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## CITY OF KELOWNA

# MEMORANDUM

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**Date:** August 15, 2006  
**File No.:** 5340-09-34

**To:** City Manager

**From:** Wastewater Manager

**Subject:** **AWARD OF CONSTRUCTION CONTRACT TE 06-07**  
**Country Rhodes Sewer Extension**

**RECOMMENDATION:**

THAT the Contract for the construction of Country Rhodes Sewer Extension be awarded to Hayter Construction Ltd. for the amount of \$ 815,052.39 which includes a \$40,000 contingency amount and 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 owners of the Country Rhodes Strata have "voted" to obtain sewer service through a Local Area Service process. City Council adopted Bylaw No.'s 9575 & 9576 which established the Local Service Area.

Country Rhodes consists of 133 Strata homes and was very recently amalgamated into the City. The Strata presently has a private sewage treatment plant that has been problematic and is very near the end of its service life. Country Rhodes will pay all sewer construction and downstream sewer trunk/treatment costs to connect to the City Sanitary Sewer System.

This Contract is for the construction of the sewer main connecting Country Rhodes to the City system at the intersection of Airport Way and Old Vernon Road. The Work to be performed in this Contract consists of approximately:

- 1,180 m of sewer main
- 12 manholes
- 1 service connection
- 7,135 m<sup>2</sup> of pavement replacement and upgrades to Old Vernon Road.
- Installation of a new Mini-Span Culvert to cross Mill Creek

To expedite the process the City advertised a Select Tender from four (4) Contractors. Three (3) bids were received for the Select Tender TE06-07, as shown below:

<b>Contractor</b>	<b>Total Tender Price</b>
1. Hayter Construction Ltd.	\$815,052.39
2. R-355 Enterprises Ltd	\$820,606.00
3. Okanagan Excavating	\$927,232.35

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. Hayter Construction Ltd. complied with the tender specifications and drawings, and included the specified Bid Bonds.

The Capital budget money available for the project will be funded from the Wastewater and the Transportation Divisions. Funding for the Wastewater portion of the project is available from Account Number 40-4940-SA34 and will be used until recovery is achieved through the Local Area Service process. This project is also receiving a contribution from the Transportation Division (\$86,131.50) for road improvements along Old Vernon Road from Account Number 10-3301-R6757.

The estimated cost of the total sewer project, in 2004, was \$800,000, and that is the estimated amount the owners submitted their petitions of support on. The recommended Contract price will result in a total project cost of approximately \$1,147,000. The result of the higher costs is that the Owners anticipated a cost of \$6,000 per home for the sewer installation, and now the cost per home is expected to be \$8,200. The Strata owners will be contacted and the cost increase explained, and the opinion of the Strata will be considered before we proceed with the project at the higher costs by awarding the Contract to the recommended Contractor.

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

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Joel Shaw, P.Eng.  
Wastewater Engineer



Approved for inclusion:  
W.J. Berry, P.Eng.  
Acting Director of Works & Utilities

cc      Director of Financial Services