
CITY OF KELOWNA

MEMORANDUM

Date: April 20, 2005
File No.: 5340-09-23

To: City Manager

From: Wastewater Manager

Subject: **AWARD OF CONSTRUCTION CONTRACT TE 05-04**
Southwest Rutland Local Sewer Service Area #23 – Zone A

RECOMMENDATION:

THAT the Contract for the construction of Local Sewer Service Area No. 23 – **Zone A** be awarded to O K Excavating for the amount of \$ 3,465,930.09, 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 Southwest Rutland area have “voted” to receive sewer service through a Local Service Area process. City Council adopted Bylaw #9244, which established the Local Service Area. The work is being done in different stages. Zone A is the first of three zones to be constructed over the next three years.

This Contract is for the construction work in Zone A of the Southwest Rutland Sewer Project and involves the installation of sewer mains and services for 320 properties. Zone A generally includes properties within the boundary roughly defined by Springfield Rd to the north, Ziprick Rd to the west, Hollywood Rd to the east and Mission Creek to the south, as well as Wenric Ct. and Simpson Rd. The Work to be performed in this Contract consists of approximately:

- 4,220 m of sewer main
- 52 manholes
- 320 service connections
- Storm drainage pipes (optional work)
- Rutland Water Works 85 m of water main (optional work)
- Local Improvement on Pasadena Road
- Road widening on Hollywood Rd S and Peck Rd
- General restoration work

In response to the City’s invitation to Tender TE-05-04, six (6) bids were received, as shown below:

Contractor	Total Tender Price
1. O.K. Excavating	\$3,465,930.09
2. Peters Bros. Construction Ltd.	\$3,476,874.59
3. Acres Enterprises Ltd.	\$3,563,102.68
4. Bennett Contracting Ltd.	\$3,643,056.39
5. Ansell Construction Ltd.	\$3,806,932.67
6. Hayter Construction Ltd.	\$3,853,412.40

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. O K Excavating complied with the tender specifications and drawings, and included the specified Bid, Performance and Labour and Material Payment bonds.

Prior to advertising the Invitation to Tender, our Engineering Consultant estimated the construction cost for all the components of the Contract to be \$3,648,603 including GST and contingency.

The Capital budget money available for all components of the project will be funded from various sources. Funding for the Wastewater portion of the project is available as a component of the Spec Area, from Account Number 40-4940-SA23. The budget for the Drainage portion of the project will be available from Account Number 10-4000-D8150. This project is also receiving a total contribution of \$1.11 Million for the entire Spec Area from the Transportation Division, for roadway improvements from Account Number 10-3301 R8150. The local improvements on Pasadena Rd have been approved by Council but funding has not been allocated. An amendment to the 2005 Financial Plan will be presented to council by the Transportation Department as a separate report.

This Contract also 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 portion of the Capital budget allocated for sewer construction of Zone A was \$2,589,283 - not including GST or contingency. The contract amount for the sewer portion of the work exceeds the budget amount by approximately \$324,000. 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.

The construction work for this Contract is anticipated to commence in May, 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