



To: General Purposes Committee

Date: August 14, 2007

From: Greg Scott, P. Eng.
Director, Major Projects


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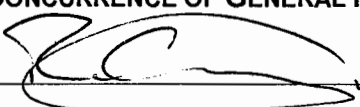
Re: Award of Contract T.3060 - Hydro Undergrounding - River Road, No. 2 Road to Hollybridge Way, Elmbridge Way and Alderbridge Way to Westminster Hwy.

Staff Recommendation

That Contract T.3060: Hydro Undergrounding - River Road, No. 2 Road to Hollybridge Way, Elmbridge Way and Alderbridge Way to Westminster Hwy., be advanced and awarded to the lowest bidder Fred Thompson Contractors (1991) Ltd. for the total amount of \$1,962,122.00 (with \$311,514 to be recovered from Bell and Shaw) from the 2007 River Road Re-Alignment capital project, in order to;

- Take advantage of a BC Hydro Beatification Grant (up to a potential maximum of \$480,000); and
- Meet timelines to service the Oval as committed by BC Hydro to VANOC.

for 
 Greg Scott, P. Eng.
 Director, Major Projects

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ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Budgets	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/> GS NO <input type="checkbox"/>	REVIEWED BY CAO	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Staff Report

Origin

In order to allow the creation of the Oval Lands subdivision, River Road had to be realigned between No. 2 Road and Hollybridge Way. As part of the Oval Lands subdivision, existing underground Telus utilities along old River Road have to be relocated while new foreign utilities (BC Hydro, Telus, Shaw and Bell) are required along the re-aligned River Road.

Although a budget of \$7M was approved by Council for the realignment of River Road including the construction of a new bridge over Hollybridge Way canal, it did not include BC Hydro Undergrounding. The Hydro Undergrounding was scheduled for the 2008 capital program to be constructed later that year.

BC Hydro staff notified the City of the opportunity of receiving a BC Hydro Beautification Grant of one-third (1/3) cost sharing to the Hydro Undergrounding project. As such, City staff advanced the application with the understanding that funds from the River Road Re-Alignment project would be used in the interim to cover the Hydro Undergrounding and that these funds will be replaced through the 2008 capital submission. Upon being advised that BC Hydro approved the grant (with a potential maximum of \$480,000), it is required that the hydro undergrounding works be advanced.

To this effect, City staff have made a 2008 capital submission of \$1,650,000 for the BC Hydro works as well as another capital submission of \$185,000 to cover Telus' direct costs related to the underground utility relocation.

These utility works were issued for tender in July 2007. To avoid unnecessary reconstruction of the new River Road and to provide the required communication services to the Oval complex, both Bell and Shaw civil works were included in the tender, but as optional items. This report presents the result of the tender process, and recommends award of the contract to the lowest bidder, Fred Thompson Contractors (1991) Ltd.

Analysis

A tender opening was held on August 13, 2007, at which two tenders were received:

No.	Name of Bidder	Total Tendered Amounts
1.	Fred Thompson Contractors (1991) Ltd	\$1,962,122
2.	Hyland Excavating Ltd.	\$2,751,572

Corporate policies and procedures were followed in the soliciting of the above bids.

The lowest bid of \$1,962,122 from Fred Thompson is derived as follows:

Item No.	Description	Tendered Amounts
H1	BC Hydro Works – Lump Sum Price	\$1,181,311
H2	Telus Works – Lump Sum Price	\$469,297
H3	Shaw Works – Lump Sum Price (Optional)	\$279,724
H4	Bell Works – Lump Sum Price (Optional)	\$31,790
	Total Tendered Price	\$1,962,122

The bid prices for the works relating to Item No. H3 and H4 are at Shaw's and Bell's expense. The City is responsible for the works relating Item No. H1 and H2, which equates to **\$1,650,608** and is proposed to be funded through the existing River Road capital budget and the 2008 capital submissions.

Financial Impact

The undergrounding of private utilities for River Road was scheduled for 2008. Given the BC Hydro Grant, which is time sensitive, staff are recommending that these works be funded in the interim through the 2007 River Road Re-Alignment capital project.

The estimated net cost to the City upon completion, including full reimbursement of potential grants and recovered amounts from Bell and Shaw, is \$1,170,608.

Conclusion

Although there is sufficient funds in the River Road Relocation project to cover the foreign utility works for 2007, these funds have to be replaced (through 2008 capital submission) in order to allow the River Road Relocation project (i.e. ultimate River Road and Road "C") to be completed in 2008 and for the City to take advantage of the BC hydro grant funding.



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