
CITY OF KELOWNA

MEMORANDUM

Date: October 21st, 2004
File No.: 5600-05

To: City Manager

From: Water/Drainage Manager

Subject: **AWARD OF CONSTRUCTION CONTRACT TE 04-11**
UV Disinfection System Installation Contract

RECOMMENDATION:

THAT the Contract for the construction of the UV Disinfection System Installation and ancillary works be awarded to Maple Reinders Inc. for the amount of \$7,285,465.23, which includes GST that will be fully rebated,

AND THAT the 2004 Financial Plan be amended by \$1,505,100, with funding of \$300,000 from the Water Quality Reserve, \$307,600 from Water Utility Accumulated Surplus, \$568,500 from Water DCC Reserve A and \$329,000 from Water DCC Reserve D,

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

BACKGROUND:

In January 2004, the City received a grant from the Canada/BC Infrastructure Program for the amount of \$2,959,764. Earlier this year, Associated Engineering was retained from a competitive RFP process to provide the engineering design and construction services for the Ultraviolet Retrofit Design. The project involves equipment provision, detailed design and construction to install UV treatment to the Poplar Point, Eldorado and Swick pump stations, as well as equipment supply for the future Cedar Creek Pump Station.

This Contract is for the construction of the UV Disinfection System at the three existing pump stations and involves the installation of UV equipment which was pre-purchased earlier this year. In addition, a number of other site improvements are being completed that are part of the 20-year servicing plan. These scheduled projects are going forward at the same time as UV to minimize site impact. The Work to be performed in this Contract consists of:

- 1500mm dia. intake pipe and related works;
- New UV building at the Poplar Point Pump Station including demolition of the existing PS#1 building, installation of pre-purchased UV equipment with associated works;
- Electrical upgrades at the Poplar Point Pump Station related to the UV project;
- Piping and valve chamber to connect the Poplar Point Pump Station to the transmission mains (part of the future Knox Mountain Transmission Main Stage 1);

- New UV building at the Eldorado Pump Station, installation of pre-purchased equipment with associated works; and,
- New UV building at the Swick Pump Station, installation of pre-purchased equipment with associated works.

In response to the City's invitation to Tender TE-04-11, two (2) bids were received, as shown below:

| | Tender Price* |
|--------------------------|----------------|
| Maple Reinders Inc. | \$7,285,465.23 |
| Graham Construction Ltd. | \$7,307,728.23 |

*Includes contingency and gst.

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. One irregularity was found in Maple Reinders Inc.'s submission. The bid was submitted on the wrong version of the bid form, resulting in an arithmetic error. We have obtained an opinion from the City's solicitor who confirmed that the City can accept the bid from Maple Reinders with revision based on the correct bid form. The rest of Maple Reinder's submission complied with the tender specifications and drawings, and included the specified Bid, Performance and Labour and Material Payment bonds.

The approved 2004 budget for the UV portion of the project is \$5,078,000. Part of the UV budget is committed to other components such as engineering, pump work outside of the UV construction contract and work by Fortis. The remaining portion of the approved 2004 UV budget available for construction is \$4,357,930. In addition, we are going to be doing three additional components (Poplar Point Intake, Poplar Point Electrical Upgrades related to UV and a portion of the Knox Mountain Transmission Main Phase 1) with separate budgets. The total budget available therefore for the entire project, including all components, is \$5,386,147. The Consultant's estimate for this work was \$6,194,000. The Tender price for this contract is above both estimates. The budget shortfall is due to higher contract prices as a result of a very busy construction industry as well as an increase in the original scope of the work. The shortfall will be dealt with through and amendment of the 2004 Financial Plan as follows:

| | |
|-----------------------|-----------|
| Water Quality Reserve | \$300,000 |
| Water Utility Surplus | \$307,600 |
| Water DCC Reserve A | \$568,500 |
| Water DCC Reserve D | \$329,000 |

Funding for the different components of this project is available as follows:

| | |
|----------------------------------|--------------------|
| UV Water Treatment | Acct. # 4780-W9000 |
| Poplar Point Intake Replacement | Acct. # 4780-W7016 |
| Poplar Point Electrical | Acct. # 4780-W7017 |
| Knox Mtn. Transmission Main Stg1 | Acct. # 4780-W4952 |

The construction work for this Contract is anticipated to commence in November 2004, and be completed by the end of June, 2005.

Don Degen
Water/Drainage Manager



Approved for inclusion:
John Vos
Director of Works & Utilities

cc: Director of Financial Services