
CITY OF KELOWNA
MEMORANDUM

Date: November 2, 2005
File No.: 5600-07

To: City Manager

From: Water/Drainage Manager

Subject: **AWARD OF CONSTRUCTION CONTRACT TE 05-10**
Poplar Point Electrical Upgrade

RECOMMENDATION:

THAT the Contract for the completion of the Poplar Point Electrical Upgrades works be awarded to Graham Construction Ltd. for the amount of \$1,612,033.29, exclusive of GST;

AND THAT the 2005 Financial Plan be amended by \$150,000 to include a contingency component funded from Water Utility revenues (Accumulated Surplus);

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

BACKGROUND:

In conjunction with the Ultraviolet disinfection project, the Water Utility has been proceeding with the detailed design of the electrical upgrades at the Poplar Point pump station. Design of the major electrical upgrades has been in process since 2003, and construction of the works is planned for 2005/2006. The main components for the electrical upgrades have been pre-purchased in 2004 and in 2005, and will be installed within this Contract.

This upgrade is required to meet the system growth requirements and to replace aging equipment that has surpassed its useful life. The electrical upgrades will also provide an emergency standby generator, capable of operating two of the high lift pumps as well as the recently installed UV equipment.

The Work to be performed in this Contract consists of:

- Construction of the new electrical building
- Installation of the generator and electrical equipment
- Miscellaneous site improvements
- Construction of shoreline protection fronting the pump station

In response to the City's invitation to Tender TE-05-10, two (2) bids were received, as shown below:

	Tender Price
Graham Construction Ltd.	\$1,612,033.29
PCL Constructors Westcoast Inc.	\$1,950,801.00

Our Consultant has reviewed the bid submissions, and provided the City with a tender analysis, and recommendation. The Graham Construction Ltd. submission complied with the tender specifications and drawings, and included the Bid bond as well as the Performance and Labour and Material Payment bond requirements.

The approved 2005 budget for the Electrical upgrades is \$3,338,050.00. Part of the electrical upgrade budget is committed to other components such as engineering, equipment pre-purchase and works outside of the current construction contract. The estimated remaining portion of the approved 2005 electrical installation budget available for construction is \$1,622,910. Although there is adequate budget to cover the actual tender costs, there is no allowance for a contingency amount that would allow for unforeseen circumstances or additional work that may be required during the construction period. The Tender price for this contract is above the original estimates due to the current conditions in the construction industry. The \$150,000 contingency will be utilized only as necessary and will be dealt with through an amendment of the 2005 Financial Plan with funding from Water Utility revenues.

The construction work for this Contract is anticipated to commence in November 2005, and be completed in April, 2006.



Don Degen
Water/Drainage Manager

Approved for inclusion
John Vos
Director of Works & Utilities

cc Director of Financial Services