

Re: Contract #7409 - Local Improvement Program
 Stage III, Part II, 1973
Local Improvement Program 1974

Attached is a report from the Purchasing Agent regarding tenders on the subject contract.

The Municipal Engineer has analyzed the tenders received and advises as follows:

"We have reviewed the tenders submitted for the above-named work and note that the lowest tender is from Columbia Bitulithic Ltd. Part C (the total work being A & B) in the amount of \$1,332,907.

The Engineer's estimate made in July, 1974 for the work is \$1,256,980.30. However, this estimate was based on the inflationary prices being received in 1974 (i.e. storm sewer prices have increased approximately 40% over 1973 prices). Approximately one-half of the work in this contract is to be financed from 1973 By-laws which were based on 1972 estimates and one-half is for the 1974 by-law based on late 1973 estimates. We are advising the Municipal Treasurer that although the price increase for this type of work has increased approximately 47% over 1973 prices he, in fact, has by-laws in the amount of approximately \$850,000 (not including engineering costs) to accomplish the work now tendered at \$1,332,907. This situation arises from the fact that one-half of the work was estimated in 1972 and one-half in 1973 for an overall increase now of approximately 56% in excess of by-law amounts.

Inflationary construction costs have been experienced this year by other municipalities over 1973 costs as follows:

Municipality of Surrey	-	approximately 40%
City of Vancouver	-	approximately 33-1/3% to 50% on certain road building elements.
Municipality of Coquitlam-	-	approximately 25%
District of Delta	-	approximately 30 - 35%

There is no indications of any improvement later this year or in 1975 or later so it would seem to be of no benefit to shelve the projects awaiting price improvement.

The Contractor explains the sudden increase of prices this year as follows:

1. Materials up approximately 25%.
2. Liquid asphalt up approximately 100%.
3. Aggregate costs up approximately 40%.
4. Equipment maintenance and repair costs up approximately 100%.
5. Drying cost in asphalt plant because of B.C. Hydro Power costs up 65%.
6. He cannot get firm prices for material for tendering purposes (i.e. an order must be placed before he can get a firm price).
7. Our street work is becoming more mixed in standards than previous years (i.e. we have six different categories of work involving curbswalks both sides, curbs only, some with sidewalks only one side and some with curbs only and an abutting walk on one side only). This increased variety of standards has been the result of property owner input and according to the Contractor results in a lower rate of production and increased costs.

The lowest tender from Columbia Bitulithic Ltd. includes topsoil at \$10.00 per cubic yard. Our most recent topsoil contract has been for \$5.95 per cubic yard. We cannot recommend the purchase of topsoil in this contract at \$10.00 per cubic yard.

The contract price includes a contingency of \$51,000 for "unclassified" (extra) work."

RECOMMENDATION:

THAT one contract be awarded to Columbia Bitulithic Ltd. for Part "C" (less the topsoil section) being the lowest tender for a total of \$1,278,895.50; and THAT the final payment be based on the actual quantities and unit prices tendered.

ITEM 36
MANAGER'S REPORT NO. 51
COUNCIL MEETING July 22/74

TO: MUNICIPAL MANAGER

DATE: July 16, 1974

FROM: PURCHASING AGENT

RE: CONTRACT #7409 - LOCAL IMPROVEMENT
PROGRAM STAGE III, PART II, 1973
LOCAL IMPROVEMENT PROGRAM 1974

Tenders for the subject project were received up to 3:00 p.m., local time on the 16th day of July, 1974.

The work includes the supply and installation of road construction materials on sundry streets in Burnaby.

PART "A"

15,000 ft. of 28 ft. asphaltic concrete pavement
600 ft. of 36 ft. asphaltic concrete pavement
25,100 ft. of 5 ft. concrete curb sidewalks
6,200 ft. of concrete curb and gutter

PART "B"

15,700 ft. of 28 ft. asphaltic concrete pavement
700 ft. of 36 ft. asphaltic concrete pavement
21,100 ft. of 5 ft. concrete curb sidewalks
11,600 ft. of concrete curb and gutter

PART "C" is equal to the sum of Parts "A" and "B".

The location of the work is as follows:

PART "A"

<u>1. 28 ft. pavement with 5 ft. curbwalk both sides</u>		<u>Approx. Length</u>
Sumas Street	Holdom Avenue to Fell Avenue	1000'
Parkcrest Drive	Fell Avenue to Kensington Avenue	1200'
Buchanan Street	Holdom Avenue to Kensington Avenue	2600'
Dawson Street	Kensington Avenue to cul-de-sac	1500'
Georgia Street	Holdom Avenue to Howard Avenue	600'
Ellesmere Avenue	Georgia Street to Frances Street	300'
Shephard Street	Sussex Avenue to Nelson Avenue	1000'
Avondale Street	Boundary Road to Smith Avenue	850'

ITEM 36
 MANAGER'S REPORT NO. 51
 COUNCIL MEETING July 22/74

<u>28 ft. pavement with 5 ft. curbwalk both sides (cont'd)</u>		<u>Approx. Length</u>
11th Avenue	Cumberland Street to Coquitlam Street	960'
Graham Avenue	Canada Way to 6th Street	1250'
2. <u>28 ft. pavement with curbs both sides with 4½' walk abutting curb on south side</u>		
Lyndhurst Street	North Road to Noel Drive	1400'
<u>28 ft. pavement with curbs on both sides</u>		
Piper Avenue	Government Road to Winston Street	640'
Lozells Avenue	Government Road to Winston Street	820'
Sardis Crescent	Nelson Avenue to Grafton Street	750'
Paulus Crescent	Golden Street approx. 125 ft. N.	175'
3. <u>36 ft. pavement with 5 ft. curbwalks on both sides</u>		
Ellesmere Avenue	Frances Street to Hastings Street	400'
Laurel Street	Smith Avenue to cul-de-sac	200'

PART "B"

<u>28 ft. pavement with 5 ft. curbwalk both sides</u>		<u>Approx. Length</u>
McKee Street	Roslyn Avenue to McPherson Avenue	650'
Carson Street	Gilley Avenue to Buller Avenue	1950'
Patrick Street	Gilley Avenue to Buller Avenue	970'
Bradley Avenue	Portland Street to Carson Street	550'
Neville Street	Dow Avenue to Grey Avenue	750'
Portland Street	McPherson Avenue to ravine	1000'
Buller Avenue	Keith Street to Irmin Street	2900'
2. <u>28 ft. pavement with 5 ft. curbwalk on north side, curb on south</u>		
McKee Street	Royal Oak Avenue to Roslyn Avenue	600'
Carson Street	Bradley Avenue to Sussex Avenue	420'
Portland Street	Royal Oak Avenue to McPherson Avenue	1250'
Keith Street	Royal Oak Avenue to ravine E. of McPherson	1700'
Patrick Street	Royal Oak Avenue to McPherson Avenue	1400'
3. <u>28 ft. pavement with curbs on both sides</u>		
Neville Street	Gray Avenue east to ravine	430'
Neville Street	Nelson Avenue west to ravine	650'
Carson Street	Buller Avenue west	280'
Patrick Street	Buller Avenue west	400'
Ewart Street	McPherson east to ravine	650'
4. <u>36 ft. pavement with curbs on both sides</u>		
Bonsor Avenue	Beresford Street to Brief Street	700'

The following addendums were issued and included in the contract:

ADDENDUM #2

Schedule of Approximate Quantities and Unit Prices

- Part A - Page 4 is amended as follows:
 Item 57 - Section VIII - Street Lighting Appurtenances
 2" Conduit (a) in boulevards NJL Lin. Ft.
 (b) under pavement or sidewalk. . . 50 Lin. Ft.

ADDENDUM #4

This amends and cancels Addendum #1 and #3.

"Payment to be made on a force account basis." This wording, where it appears in the tender documents, means that a contingency sum has been provided for payment for "unclassified work and materials" where ordered. Lump sums, where they appear in the Schedules of Quantities and Unit Prices, are provisional amounts to be utilized either wholly or in part as "unclassified work" as determined by the Engineer.

ADDENDUM #5

The following clause is added to the Special Provisions:

"Cost Escalation of Energy Related Materials

The Corporation will make an equitable adjustment to Contract unit prices where the asphalt work is affected by the following defined energy related material changes in price.

During the Contract term, the Contractor shall advise the Engineer in writing of any changes in the manufacturer's posted published prices. The unit prices of asphaltic concrete mix shall be adjusted for payment purposes using the following proportions as a basis of calculation.

<u>Liquid Asphalt</u>	- 6% liquid asphalt by weight.
<u>Heating Oil</u>	- 3 Imperial Gallons per ton of asphaltic mix supplied.
<u>Natural Gas</u>	- Five Therms per ton of asphaltic concrete mix supplied.
<u>Propane, Butane</u>	- Six Imperial Gallons per ton of asphaltic concrete mix supplied.

The Contractor shall list with his tender the posted prices, rates or tariffs of each of the above materials together with a list showing his plants to be used and the materials used at each plant.

Increases in costs of other energy sources such as electricity, gasoline, lube oil, diesel fuel for trucks shall be allowed for in the Contractor's unit prices and shall not be paid for by the Corporation."

This Addendum #5 shall form an integral part of the Contract Documents.

Five bids were received and opened in the presence of Messrs. Constable, Nuttall, Kennedy, Sinclair and representatives of the firms bidding.

A tabulation of the tenders as opened is attached.

Time for Completion

- PART "A" - 50 consecutive days when ordered to commence within seven days by the Engineer.
- PART "B" - 50 consecutive days when ordered to commence within seven days by the Engineer.
- PART "C" - 80 consecutive days when ordered to commence within seven days by the Engineer.

However, the contract provides that if at the time of tendering the Contractor believes he is unable to complete the work within the above stipulated time, then he shall stipulate the total number of consecutive working days he requires. The additional time required will be considered together with the tendered prices for the work when the tenders are received by the Corporation.

Contingency Work

The allowance to cover unforeseen work which may be required on the projects for which unit prices have not been provided.

ITEM 36

MANAGER'S REPORT NO. 51

COUNCIL MEETING July 22/74

PART "A" \$20,000.00
PART "B" \$20,000.00
PART "C" \$40,000.00

All products derived from crude oil are currently subject to rapid price increases to the point where asphalt contractors may not enter into contracts based on fixed prices and for this reason this contract includes a price escalation clause applicable to all crude oil derivatives and energy producing materials. The text of the clause is included in addendum #5 which appears verbatim earlier in this report. The same clause is a condition of a previous contract #7405 for asphalt and concrete supply approved by Council May 6, 1974.

To compare some of the prime unit prices with a similar contract in 1973:

Type of Work	#13, LIP Stage III Part I, 1973 Contract	Columbia Bitulithic Ltd. 1974	Change
Asphalt - Type V, Machine Laid	\$ 7.50 /ton	\$12.90 /ton	+72%
Asphalt - Type IV, 0-6' width	10.00 / ton	13.40 /ton	+34%
over 6' width	8.75 /ton	12.50 /ton	+43%
Concrete Curb Sidewalks	3.71 /lin.ft.	4.90 /lin.ft.	+32%
Pit Run Gravel	2.70 /ton	3.20 /ton	+19%

The estimate prepared by the Engineering Department for this project:
PART "A" \$625,387.30, PART "B" \$631,593.00, PART "C" \$1,256,980.30.

Several minor clerical errors were found in the mathematical extensions of the tender submitted by Columbia Bitulithic Ltd. which resulted in a corrected total of \$1,332,895.50 instead of \$1,332,907.00 which appeared in the tender form. The tabulation reflects this correction.


The Engineer wishes to delete the topsoil section because of the high cost, Section V, Item 34 = \$54,000 on lowest bid by Columbia Bitulithic Ltd. Therefore with this item removed the total is \$1,278,895.50.

RECOMMENDATION

THAT one contract be awarded to Columbia Bitulithic Ltd. for PART "C" (less the topsoil section) being the lowest tender for a total of \$1,278,895.50.

THAT the final payment to be based on the actual quantities and unit prices tendered.

The Municipal Engineer concurs with this recommendation.


K.F. Williams
PURCHASING AGENT

RJC/jk

attachment.

c.c. Municipal Clerk

N.B. The usual bonding and insurance is required.

Columbia Bitulithic - P.O. Box 34225

Station "D"

Vancouver, B.C.

THE CORPORATION OF THE DISTRICT OF BURNABY
TABULATION OF TENDERS FOR
CONTRACT #7409 LOCAL IMPROVEMENT PROGRAM, STAGE III, PART II - 1973
LOCAL IMPROVEMENT PROGRAM - 1974

PURCHASING DEPARTMENT
 July 16, 1974

TENDER NO.	COMPANY	PART "A"	PART "B"	PART "C"
1	Castle Concrete Limited	\$694,160.35	\$689,781.00	\$ -
2	*Columbia Bitulithic Limited	-	-	1,332,895.50
3	Standard General Construction	-	692,547.10	-
4	Winvan Paving, Division of Capital City Construction Co. Ltd.	716,346.00	-	-
5	Jack Cewe Limited	687,158.00	697,872.00	1,387,635.00

*Columbia Bitulithic Ltd. agrees to complete the work in the specified 80 days.

ITEM 36
 MANAGER'S REPORT NO. 51
 COUNCIL MEETING July 22/74