



CITY OF RICHMOND

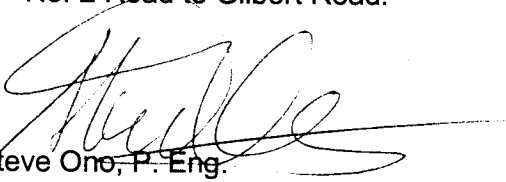
REPORT TO COMMITTEE

TO: Public Works and Transportation Committee **DATE:** August 27, 2002
FROM: Steve Ono, P. Eng. **FILE:** 0775-20
Director, Engineering & Public Works
RE: Contract T.1536 – Watermain Construction
Westminster Highway from No. 2 Road to Gilbert Road


STAFF RECOMMENDATION

It is recommended that:

1. That the City of Richmond enter into a contract with Pedre Contractors Limited in accordance with Contract T.1536 – Watermain Construction - Westminster Highway from No. 2 Road to Gilbert Road in the total tendered amount of \$402,330 plus GST.
2. An additional \$119,870.00 from completed 2001 watermain replacement capital projects, detailed in Appendix A, be allocated to Westminster Highway Watermain Construction from No. 2 Road to Gilbert Road.



Steve Ono, P. Eng.
Director, Engineering

| FOR ORIGINATING DIVISION USE ONLY | | |
|-----------------------------------|--|--|
| ROUTED TO: | CONCURRENCE | CONCURRENCE OF GENERAL MANAGER |
| Budget..... | Y <input checked="" type="checkbox"/> N <input type="checkbox"/> |  |

STAFF REPORT

ORIGIN

This project is part of the 2002 Capital Works Program. In addition, it has been approved for a grant under the Canada / British Columbia Infrastructure Program and is eligible for 2/3 funding to a maximum of \$303,332.00.

BACKGROUND

The project will replace the existing 300 mm diameter AC watermain along Westminster Highway from Gilbert Road to No. 2 Road with a restrained plastic 300 mm diameter watermain. This section of watermain has been identified as a key element in emergency water supply for the City. The new watermain will be better able to withstand the effects of an earthquake.

Construction is expected to start in September 2002 and be completed by the end of November 2002, subject to weather and other uncontrollable delays.

Tender Results

The consultant's pre-tender estimate was \$318,000.00. The City received 6 tenders for this project, which the City's Engineering staff reviewed. Tenders were as follows:

| TENDERER | TOTAL TENDERED AMOUNTS |
|---|-------------------------------|
| Pedre Contractors Limited | \$ 402,330.00 |
| Lups Contractors Limited | \$ 496,243.00 |
| Directional Mining and Drilling Limited | \$ 497,700.00 |
| Sandpiper Contracting Limited | \$ 535,435.00 |
| Progressive Contracting (Delta) Limited | \$ 549,100.00 |
| JJM Construction Limited | \$ 635,000.00 |

ANALYSIS

All tenders were checked for legal or mathematical errors. The low bidder for contract T.1536 is Pedre Contractors Limited. This contractor has successfully completed similar projects in the past and is therefore acceptable to staff.

FINANCIAL IMPACT

Funding details are shown in APPENDIX A.

| | |
|----------------------------|----------------------|
| Funding Required | \$ 519,870.00 |
| Current Funding Available | \$ 400,000.00 |
| Additional Funding Sources | <u>\$ 119,870.00</u> |
| Balance | <u>\$ 0.00</u> |

The necessary additional funds are available from the following 2001 completed projects:

| | Project Budget | Remaining Funds |
|---|----------------|-----------------|
| Westminster Highway – No. 4 Rd to No. 5 Rd Watermain Replacement | \$ 510,000 | \$ 77,260.28 |
| Westminster Highway – No. 6 Rd to No. 7 Rd Drainage and Watermain Construction | \$ 1,379,600 | \$ 133,562.15 |

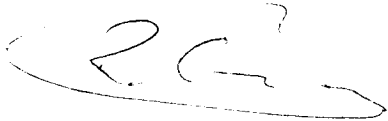
Staff propose that the necessary additional funds be drawn equally from each of the above projects. Allocating \$144,620.00 in additional funds from these projects will have no impact on current capital projects and will provide sufficient funds for this project to proceed.

DISCUSSION

Based upon the tender results, the complexity of watermain construction on Westminster Highway combined with a busy construction industry resulted in higher than anticipated costs for this project. Four of the six bids were within approximately 10% of one another indicating that re-tendering will most likely result in a higher price. The low bid is almost 20% lower than the next lowest bid. Therefore re-tendering is not recommended.

CONCLUSION

The tender being recommended for award is the lowest of the tenders received. The tender from Pedre Contractors Limited has been reviewed and is in order. It is therefore recommended that the project be awarded to Pedre Contractors Limited



Robert Gonzalez, P.Eng.
Manager, Engineering Design and Construction

APPENDIX A

| COST BREAKDOWN: TENDER NO. T. 1536 | |
|---|----------------------|
| Tender | \$ 402,330.00 |
| GST (3%) | \$ 12,070.00 |
| Overhead on Tender (5%) | \$ 20,720.00 |
| Utility Amount | \$ 5,000.00 |
| City Amount (9 tie-ins by Water crews) | \$ 55,000.00 |
| Sub-Total | \$ 495,120.00 |
| Contingency (5%) | \$ 24,750.00 |
| Estimated Total Project Cost | \$ 519,870.00 |

Funding sources are as follows:

| Funding Source: Tender T.1536 | Project | Funding Approval to Date | Total Package Funding Required | Additional Funding Required |
|--|---------------------------------------|---|---|--|
| 2002 – Water Utility | Westminster Hwy – Gilbert to 2 Rd. | \$ 400,000.00 | \$ 519,870.00 | \$ 119,870.00 |
| TOTAL | | \$ 400,000.00 | \$ 519,870.00 | \$ 119,870.00 |

Additional funding source is as follows:

| Funding Source: Tender T.1536 | Bylaw Funds Approved | Current Excess Unallocated Bylaw Funds* | Total Package Funding Required | Remaining Excess Unallocated Bylaw Funds |
|--|---------------------------------|--|---|---|
| Westminster Highway – No. 4 Rd to No. 5 Rd | \$ 510,000.00 | \$ 77,260.28 | \$ 59,935.00 | \$ 17,325.28 |
| Westminster Highway – No. 6 Rd to No. 7 Rd | \$ 1,379,600.00 | \$ 133,562.15 | \$ 59,935.00 | \$ 73,627.15 |
| TOTAL | \$ 1,940,600.00 | \$ 210,822.43 | \$ 119,870.00 | \$ 90,952.43 |

*Note excess bylaw funds are a result of watermain projects completed within budget.