
CITY OF KELOWNA

MEMORANDUM

Date: May 30, 2001
File No.: Z97-1021
To: City Manager (Ron Born)
From: Development Engineering Manager (Steve Muenz)
Subject: Glenmore Road from Summit Drive to north of Glenmeadows Road

RECOMMENDATION

That the City of Kelowna enter into an agreement with Vintage Properties Inc. entitled "Glenmore Road from Summit Drive to north of Glenmeadows Road Agreement" for the construction of a portion of Glenmore Road at a value of \$1,037,324.20.

AND THAT the Mayor and City Clerk be authorized to execute and affix the corporate seal to this agreement;

BACKGROUND

This applies to the portion of Glenmore Road from Summit Road to north of Glenmeadows Road. The road works include the four laning and the urbanization of the road as well as the necessary utility construction. The completed construction will be similar to that portion of Glenmore Road south of Summit Road.

Council adopted bylaw No. 8450 (Z97-1021) commonly known as the Conservatory on September 25, 2000.

As a result of the development and subdivision of this land, the developer is responsible to construct the eastern portion of Glenmore Road fronting the subject property. This is in addition to road works on Summit Drive and Valley Road fronting this property.

The City, as part of the 2001 budget, intended to construct the western half of Glenmore Road adjacent to this development.

Subsequent to receiving design drawings for the entire road (City portion designed as part of the initial Glenmore Road Upgrade project), the City met with the developer to review contract administration. Three options were discussed:

- 1) City administer its portion and the developer administer its portion – result would be two contracts and possibly two contractors

- 2) City administer the entire project and take cash-in-lieu from the developer – result would be one contract and one contractor
- 3) Developer administer the entire project and the City enter into an agreement with the developer – result would be one contract and one contractor

The developer indicated that he wanted to control his responsibilities. Staff felt from a cost and management effectiveness point of view, one contractor was the direction to pursue.

The developer had single-sourced his contractor, Matcon Construction Ltd. Staff was prepared to recommend this option to Council provided that the costs were representative of current City projects and City estimating values. Staff compared the contractor's unit rates for the road works with various contracts including the recent Pandosy Road contract and the City estimating values. The construction cost submitted by the developer's contractor is approximately 10.5% lower in comparison to the Pandosy Road contract and the City estimating values. Staff concludes that the construction cost is a good value for the City and recommends proceeding with the developer on this basis.

The developer is also using the same consultant (Earth Tech) for their works, as would have the City if we would conduct the normal construction tendering and construction process. There will also be cost savings in valued City time to manage and administer the contract.

Staff believes this arrangement ensures the best coordination of the completion of both the developer's and City's road work. The City's share of costs was verified through units of work and unit costing.

Other costs, that are independent of the contractor, are the utility costs, material testing and engineering. These are included below to reflect the City's obligation.

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| The costs are: | Contractor – Matcon: | \$ 748,746.50 |
| | Utilities & Materials Testing: | \$ 175,468.50 |
| | Engineering & GST | \$ 113,109.20 |
| | TOTAL | \$1,037,324.20 |

Funding for this project is available from Account No. 3400-R3884.

Steve Muenz, P.Eng.
Development Engineering Manager

John Vos
Director of Works and Utilities