

CITY OF VANCOUVER



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ADMINISTRATIVE REPORT

Report Date: April 10, 2008
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VanRIMS No.: 03-1200-11
Meeting Date: April 29, 2008

TO: Vancouver City Council

FROM: General Manager of Engineering Services

SUBJECT: Contract No. 2008-01 Watermain Supply and Installation
Recommendation for Award

RECOMMENDATION

- A. THAT Contract No. 2008-01 be awarded to the low bidder meeting the tender specifications, Con West Contracting Ltd., for the supply and installation of distribution watermains for an estimated contract price of \$1,353,003.75 (including applicable taxes); and THAT funding be provided in advance of the 2008 Basic Capital budget for the Waterworks Distribution Main Replacement program (order group CC3EE1A).
- B. THAT the General Manager of Engineering Services, in consultation with the Director of Legal Services, be authorized to enter into a construction services contract with Con West Contracting Ltd. for Contract No. 2008-01 for watermain supply and installation.
- C. THAT no legal rights or obligations will be created by Council's approval of Recommendations A and B unless and until all legal documentation required has been executed and delivered on terms and conditions satisfactory to the Director of Legal Services.

GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services RECOMMENDS the approval of A and B.

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 the low bidder, Con West Contracting Ltd., be awarded Contract No. 2008-01 for the supply and installation of watermains and all related work in the following streets located in the "Leasehold Lands" region of Musqueam Reserve No. 2:

Item	Street	From	To
1	Salish Drive	Staulo Avenue	Staulo Crescent
2	Staulo Crescent	Salish Drive	Musqueam Drive
3	Musqueam Drive	Salish Drive	Staulo Crescent
4	Yuculta Crescent	Musqueam Drive	Musqueam Drive

DISCUSSION

Contract 2008-01 will comprise approximately 10% of the distribution watermain replacement program for 2008. This contract will supplement the distribution main replacement efforts of City crews, and will provide a basis for assessing the cost and quality of the City's watermain installation program.

The watermains to be replaced in this contract are near the end of their service lives. Their replacement will ensure an adequate and continuous supply of water for both domestic consumption and fire protection.

Detailed designs and contract specifications were prepared by Engineering Services staff for the replacement of the watermains listed above while the contract documents were prepared with the assistance of Legal Services. The work 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 are as follows:

Rank	Contractor	Bid Price
1	Con West Contracting Ltd.	\$1,353,003.75
2	Pedre Contractors Ltd.	\$1,372,770.00
3	Sandpiper Contracting Ltd.	\$1,563,870.00

The low bidder, Con West Contracting Ltd., is qualified to supply and install the specified watermain project based on their satisfactory completion of similar work within the City of Vancouver and in neighbouring municipalities. Construction is scheduled to commence in May 2008 with completion no later than October 15, 2008.

FINANCIAL IMPLICATIONS

There is \$10.3M in funding available for the 2008 Distribution Main Replacement program. The estimated cost of this contract (\$1,353,003.75 including applicable taxes) is about 10% of the annual total for the program although the final amount paid to the contractor will vary from the bid price because the estimated quantities of work for unit price items may be different than the actual quantities of work. Due to the fact that construction on Contract 2008-01 is scheduled to begin in May 2008, this contract will need to be funded in advance of the 2008 Engineering Capital Budget. Funds for this project are available from the Distribution Watermain Replacement Program (SAP order group CC3EE1A).

CONCLUSION

Since the low bid for the contract is within the Engineer's preliminary estimate, staff recommend that Con West Contracting Ltd., be awarded Contract No. 2008-01 for watermain supply and installation for an estimated contract cost of \$1,353,003.75 (including applicable taxes), with funding to be provided in advance of the 2008 Engineering Capital Budget.

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