
CITY OF KELOWNA

MEMORANDUM

Date: September 2, 2003
File No.: 5340-09-32
To: City Manager
From: Wastewater Manager
Subject: **AWARD OF CONSTRUCTION CONTRACT TE 03-17**
North End Sewer extension.

RECOMMENDATION :

THAT the Contract for construction of the North End Sewer extension be awarded to H & M Excavating Ltd. for the amount of \$1,802,040.50 which includes a contingency and GST.

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

BACKGROUND :

The City of Kelowna's Wastewater Master Plan calls for the extension of sanitary sewer to service the northern industrial area and First Nations lands located at the City's northern end and east of Hwy 97. The sanitary sewer trunk servicing the Hwy 97 corridor, commonly known as the College trunk, was oversized during its construction in the early 1990s to accommodate servicing this area. Presently sanitary sewer service extends to the Kelowna International Airport and the sewer will be extended further through the Airport and up through the agricultural land and railroad right of way to provide service to the North end.

The City was approached by McIntosh Properties Ltd to accelerate the construction of this infrastructure in order to be successful in encouraging new economic activity in our North Industrial area. An agreement was negotiated with them for their share of the capacity of the new system. Initial discussions have also been held with First Nations representatives to service lands in the Duck Lake area.

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

- 2.8 km of 525mm diameter sewer main
- 3.5 km of 300mm diameter sewer force main
- 5 railway crossings and 1 creek crossing
- 1 Lift Station & generator
- Restoration work

In response to the City's invitation to Tender TE03-17, 4 bids were received, as shown below in order of magnitude (including GST and contingency):

H & M Excavating Ltd.	\$1,802,040.50
DDC Construction Services Inc.	\$1,915,267.37
R & L Excavating	\$2,073,361.90
Lawrence Enterprises Ltd.	\$2,079,626.32

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. H & M Excavating Ltd. complied with the tender specifications and drawings, and included the specified Bid, Performance and Labour and Material Payment bonds. The recommended Contractor's price is very close to the amount that was estimated at the outset of this project. The Capital budget money available for all components of the project is \$2 Million which includes all project costs such as Engineering fees and Financing costs and will be funded by both the Developer of the property (McIntosh Properties Ltd.) in accordance with our partnership agreement, and by the Sewer Utility from account 40-4900-S6255. The Sewer Utility investment will be recovered from other benefiting properties in the future.

The construction work for this Contract is anticipated to commence in September and be completed by the end of November this year.

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

John Vos
Director of Works & Utilities

cc Director of Financial Services