,000
Hydro / Tel / Shaw Work	\$ 25,000
<b>Subtotal</b>	<b>\$ 1,250,000</b>
5% Overhead	\$ 62,500
5% Contingency	\$ 65,625
<b>Total Estimated Costs</b>	<b>\$ 1,378,125</b>
<b>Total Funds Remaining</b>	<b>\$ 21,875</b>