

15. Re: Asphaltic Concrete Supply Contract 1972
Contract #16, 1972
(Item 14, Report 62, October 2, 1972)

The above report was approved on October 2, 1972, and was subsequently brought up for reconsideration and tabled for one week on October 10, 1972.

Item 14 was prepared by the Manager in an attempt to clarify a situation which had not been properly reported by the Engineer or the Manager when the contract in question was recommended to be awarded to J. Cewe Limited. in Report Item 16, Report 20, May 1, 1972. Obviously report item 14 was not clearly presented in that the subject was not adequately covered.

The facts of the matter are these:

1. We have a local improvement contract and a straight asphalt supply contract. The asphalt in the former contract is associated with concrete works, whereas the asphalt for the latter contract is for overlays of existing streets and for patching material.
2. Contract #16 was a supply type of contract which was split between J. Cewe Limited who is supply and laying asphalt for overlays and Standard General Construction who is supplying asphalt that we pick up with Municipal trucks and use for street patching purposes.
3. Up to, but not including 1971, we did not specify the streets to be overlaid in the supply contract. We did specify the streets in the local improvement contract.
4. In 1971, the quantities estimated for the supply contract allowed for material expected to be used in the named streets plus an allowance for unspecified streets which we anticipated would come up during the year.
5. The 1971 supply contract awarded to Columbia Bitulithic Company specified that Willingdon (Moscrop to Grange), Boundary Road (Laurel to Moscrop) and Cariboo Road would be part of that contract. For engineering reasons as noted in the attached letter dated October 13, 1972 from the Municipal Engineer addressed to the Manager the streets were not done prior to the normal completion date of the contract (April 30, 1972).
6. At around the beginning of April 1972 there was hope that at least one of these streets could be overlaid prior to the completion date. The Engineer, rightly or wrongly so, therefore did not carry the work forward and include it in the 1972 supply contract which was in the process of being drafted and which we scheduled to close on April 26, 1972.
7. On April 13, 1972, Columbia Bitulithic Co. had requested an extension to May 30, 1972 for their 1971 supply contract so that they could complete the 3 works.

Continued...

ITEM 15

MANAGER'S REPORT NO. 66

COUNCIL MEETING Oct. 16/72

15. Re: Asphaltic Concrete Supply (cont'd)

8. Meanwhile on April 19, 1972, the tenders for the 1972 local improvement contract were opened and the prices were seen to be considerable lower than what we experienced in 1971. The Engineer therefore anticipated that it would not be prudent to recommend an extension to the 1971 asphalt supply contract with Columbia Bitulithic Co.
9. This subject was discussed by the Engineer with the Municipal Manager shortly after that time but prior to the closing of 1972 supply tenders on April 26 and it was agreed that we could not have the best of both worlds; i.e., if we had good reason to believe that prices would be lower for the 1972 supply contract we must advise the 1971 contractor (Columbia Bitulithic Co.) that we could not recommend an extension and he should be told this prior to the April 26 tender closing date for the anticipated 1972 supply contract. It would not be proper to recommend an extension to the 1971 supply contract so as to hold the contractor to his 1971 prices and then not give him the 3 remaining overlays if we got better prices for the 1972 work. A decision had to be made. Therefore, Columbia Bitulithic Co. was advised the day before the tender closed (April 25) and prior to the time of our receipt of that company's tender for the 1972 supply contract, that an extension would not be recommended. At that point in time it was too late to amend the scope of works for the 1972 supply contract (unless, of course, the tender closing date was extended which was not done).
10. An administrative error was made by the Engineer and the Manager by not including in the report item 16 on May 1, 1972 that it was our recommendation that the 3 remaining overlays be also included as part of the 1972 supply contract which was what we had decided. Certainly this was our intention but we did not follow through with the paper work. The Civic Strike had started at the same time.
11. The work in question was subsequently completed by the 1972 contractor at the rates under supply contract #16, 1972, at the specific direction of the Engineer on July 19, 1972.

In summary then, in the opinion of the Manager, there is no impropriety of any kind in this instance. It was a pure and simple oversight that the recommendation of that time when the 1972 contract #16 was awarded did not include reference to the addition of these 3 streets. This matter was recalled by the Manager on September 26, 1972, when he received a copy of a letter from the Engineer to Jack Cowe Ltd. authorizing that company to do certain extra lane paving and the miscellaneous work which is also referred to in report item #14, October 2, 1972. In discussing with the Engineer whether or not it would be prudent under today's circumstances to have such extra work also approved by Council before it is added to the contract, these 3 overlays were recalled and it was realized then that we had not followed through in our intentions on these major works. The report item of October 2, flowed from that discussion at the request of the Manager.

As for miscellaneous paving jobs the Engineer should have authority to do minor paving works under a contract at his discretion up to a provisional cost sum placed in the supply contract, such sum to be approved by Council. This is basically what he has been doing when he adds these minor works from time to time, but Council has not been made aware of how much allowance was included in the 1972 supply contract for this purpose. When Council awards future supply contracts, we will

ITEM 15

MANAGER'S REPORT NO. 66

COUNCIL MEETING Oct. 16/72

15. Re: Asphaltic Concrete Supply (cont'd)

now make it clear what allowance is provided for miscellaneous unspecified work so Council knows what discretion it is giving the Engineer and hopefully there will therefore be no confusion or misunderstanding as to the exact authority of the Engineer.

ITEM 15

MANAGER'S REPORT NO. 66

COUNCIL MEETING Oct. 16/72

THE CORPORATION OF THE DISTRICT OF BURNABY

INTER-OFFICE COMMUNICATION

TO: Municipal Manager

DEPARTMENT:

DATE: 13 Oct./72

FROM: Municipal Engineer

DEPARTMENT:

OUR FILE #

SUBJECT: Asphaltic Concrete Supply Contract #1, 1972 --
#16, 1972

YOUR FILE #

Your Report Item #14, Manager's Report #62, Council Meeting 2 October, 1972, has been brought back for reconsideration.

With Columbia Bitulithic having until 30 April, 1972, to complete their works under Asphaltic Concrete Supply Contract #1, 1971, I spoke to you prior to 25 April, 1972, concerning the fact that we had received from Columbia Bitulithic a request to extend their completion date to 31 May, 1972, and I wanted you to be aware that if we were to recommend the extension of the Columbia contract to the date requested, we would then have two current contracts at least during the month of May for performance of the same type of work. When I spoke to you concerning this subject, I was of the opinion that Columbia's request was reasonable since, for most of the outstanding work, the Company was held up for reasons beyond the control of the contractor and also largely beyond the control of the Corporation.

During our conversation, the subject of 1972 prices arose and it was our joint opinion that the 1972 prices should be more attractive than those of 1971 from indications provided by the tenders received on Local Improvement Contract #15, 1972. Your advice to me then was that we could not expect to receive the best of two worlds after the fact, and if we were to wish to complete the 1971 works under the 1972 contract, and, of course, we had no idea who would be the lowest tenderer, that we would have to make up our minds before the tenders closed on 26 April, 1972, and take whatever action was deemed to be in the best interests of the Corporation prior to the 26 April tender closing, and you requested that I make this decision and take the appropriate action.

Armed with the information provided at closing of tenders for Local Improvement Contract #15, 1972, concerning 1972 prices being lower than 1971, I concluded that it would be in the best interests of the Corporation to complete the works outstanding at 1972 prices. Accordingly, I wrote to Columbia Bitulithic by letter dated 25 April, 1972, advising the Company that we would be removing the three specifically listed streets, namely, Willingdon Avenue, Boundary Road, and Cariboo Road, from the Columbia contract and I also pointed out that the tonnage supply to the 25 April, 1972 date exceeded the total estimated tonnage of 14,200 tons which was included in the Contract. In all of the foregoing reasoning, there was, of course, no other intent involved other than to make decisions which were with the best knowledge available to be those in the best interests of the Corporation. Since then, of course, the decision has been justified in a saving on these three projects of approximately \$11,800.

Willingdon Avenue from Moscrop to Grange, one of the projects in the 1971 contract with Columbia, did not have the storm sewer installed on the east side until March of 1972; this was largely beyond our control as we decided to finance it from remaining funds in F.P.S.D.L. financing, and it was subsequently found to be impracticable to complete the work during the month of April because of the need for grading and gravelling following storm sewer work and there was not sufficient good weather during April to permit the work to be done during April. Cariboo Road had installed a sanitary sewer which was

ITEM 15
MANAGER'S REPORT NO. 66
COUNCIL MEETING Oct. 16/72

THE CORPORATION OF THE DISTRICT OF BURNABY

INTER-OFFICE COMMUNICATION


TO: DEPARTMENT: DATE:
FROM: DEPARTMENT: OUR FILE #
SUBJECT: YOUR FILE #

Page 2

completed in November, 1971, but pavement overlay work requires at least 3 dry days in succession at a temperature of no lower than 40°; it was simply found to be impracticable of achieving these conditions between November, 1971, and April, 1972. The third street, Boundary Road, required the pre-installation by the Greater Vancouver Water District of a new 48" diameter water main, and the original route favoured by the Water District was on Boundary from the lane north of Fir to Moscrop; the Water District in finality decided not to go along Boundary Road but crossed Boundary at the lane north of Fir, which work was not completed until May, 1972, which would have made at least highly impracticable the construction of the overlay during the month of April, 1972.

I hope that the foregoing will prove to adequately explain the transfer of these particular works from 1971 to 1972.

EEO:op


MUNICIPAL ENGINEER

c.c. () Municipal Treasurer
() Municipal Solicitor
() Purchasing Agent