



COUNCIL REPORT

Report Date: June 12, 2023
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VanRIMS No.: 08-2000-20
Meeting Date: July 12, 2023
[Submit comments to Council](#)

TO: Standing Committee on City Finance and Services
FROM: General Manager of the Engineering Services and Chief Procurement Officer
SUBJECT: Contract Award for the Construction of Sewer Separation on Oak Street

Recommendations

- A. THAT Council authorize City staff to enter into a contract with Jacob Bros. Construction Inc., for the Construction of Sewer Separation on Oak Street, for a term of approximately sixteen (16) months, with an estimated contract value of \$19,775,000.00, plus applicable taxes over the sixteen (16) month term, to be funded through a combination of the 2019-2022 Growth related Utility Sewer Upgrade program, the 2023-2026 Oak Street Growth Sewer Upgrade program, and the 2023-2026 MRN Rehabilitation program.
- B. THAT the Director of Legal Services, Chief Procurement Officer and General Manager of the Engineering Services be authorized to execute on behalf of the City the contract contemplated by Recommendation A.
- C. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until such contract is executed by the authorized signatories of the City as set out in these Recommendations.

Purpose and Executive Summary

The City issued Invitation to Tender (ITT) No. PS20220185-ENG-ITT Construction Services for Sewer Separation – Oak Street on March 15, 2023 for the construction of sewer upgrades and pavement rehabilitation. The ITT was advertised on the City of Vancouver website, and the work was called in accordance with the terms and condition of the City's Procurement Policy ADMIN-008. City staff on the ITT evaluation committee and, subsequently, Bid Committee have considered the responses received, and on that basis recommend that the City enter into a contract as described above with Jacob Bros. Construction Inc.

Council Authority/Previous Decisions

The City's Procurement Policy ADMIN-008 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 Jacob Bros. Construction Inc. as the successful tenderer.

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

In May 2018, City Council approved the Cambie Corridor Plan, which will make the Cambie Corridor the biggest growth area outside of downtown with over 50,000 new residents anticipated by 2041, and include new job space for over 9,000 employees. To accommodate this growth, the City will need to invest in significant water, sewer, and drainage utility infrastructure.

As part of this work, the City created the Cambie Corridor Utilities Servicing Plan and Financial Growth Strategy to address infrastructure upgrades required in the Corridor to accommodate the population and jobs growth enabled by the Plan. The new framework established as part of the Plan includes a long-term capital program and the introduction of a dedicated City wide Utilities Development Cost Levy (Utilities DCL) to fund neighbourhood-scale growth-related utility infrastructure projects.

The Utilities DCL Program, through the Cambie Corridor Integrated Water Management Plan (IWMP), identifies the need for \$1.1 Billion in total sewer and drainage infrastructure project costs to be invested between 2018 and 2120 to service this area. The prioritization of upgrade projects included on the list is based on the existing system capacity and risks, anticipated densities in each area, development activity and ability to efficiently deliver the infrastructure. The Oak Street Sewer Separation Project ("the OSSS project") is one of the highest priority projects identified to be delivered as part of the 2019-2022 Utilities DCL Program and 2023-2026 Utilities DCL Program as the existing combined sewer system is undersized for the current demand.

The OSSS project is located on Oak St from W 64th Ave to W 70th Ave; on W 70th Ave from Oak St to Fremlin St; and on Fremlin St from W 71st Ave to SW Marine Dr.

The work includes:

- Approximately 700m of new separated sanitary and storm sewer on Oak St and W 70th Ave including maintenance holes, reconnection of existing services and lateral tie-ins;
- Approximately 170m of storm and sanitary upgrades on Fremlin St from W 70th Ave to W 71st Ave;
- Approximately 110m of storm sewer upgrade on Fremlin St from W 71st Ave to SW Marine Dr;
- Pavement restoration and markings in areas disturbed by the work;
- Pavement rehabilitation on Oak St from W 64th Ave to W 71st Ave;
- Provision of all survey, testing requirements, layout, quality control and miscellaneous testing procedures; and

- Supply of all materials, equipment and labour and all other items necessary and incidental to complete the work.

The purpose of the Invitation to Tender was to identify suppliers with demonstrated capability to meet the City’s estimated demand over the term of the contract at competitive pricing and satisfactory service requirements.

Discussion

The ITT was issued in the accordance with City’s Procurement Policy ADMIN-008. The City received responses from two (2) prequalified tenderers:

Jacob Bros. Construction Inc.	\$19,775,000.00
BD Hall Constructors Corp.	\$20,588,325.00

The responses were evaluated through the work of an evaluation team comprised of representatives from Engineering Services staff and Supply Chain Management with support from Legal Services. Consultation for technical requirements was done by the City’s consultant. The evaluation team determined that the tender submitted by Jacob Bros. Construction Inc. is compliant with the Invitation to Tender requirements and provides best overall value to the City. Jacob Bros. Construction Inc. submitted the lowest, qualified tender at a tender price of \$19,775,000.00 (excluding GST).

Jacob Bros. Construction Inc. is qualified to perform the work required for the project as set out in the tender package based on the satisfactory completion of multiple large civil works projects as well as satisfactory references. References were checked by the project team and Supply Chain Management as part of the evaluation process.

Based on the overall evaluation, the team concluded that the tender submitted by Jacob Bros. Construction Inc., best met the City’s requirements and provided best overall value to the City.

Financial Implications

Finance has reviewed and confirmed that funding is provided through a combination of the approved Utilities DCL funded 2019-2022 Growth related Utility Sewer Upgrade program, the Utilities DCL funded 2023-2026 Oak Street Growth Sewer Upgrade program, and the 2023-2026 Major Road Network Rehabilitation program. As a result of the Invitation to Tender the City is able to achieve cost certainty for the proposed sixteen (16) month term.

Legal Implications

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

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