
CITY OF KELOWNA

MEMORANDUM

Date: April 25, 2002
File No.: 5340-09-21A
To: City Manager
From: Wastewater Manager
Subject: **AWARD OF CONSTRUCTION CONTRACT TE 02-02
Sewer Specified Area No. 21A (McKenzie Bench) – Contract 2**

RECOMMENDATION:

THAT Contract 2 for the construction of the Sewer Specified Area No. 21A (McKenzie Bench) project be awarded to Hayter Construction for the amount of One Million, Four Hundred & Eighty Thousand, Seventy-four Dollars & Eight-three cents including GST. (\$1,480,074.83).

AND THAT the Wastewater Manager be authorized to make necessary Change Orders to this Contract as contingent items arise, up to a maximum Contract value of \$1,628,000.

AND FURTHER THAT the Mayor and City Clerk be authorized to execute the Contract on behalf of the City.

BACKGROUND :

The estimated cost of installing a sewer system in the entire McKenzie Bench Specified Area was \$4.1 Million, and is subsidized by the \$1.77 Million Grant from the Province. This Specified Area lies within Sewer Service Area No.21, in which a uniform charge for sewer connections has been established. Based on the Service Area charge the one-time payment (cash commutation) for this Spec Area is \$7,100 per EDU, and if the owner chooses to pay over a 20-year period the annual payment will be \$757. Phase 1 of this project was carried out last year.

The Work to be performed in this Contract consists of approximately:

- 3225m. of 200mm PVC Sanitary Sewer
- 250m. of 150mm PVC Sanitary Sewer
- 65 Manholes
- 144 service connections
- A lift station and 280m of 150mm forcemain
- Restoration work

In response to the City's Invitation to Tender for this project, 8 bids were received, as shown below in order of magnitude:

Hayter Construction	\$1,480,074.83
Peter's Bros. Construction	\$1,508,088.23
R&L Excavating	\$1,536,093.99
Intercoast Utilities	\$1,545,080.00

Greenleaf Ent.	\$1,596,006.65
Bennett Contracting	\$1,617,178.68
Lawrence Enterprises	\$1,615,450.16
Ansell Construction	\$1,920,295.83

Our Consultant has reviewed the bid submissions, checked for their arithmetic accuracy and provided the City with a tender analysis and recommendation. Hayter Construction complied with the tender specifications and drawings and included the specified Bid, Performance and Labour and Material Payment bonds. Prior to advertising the Invitation to Tender, the Consultant had estimated the construction costs for this Contract to be \$1,894,009. The recommended Contractor's price is well under that amount. The Capital budget available for the entire project is \$4,109,750 which includes all Project costs, and is funded by both the benefiting property owners and the Provincial Local Government Grant. Funding for this project is available from Account No. 40-4940-SA521A.

The McKenzie bench Specified Area is being constructed in two phases, with this Contract being the last phase and consisting of all the sewer work in the upper (bench) portion of the Specified Area, as well as the additional neighbourhoods that were added to this Spec Area last year. The construction work for this Contract is anticipated to commence in early May and be completed around the end of August, this year.

W.J. Berry, P.Eng.
Wastewater Manager

John Vos
Director of Works & Utilities

WJB/ms

cc Deputy Director of Financial Services