
CITY OF KELOWNA

MEMORANDUM

Date: June 23, 2004
File No.: 5340-09-20 Zone E
To: City Manager
From: Wastewater Manager
Subject: **AWARD OF CONSTRUCTION CONTRACT TE 04-09**
North Rutland Local Sewer Service Area #20 – Zone E

RECOMMENDATION:

THAT the Contract for the construction of Local Sewer Service Area No. 20 – **Zone E** be awarded to Peter's Bros. Construction Ltd. for the amount of \$3,313,273.19, which includes GST that will be fully rebated,

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 Local Service Area process. City Council adopted Bylaw 8929, which established the Local Service Area. The work is being done in different stages. Zone E was an addition to the original Local Service Area that was initiated and "voted" on this spring.

This Contract is for the construction work in Zone E of the North Rutland Sewer Project and involves the installation of sewer mains and services for 251 properties. Zone E generally includes properties within the boundary roughly defined by Houghton Rd to the south, Fleming Rd to the west, Leathead Rd to the north and Rutland Rd to the east, as well as Mugford Ct and Sands Ct located east of Rutland Rd. The Work to be performed in this Contract consists of approximately:

- 4,575 m of sewer main
- 47 manholes
- 251 service connections
- 460 m of storm sewer (optional work)
- 975 m of water main and associated appurtenances (optional work)
- General restoration work

In response to the City's invitation to Tender TE-04-09, three (3) bids were received, as shown below:

	Tender Price (incl. contingency and gst)			
	Sewer	Storm (opt.)	Water (opt.)	Total
Peter's Bros. Const. Ltd.	\$2,971,075.42	\$141,602.73	\$200,595.04	\$3,313,273.19
Ansell Construction Ltd.	\$3,215,314.16	\$175,015.62	\$162,241.96	\$3,552,571.74
DDC Const. Services Ltd.	\$3,655,444.24	\$244,193.26	\$282,955.29	\$4,182,592.79

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

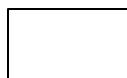
The portion of the Capital budget allocated for sewer construction of Zone E was \$2.61 Million including GST and contingency funds. Prior to advertising the Invitation to Tender, our Engineering Consultant estimated the construction cost for the sewer portion of this Contract to be \$2,656,120 including GST and contingency. The recommended Contractor's price is above both estimates. Although the Contractor's price exceeds the budgeted amount for sewer in this zone, the overall costs for the project are expected to end up within the total budget amount, as there were surpluses resulting from the 2003 construction. 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. The budget for the Drainage portion of the project, with the engineering costs included, is estimated at \$170,000 and will be available from Account Number 10-4000-D8100. This project is also receiving a total contribution of \$1.9 Million for the entire Spec Area from the Transportation Division, for roadway improvements.

This Contract contains water system improvements requested by Rutland Water Works, who are presently acquiring the required funds. If RWW obtains their funding, we will instruct the Contractor to proceed with this component of the work.

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

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



Approved for inclusion:
John Vos
Director of Works & Utilities

cc Director of Financial Services