

# A5



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Date: February 8, 2006  
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Meeting Date: February 28, 2006

TO: Vancouver City Council

FROM: General Manager of Engineering Services

SUBJECT: Contract 2005-09 Canoe Creek Sanitary Trunk - Tunnel Section  
Recommendation for Award

#### RECOMMENDATION

- A. THAT, subject to conditions set out in Recommendations B, C and D, the Manager of Engineering Services be authorized to enter into a contract with Dibco Underground Ltd. ("Dibco") for approximately 700 meters of sewer tunnelling work under Contract No. 2005-09, Canoe Creek Sanitary Trunk - Tunnel Section, Contract 2005-09 (Canoe Creek Sanitary Trunk - Tunnel Section) at a maximum total cost of \$3,427,610.00 (no GST) with 2/3 funding provided by both the federal and provincial governments under the Canada-British Columbia Infrastructure Program and 1/3 funding (\$1,142,536.67) provided by City Sewer Capital in advance of the approval of the 2006 Capital Budget.
- B. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A above.
- C. THAT all such legal documents be on terms and conditions satisfactory to the Manager of Engineering Services and the Director of Legal Services.
- D. THAT no legal rights or obligations will be created or arise by Council's adoption of Recommendations A, B and C above unless and until such legal documents are executed and delivered by the Director of Legal Services.

## GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services RECOMMENDS approval of A, B, C and D.

## COUNCIL POLICY

Construction contracts valued over \$300,000 must be awarded by Council.

Contracts are awarded on the basis of best value for fee.

## PURPOSE

This report recommends that contract 2005-09 Canoe Creek Sanitary Trunk - Tunnel Section (the "Project") be awarded to the low bidder, Dibco Underground Ltd.. This contract covers sewer construction and related work for the following streets:

Project	Street	Start	End
1	Windsor Street	15 <sup>th</sup> Avenue	20 <sup>th</sup> Avenue
	20 <sup>th</sup> Avenue	Windsor Street	Prince Albert Street

## DISCUSSION

In 2002, the City received funding approval for three sewer construction projects under the Canada/British Columbia Infrastructure Program (the "Infrastructure Program"). The three projects are located within the Canoe Creek basin and have a total value of over \$27M. Under the terms of the Infrastructure Program, 1/3 of the funding is provided by the City with the remaining 2/3 coming from senior levels of government. These projects accelerate the replacement of the existing combined sewer system with separated sanitary and storm sewer systems. The City's 1/3 share of the funding has been provided under the main sewer replacement capital budget.

The City's approach to undertake the Infrastructure Program projects has been to use City crews for the majority of the construction, and to supplement it with some work contracted out to the private sector. This contract award represents the final of three construction contracts awarded to the private sector.

The contract documents and detailed designs for the Project were prepared by Engineering Services staff, and the contract documents were reviewed by the Law Department. The Project will be administered under a lump sum/unit price construction services contract. Lump sums for each tender item and unit prices are used to calculate interim progress payments to the contractor.

Three bidders submitted complete tender packages, including bonding requirements. A summary of the bids received is provided in Table 1.

Table 1 - Contract 2005-09 Bid Summary		
Rank	Contractor	Bid Price
1	Dibco Underground Ltd.	\$3,427,610.00
2	Merletti Construction(1999) Ltd.	\$5,702,100.00
3	Sandpiper Contracting Ltd.	\$6,937,991.00

The low bid for the contract represents a significant savings for the City as the Engineer's preliminary contract estimate was \$6,000,000. Staff, in cooperation with a Geotechnical Consultant (Golder Associates), have reviewed the Dibco bid in detail. As Dibco is considered an expert in underground construction, its bid represents significant savings to the City, and no errors or omissions can be found in its bid documents, staff recommend that Dibco be awarded Contract 2005-09 Canoe Creek Sanitary Trunk - Tunnel Section.

### FINANCIAL IMPLICATIONS

Partial funds (2/3) for this Project are available from the federal and provincial governments as part of the Canada/British Columbia Infrastructure Program. The remaining funds are available from the City's 2006-2008 Sewer Capital program, with funding in advance of the 2006 Capital Budget. The final cost of the contract may vary from the bid price as the estimated quantities of work for unit price items could be different from the actual quantity of work.

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