



## ADMINISTRATIVE REPORT

Report Date: June 26, 2017  
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VanRIMS No.: 08-2000-20  
Meeting Date: July 26, 2017

TO: Standing Committee on Policy and Strategic Priorities

FROM: General Manager of the Engineering Services Department and Chief Purchasing Official

SUBJECT: Contract Award for Construction of Oakridge Trunk Replacement Project - Sewer Separation

### **RECOMMENDATION**

- A. THAT Council authorize City staff enter into a contract with Pedre Contractors Ltd., for Construction of Oakridge Trunk Replacement Project - Sewer Separation, for a term of approximately six (6) months, with an estimated contract value of \$2,898,000.00, plus applicable taxes over the approximate six (6) month term, to be funded through the capital 2017 Sewer Main Reconstruction budget;

FURTHER THAT the Director of Legal Services, Chief Purchasing Official and General Manager of the Engineering Services Department be authorized to execute on behalf of the City the contract contemplated by Recommendation A.

- B. THAT no legal rights or obligations will be created by Council's adoption of Recommendation A above unless and until such contract is executed by the authorized signatories of the City as set out in these Recommendations.

### **REPORT SUMMARY**

The City issued Invitation to Tender PS20170906 Oakridge Trunk Replacement Project - Sewer Separation in May, 2017 for the construction of sewer separation. The ITT was advertised on the City of Vancouver website and BC Bid and the work was called in accordance with the terms and condition of the City's Procurement Policy AF-015-01. City staff on the ITT evaluation committee and, subsequently, the Bid Committee have considered the responses received and, on that basis, recommend that the City enter into a contract as described above with Pedre Contractors Ltd.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

The City's Procurement Policy AF-015-01 requires that contracts with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered, and recommended Pedre Contractors Ltd., as the successful tenderer.

### ***REPORT***

#### ***Background/Context***

Separation of the City's combined sewers is performed in order to:

- 1) improve service levels to citizens
- 2) reduce flooding risks
- 3) increase system capacity
- 4) meet the annual 1% sewer separation goal identified in the Integrated Liquid Waste Resource Management Plan (ILWRMP).

The work tendered is for sewer separation at the following sites in Vancouver:

- W 46th Avenue: Willow Street - Fremlin Street
- Fremlin Street: W 46th Avenue - W 43rd Avenue

The work includes the removal of an existing combined sewer main, the installation of approximately 570 meters of sanitary sewer (450 mm diameter), storm sewer (1200-1500 mm diameter), and gravity sewer mains at a 4 meter to 7 meter depth. The work also includes the reconstruction of maintenance holes, reconnecting of service connections, all fittings, street and surface repairs associated with the installation of the above main sewers, including survey, layout, cutting of pavement and miscellaneous testing procedures.

The purpose of the ITT was to engage qualified contractors with a demonstrated capability to supply the City's requirements for the sewer separation work with competitive pricing.

#### ***Strategic Analysis***

The ITT was issued in the accordance with City's Procurement Policy AF-015-01. The City received responses from:

J. Cote and Son Excavating Ltd.	\$4,228,750.00
Pedre Contractors Ltd.	\$2,898,000.00
BD Hall Constructors Corp	\$4,155,508.00

The tender review was performed by Engineering Services and Supply Chain Management. The evaluation team determined that the tender submitted by Pedre Contractors Ltd. is compliant with the ITT specifications and provides best overall value to the City. Pedre Contractors Ltd. submitted the lowest, qualified tender at a tender price of \$2,898,000.00 (excluding GST).

Pedre Contractors Ltd. is qualified to perform the work required for the project as set out in the tender package based on its satisfactory completion of multiple large civil works contracts as well as its satisfactory references. References were checked by the project team and Supply Chain Management as part of the evaluation process.

### *Financial Implications*

Finance has reviewed and confirmed that funding is available from the capital Sewer Main Reconstruction budget. As a result of the ITT, the City is able to achieve cost certainty and is forecasting a savings of approximately \$2,229,212.00 over the term of the contract.

### *Legal*

The City's Procurement Policy requires that all contracts that have been awarded by Bid Committee plus Council will be signed by the Director of Legal Services.

### *CONCLUSION*

In summary, City staff recommends that the City of Vancouver enter into contract for an approximate six (6) month term with Pedre Contractors Ltd., for Construction of Oakridge Trunk Replacement Project - Sewer Separation.

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