
CITY OF KELOWNA

MEMORANDUM

Date: March 28, 2007
File No.: 5340-09-23
To: City Manager
From: Wastewater Engineer
Subject: Award of Construction TE 07-05
Southwest Rutland Local Area Service #23 Zone C (Sewer)

RECOMMENDATION:

THAT the Contract for the construction of the Southwest Rutland Local Area Service #23 Zone C (Sewer) be awarded to Peters Bros. Construction Ltd. for the amount of \$ 3,966,590.21, which includes GST (\$224,524) that will be fully rebated and a \$150,000 contingency;

AND THAT the Mayor and City Clerk are authorized to execute the Contract on behalf of the City;

AND FURTHER THAT the 2007 Financial Plan be amended to reflect the new project cost.

BACKGROUND:

The property owners in the Southwest Rutland area have "voted" to receive sewer service through a Local Area Service process. In 2004 City Council adopted Bylaw #9244, which established the Local Area Service. The work is being done in different stages over a three year period as shown on the attached Map. Construction was completed in Zone A in 2005. The majority of Zone B was constructed in 2006 with a section of construction on Gerstmar Rd to be completed this year. This Contract - Zone C - is the third and final zone to be constructed.

Zone C construction contract involves installation of sewer mains and services for the properties within the boundary shown on the attached Map.

The Work to be performed in this Contract consists of approximately:

- 4,000 m of Sanitary Sewer Main
- 275 Sanitary Sewer Services
- Associated Road and Drainage Works.

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

In response to the City's invitation to Tender TE-07-05, three (3) bids were received, as tabulated below:

Contractor	Total Tender Price
1. Peters Bros. Construction Ltd.	\$3,966,590.21
2. Bennett Contracting Ltd.	\$4,091,611.93
3. Ansell Construction Ltd.	\$4,250,015.94

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 to award this contract to Peters Bros Construction.

Prior to advertising the Invitation to Tender, our Engineering Consultant estimated the construction cost for all the components of the Contract to be \$3,646,257 including GST and contingency.

FINANCIAL/BUDGETARY CONSIDERATIONS:

This contract is the final phase of the 3-year S.W. Rutland LAS sewer project, and will result in the projected end-cost of the entire project being higher than the original estimate. The original estimated total project cost was \$10,569,400. The sum of all the actual costs, including the projected costs from this contract, is expected to total approximately \$11,195,150. There are a few potential alternate construction techniques that will be investigated, and if it's possible to obtain the Rights of Way that would be required, this may save well over \$100,000. It is also anticipated that the Development that has occurred and will occur, in the area during construction will either pay Sewer LAS fees up-front, or add a significant amount of Single Family Equivalent (SFE) units, which will serve to lower the per unit cost for the affected property owners. In addition, School District 23 has indicated they will likely connect and pay for one or two schools this year, which will add additional revenue to the project. We anticipate being able to conclude this project very close to the original estimate provided to the owners (\$7,300/SFE), or end up a few hundred dollars more per home. This project is being fully funded by the benefiting property owners.

The Capital budget money available for all components of the project will be funded from various sources. Funding for the Sanitary Sewer portion of the project (\$3,128,241) is available from Account Numbers 40-4940-SA23. The budget for the Drainage portion of the project (\$36,674) will be available from Account Number 10-4000-D8150. This project will receive a total contribution of \$427,150 from the Transportation Division, for roadway improvements from Account Number 10-3301-R8150 (\$370,000) and Account Number 10-3301-R4360 (\$57,150).

Considerations not applicable to this report:

INTERNAL CIRCULATION TO: N/A

LEGAL/STATUTORY AUTHORITY: N/A

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS: N/A

EXISTING POLICY: N/A

PERSONNEL IMPLICATIONS: N/A

TECHNICAL REQUIREMENTS: N/A
EXTERNAL AGENCY/PUBLIC COMMENTS: N/A
ALTERNATE RECOMMENDATION: N/A

Submitted by:

Joel Shaw, P.Eng. Wastewater Engineer



Approved for Inclusion:
J. Vos, P.Eng. Director of Works & Utilities

cc: *Wastewater Manager*
 Director of Financial Services