
CITY OF KELOWNA

MEMORANDUM

Date: January 26, 2007
File No.: 1220-20

To: Ron Mattiussi, City Manager

From: Joe Creron, Parks Manager

Subject: Parks Landscape Tender T06-122

RECOMMENDATION:

THAT City Council award the Beach Park Maintenance Contract and Median Maintenance portion of the contract to Royale Landscaping for a total of one million, four hundred eighty eight thousand, seven hundred and fifty nine dollars (\$1,488,759) plus G.S.T. over a three year period;

AND THAT City Council award the other nine maintenance areas of the Parks contract to Royal Star Landscaping for a total of three million, three hundred thirty six thousand, seven hundred and sixty four dollars (\$3,336,764) plus G.S.T. over a three year period;

AND THAT the additional funding requirement for these contracts of \$100,150 for 2007 be considered by Council at Final Budget.

BACKGROUND:

The tenders for these maintenance contracts will expire April 30, 2007 including the extension periods.

For competitive bidding purposes the contracts were broken into smaller areas.

For the Beach Park and Road Median contracts bids were received from three companies with Royale Landscaping being the low bid. The total price for 2007 represents less than a 3% increase from the 2006 price of the previous contractor.

For the other nine maintenance areas there was only one bid received; it was from Royal Star Landscaping who performed the work under the last contract. The total cost of these areas in 2006 was \$573,332 and the 2007 tendered price is \$1,058,450. The large increase is partially attributed to additional Parks being added to the maintenance contract, to an increase in wages and related operating costs to the contractor and an increased service level in litter control. Royal Star's operating costs, including wages, were significantly lower than the other contractors' costs in the previous contract.

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With these new maintenance contracts the impact on the Park's operating budget is an increase of \$100,150 for 2007 followed by more significant increases of \$351,380 for 2008 and \$408,925 for 2009. The increase is less for 2007 due to the start of the contract part way through the year.

Joe Creron
Parks Manager

cc. Financial Planning Manager