
CITY OF KELOWNA

MEMORANDUM

Date: April 30, 2003
File No.: 5340-09-20 Zone A
To: City Manager
From: Wastewater Manager
Subject: **AWARD OF CONSTRUCTION CONTRACT TE 03-01**
North Rutland Sanitary Sewer Specified Area #20 – Zone A

RECOMMENDATION:

THAT the Contract for construction of the Sanitary Sewer Specified Area # 20 – **Zone A** be awarded to Acres Enterprises Ltd. for the amount of \$3,400,042.06 which includes GST;

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 \$3,600,000.00;

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

BACKGROUND:

The property owners in the North Rutland area have “voted” to receive sewer service through a specified area process. City Council has adopted Bylaw 8929, which authorized the borrowing of \$13,393,924 for providing sewer to 1723 properties in this area. The work will be done in different stages. This contract is for construction in Zone A of the North Rutland Project and involves the installation of mains and services to 420 homes in the North Rutland area.

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

- 6100m of Sewer main
- 94 Manholes
- 420 service connections
- Restoration work

In response to the City's invitation to Tender TE-03-01, 4 bids were received, as shown below in order of magnitude:

Acres Enterprises Ltd.	\$3,400,042.06
Lawrence Enterprises Ltd.	\$3,582,817.96
Danric Construction Ltd.	\$3,660,865.90
Peter's Bros. Construction Ltd.	\$3,947,429.02

Our Consultant has reviewed the bid submissions, checked for their arithmetic accuracy and provided the City with a tender analysis, a list of the corrected bids and a recommendation. Acres Enterprises Ltd. complied with the tender specifications and drawings, and included the specified Bid, Performance and Labour and Material Payment bonds.

In many Contract Tender forms, we include a fixed contingency amount to provide the funds to address unknown conditions such as poor soil and groundwater levels, and the relocation of other Utility lines that are not accurately shown by the owner. This Contract did not include a contingency amount in the tender form and therefore all prices shown are based on the present drawings and specifications. To allow for additional work that is normally required in a Contract of this type and magnitude a contingency amount of approximately \$200,000 is requested. Any additional work is requested and evaluated by our Engineering Consultant, who recommends any changes to the City Project Manager.

The portion of the Capital budget available for construction of Zone A is \$3.97 Million including GST and contingency. Prior to advertising the Invitation to Tender, our Engineering Consultant had estimated the construction costs for this Contract to be \$3,712,237.55 including GST and contingency. The recommended Contractor's price is below both these amounts. The expenditure will be interim financed until costs are recovered from the benefiting Property Owners. Funding for this project is available as a component of the Spec Area, from Account Number 40-4940-SA20.

The construction work for this Contract is anticipated to commence in early May, and be completed at the end of October, this year.

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

John Vos
Director of Works & Utilities

cc Director of Finance

SEWER SPECIFIED AREA #20 PROPOSED CONSTRUCTION ZONES

