

CITY OF KELOWNA

MEMORANDUM

Date: May 20th, 2003
File No.: 5340-09-20 Zone B

To: City Manager

From: Wastewater Manager

Subject: **AWARD OF CONSTRUCTION CONTRACT TE 03-12**
North Rutland Sanitary Sewer Specified Area #20 – Zone B

RECOMMENDATION:

THAT the Contract for construction of the Sanitary Sewer Specified Area # 20 – **Zone B** be awarded to Peters Brothers Construction Ltd. for the amount of \$3,181,940.86 which includes GST;

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 B of the North Rutland Project and involves the installation of mains and services to 260 homes in the North Rutland area.

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

- 4000m of sewer main
- 47 manholes
- 260 service connections
- Restoration work

In response to the City's invitation to Tender TE-03-12, two (2) bids were received, as shown below in order of magnitude:

Peter's Bros. Construction Ltd.	\$3,181,940.86
Lawrence Enterprises Ltd.	\$3,249,655.81

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. Peter's Brothers Construction Ltd. complied with the tender specifications and drawings, and included the specified Bid, Performance and Labour and Material Payment bonds.

Council should be aware that this Contractor installed the sanitary sewer on Pandosy Street in conjunction with the road improvements, and we discovered several locations where the sewer installation does not meet the design grades and specifications. To date, the Contractor has refused to repair the deficiencies and we have contacted the Bonding Company to carry out the remediation work. This is the primary reason for the delay in the placement of the final layer of asphalt on Pandosy Street. However, Peters Bros. Construction Ltd. is presently installing a portion of the Byrns/Baron trunk sewer and the work is proceeding fine. We believe this Contractor is capable of adequately performing the Spec Area work.

The portion of the Capital budget available for construction of Zone A (including an additional \$177,000 for improvements to Chichester Pond) is \$3.34 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 \$3,215,804.75 (which incorporates the Chichester Pond work) 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 the wastewater portion of the project is available as a component of the Spec Area, from Account Number 40-4940-SA20. Funding for the improvements to Chichester Pond is available from Account Number 10-4003-D7900. This project is also receiving a total contribution of \$1.35 Million for the entire Spec Area from the Roads department for the restoration of roadways.

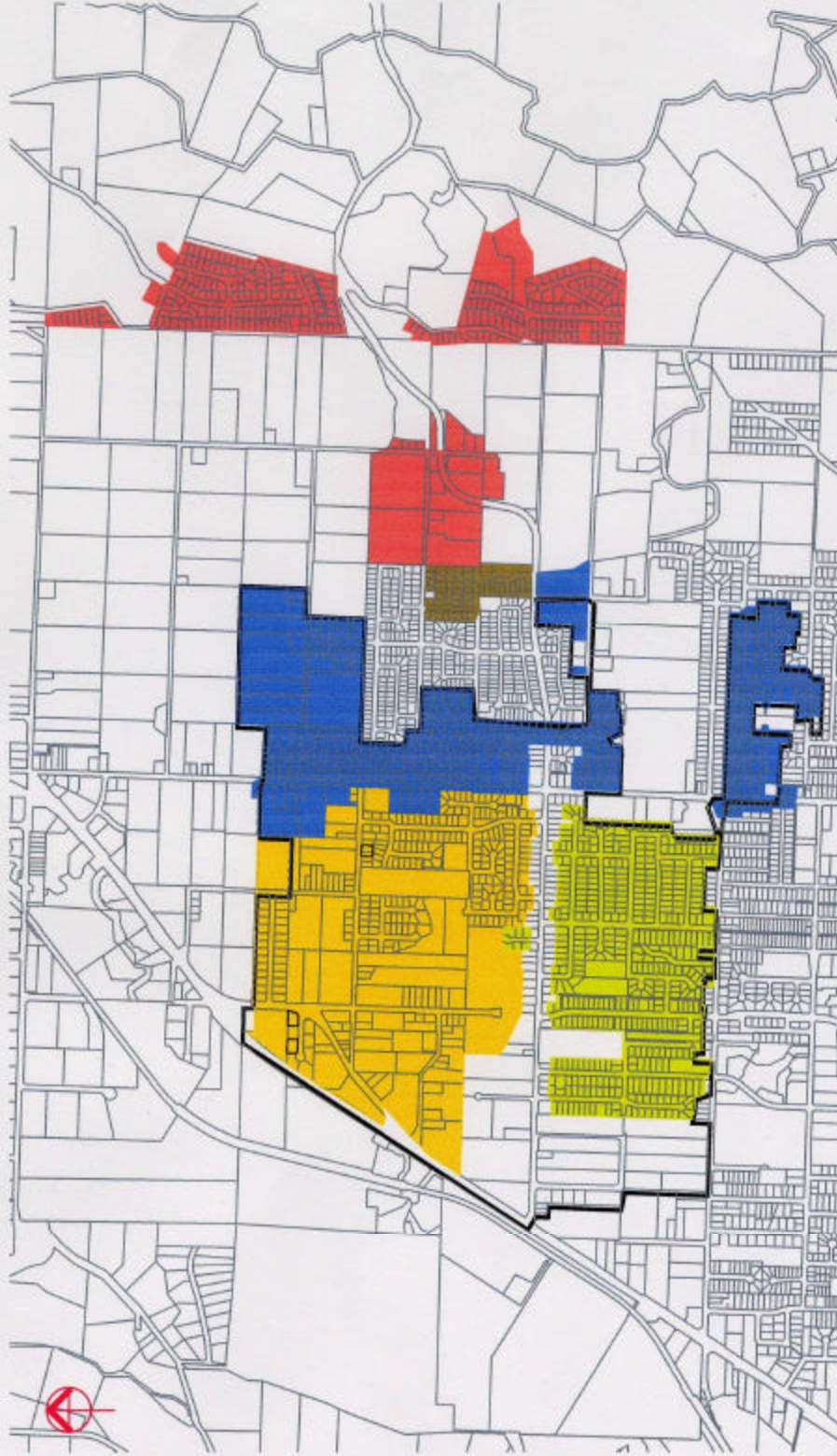
The construction work for this Contract is anticipated to commence in early June, and be completed at the end of October, this year.

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

John Vos
Director of Works & Utilities

cc Director of Financial Services

SEWER SPECIFIED AREA #20 PROPOSED CONSTRUCTION ZONES



ZONE "A"
 ZONE "B"
 ZONE "A" or "B"
 ZONE "C"
 ZONE "D"

To be determined after Zones A and B Contract awards

