



ADMINISTRATIVE REPORT

Report Date: June 26, 2017
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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 Vancouver West Sewer Separation - Package 1

RECOMMENDATION

- A. THAT Council authorize City staff enter into a contract with Pedre Contractors Ltd., for Construction of Vancouver West Sewer Separation - Package 1, for a term of approximately five (5) months, with an estimated contract value of \$4,407,561.28, plus applicable taxes over the approximate five (5) month term, with \$4,231,295 funded from the approved Sewer Main Reconstruction capital budget and \$176,266 from the approved Local Roads capital 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 PS20170604 Construction of Vancouver West Sewer Separation - Package 1 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; and
- 4) meet the annual 1% sewer separation goal identified in the Integrated Liquid Waste Resource Management Plan (ILWRMP).

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

- W 13th Avenue: Blanca Street - Tolmie Street
- W 14th Avenue: Blanca Street - Tolmie Street
- W 14th Avenue: Sasamat Street - Discovery Street
- Tolmie Street: W 14th Avenue - W 11th Avenue
- Sasamat Street: W 12th Avenue - W 11th Avenue
- W 34th Avenue: Collingwood Street - Blenheim Street
- W 35th Avenue: Dunbar Street - Blenheim Street
- W 36th Avenue: Dunbar Street - Blenheim Street
- W 37th Avenue: Dunbar Street - Blenheim Street
- Collingwood Street W 34th Avenue - W 35th Avenue

The work to be contracted based on a reduced scope is for sewer separation at the following sites in Vancouver:

- W 13th Avenue: Blanca Street - Tolmie Street
- W 14th Avenue: Blanca Street - Tolmie Street
- W 14th Avenue: Sasamat Street - Discovery Street
- Tolmie Street: W 14th Avenue - W 11th Avenue
- Sasamat Street: W 12th Avenue - W 11th Avenue
- W 36th Avenue: Dunbar Street - Blenheim Street

The work includes the installation of approximately 1,650 meters of sanitary (200 to 250 mm diameter) and 1,650 meters of storm (300 to 600 mm diameter) gravity sewer mains with 2.0 meter to 5.0 meter depth range. The work also includes full pavement reconstruction across multiple locations, 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. These sites were identified through the CCTV inspection condition assessment program.

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.	\$7,828,000.00
Pedre Contractors Ltd.	\$7,788,875.00
B. Cusano Contracting Inc.	\$10,118,889.35

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 \$7,828,000.00 (excluding tax). The scope of work was reduced in order to align with budgetary goals, resulting in an award amount of \$4,407,561.28.

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 available funding of \$4,407,561.28 with \$4,231,295 funded from the approved Sewer Main Reconstruction capital budget and \$176,266 from the approved Local Roads capital budget. As a result of the ITT, the City is able to achieve cost certainty for the proposed five (5) month contract term.

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 a contract, with Pedre Contractors Ltd. for a term of approximately five (5) months for Construction of Vancouver West Sewer Separation - Package 1.

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