
City of Kelowna

MEMORANDUM

DATE: October 11, 2001
FILE: 4100-00
TO: City Manager
FROM: Dennis Radford
RE: PROMONTORY GREEN INTERMENT GARDEN CONTRACT T01-92

RECOMMENDATION:

THAT Council award the construction of the Promontory Green Interment Garden to the low bidder Carrier Mausoleums Construction Inc., for a total lump sum bid price for all components of the feature of Eight Hundred Eighty-One Thousand, Two Hundred Fifty-Five Dollars (\$881,255) plus G.S.T.;

AND THAT funding of \$65,000 be contributed from the Cemetery Replacement/Development Fund to offset the anticipated additional cost with the 2001 Financial Plan amended to provide for this change.

BACKGROUND:

Council approved a report recommending to proceed with the design and construction of a major interment facility at Kelowna Memorial Park Cemetery and the proposed project be funded by borrowing \$1,000,000 from existing reserves on April 24, 2001. The recommendation to finance \$1,000,000 for the completion of the Promontory Green stated that approximately \$300,000 was for site development such as grading, roads, surveying new plots, installation of in-ground lawn crypts and other infrastructure. The Promontory Green Interment Garden portion of the project was estimated at \$700,000 by the consultant. Based upon our best estimates Kelowna Memorial Park Cemetery began to tender various components of the project. Firstly, the site works to grade and build roads. This tender was let and the road, grades and hydroseeding portion of the project is proceeding under budget by approximately \$90,000.

In the month of July 2001 the Purchasing Department let a "Request for Interest and Qualifications" (R.F.I.Q.) from that process two companies were qualified to bid on the project. A "Request for Proposal"(R.F.P.) was let to the two qualifying companies. Tenders closed July 31, 2001 with only one bid presented. That bid was for \$1,132,556.25. The second bid was received late and was returned unopened.

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During the weeks that followed the close of tender, negotiations with the company that submitted their bid proceeded to attempt reducing the overall cost of the project. Two components of the project seemed to be under estimated by the consultant. The first was the feature dome and more importantly the per crypt cost.

During the negotiation it became very apparent that the cost per niche and return per niche could improve the overall project. Therefore, the project was redesigned to reduce the cost, maintain the design integrity and to improve overall potential revenue. This process included reducing the mausoleum crypts and increasing the columbaria niches. The original design had an inventory of 128 mausoleum crypts and 288 columbaria niches. The redesign inventory is now 60 Mausoleum crypts and 900 columbaria niches. Additional Mausoleum crypts can be placed as Cornerstone Estates adjacent to the complex as pre-sold crypts prior to construction. A decision was made to re-tender the project because of the significant design change.

Due to the unique outside garden concept, architectural detail and per crypt cost this project is greater in cost by \$181,000 after two tendering processes. The revenue stream on the project is maintained by increasing sales for the columbaria niches and reducing the mausoleum crypt sales. The initial business plan revenues and operating expenditures will remain almost identical to the previous information provided to council. We have reduced some of the remaining capital site works such as a new gate entry to reduce overall cost and this coupled with using \$65,000 from the Cemetery Replacement/Development Reserve will allow the project to continue.

The following two bids were received when the project was re-tendered:

J.C.Milne Construction Company (Canada) Inc.	\$949,655 + GST
Carrier Mausoleums Construction Inc.	\$881,255 + GST

CONCLUSION

That the K.M.P.C. proceed with this bid to build the Promontory Green Interment Garden component and the additional expenditure on this component be absorbed through postponing a portion of the final capital site works and utilizing the Cemetery Replacement/Development Reserve.

Dennis Radford
Cemetery Manager

Cc Deputy Director Finance and Treasurer
Acting Director Parks and Leisure Services
Parks Manager