



CITY OF VANCOUVER

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ADMINISTRATIVE REPORT

Report Date: October 20, 2009
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Meeting Date: November 3, 2009

TO: Vancouver City Council

FROM: General Manager of Engineering Services

SUBJECT: Contract No. 2009-02 Water Main Supply and Installation
Recommendation for Award

RECOMMENDATION

- A. THAT Contract No. 2009-02 be awarded to the low bidder meeting the tender specifications, Ponte Bros. Ltd., for the supply and installation of distribution water mains for an estimated contract price of \$1,198,826.00 (excluding applicable taxes).
- 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 Ponte Bros. Ltd. for Contract No. 2009-02 for water main 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 the foregoing.

COUNCIL POLICY

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

Contracts are awarded on the basis of best value.

PURPOSE

This report recommends that the low bidder, Ponte Bros. Ltd., be awarded Contract No. 2009-02 for the supply and installation of water mains.

DISCUSSION

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 water main installation program.

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

Table 1 - Summary of Bids for Contract 2009-02 (Excluding Taxes)

Bid	Bid Price
Bid 1	\$1,198,826.00
Bid 2	\$1,293,392.00
Bid 3	\$1,344,986.00
Bid 4	\$1,478,205.00
Bid 5	\$1,579,000.00
Bid 6	\$1,660,764.00
Bid 7	\$1,784,980.00

The low bidder, Ponte Bros. Ltd. (Bid 1), is qualified to supply and install the specified water main project based on their satisfactory completion of similar work within the City of Vancouver and in neighbouring municipalities. Construction is scheduled to commence in November 2009 with completion no later than March 19, 2010.

FINANCIAL IMPLICATIONS

This contract was contemplated in the 2009-11 Waterworks Capital Plan - Distribution Main Replacement Program. The estimated cost of this contract (\$1,198,826.00 excluding applicable taxes) is about ten percent of the annual total for the 2009 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. Funds for this project are available from the Distribution Main Replacement Program.

CONCLUSION

Since the low bid for the contract is within the General Manager of Engineering Services' preliminary estimate, staff recommend that Ponte Bros. Ltd., be awarded Contract No. 2009-02 for water main supply and installation for an estimated contract cost of \$1,198,826.00 (excluding applicable taxes), with funding to be provided in the 2009 Engineering Waterworks Capital Budget.

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