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ITEM 26 (SUPPLEMENTARY)
MANAGER'S REPORT NO. 58
COUNCIL MEETING Sept. 18/72

26. Re: Contract No. 21,
1972 Storm Drainage Contract and Sanitary Sewer - F.P.E.L.
(Item 6, Manager's Report No. 56, September 11, 1972)

The Engineer has provided the following report regarding an analysis of the 1971 Storm Drainage Contracts.

This is for the information of Council.

The most recent storm drainage program financed under F.P.E.L.P. is not a suitable one for analysis of completed costs and comparison with contract value inasmuch as many of these contracts have not yet been finalized and cost figures presented at this time could, therefore, be somewhat misleading.

Therefore, in order to provide a comparison, we have chosen the 1971 drainage program performed under the F.P.S.D.L. financing. The tabulation of contract value and final costs on these contracts are as follows:

Contract No.	Name	Contract Value as Tendered	Total Cost of Contract as per Units Actually Used	Percent Variation
1.	United Contractors Ltd.	\$370,829.76	\$362,646.47	2.21%
2.	Norburn Construction Ltd.	95,882.30	87,970.54	8.25%
3.	Donmac Contractors Ltd.	123,185.65	95,599.44	22.39%
4.	Gosal Bros. Contracting Ltd.	81,933.60	75,569.76	7.77%
5.	H.B. Contracting Ltd.	123,164.62	116,653.16	5.29%
6.	Ed. Bernier Contracting Ltd.	84,385.95	74,669.98	11.51%
7.	Gosal Bros. Contracting Ltd.	83,781.30	82,271.93	1.80%
TOTAL		\$963,163.18	\$895,381.28	Average Percentage 7.04%

The above tabulation clearly demonstrates that our storm drainage contracts come out extremely well in final cost as compared to initial tendered amount. This is also true from every indication to date for our 1972 F.P.E.L.P. contracts.

The tabulation itself points out the advantage of a unit price contract for this type of work inasmuch as we were able to save on actual use of some of the quantities estimated, especially on granular backfill. There is no feasible way of determining with certainty ahead of time how much actual imported granular material will be required in a given storm sewer trench, as this factor is so highly affected by weather conditions, proximity of other utilities, and scheduling of surface works to follow.

If these contracts had been called on a lump sum basis, we would have had to estimate the quantities originally allowed for but would have ended up paying the actual lump sum amount as shown in Column 3 and the end cost would have been much higher than it actually turned out to be in each case.

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MUNICIPAL ENGINEER