

ITEM 5  
MANAGER'S REPORT NO. 41  
COUNCIL MEETING May 27/74

Re: Tenders for Contract #7407 - Asphaltic  
Concrete Supply, Machine-Laid Pavement

Following is a report from the Purchasing Agent regarding tenders for the supply, transport and installation of machine-laid asphaltic concrete.

RECOMMENDATION:

THAT the lowest tender (with the amended letter relating to posted prices of energy related materials) submitted by Jack Cewe Limited in the amount of \$189,284.50 be accepted with final payment to be based on unit prices tendered and actual quantities used with the unit prices so tendered being adjusted where required for escalation of costs according to provisions of the Contract.

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TO: MUNICIPAL MANAGER

DATE: May 16, 1974

FROM: PURCHASING AGENT

RE: Tenders for Contract #7407 - Asphaltic  
Concrete Supply, Machine-Laid Pavement

Tenders were received up to 3:00 p.m., local time on Monday, the 13th day of May, 1974 for the material.

The work of this Contract consists of the supply, transport and installation of machine-laid asphaltic concrete in accordance with Corporation Specifications listed in the Instructions to Bidders and at the unit prices tendered in the Schedule of Approximate Quantities and Unit Prices at sundry locations in Burnaby as and when directed by the Engineer. It is anticipated that the work will include the cleaning, tack coating and overlaying of existing asphaltic concrete pavements including cul-de-sacs and street intersections, the paving of gravelled lanes and streets including cul-de-sacs and street intersections and the paving of tennis courts.

Three "Addendums" were incorporated in the tender documents. They were as follows:

Addendum 1

"For the purposes of this Contract it is not necessary for contractors to list with their tenders the manufacturer's posted prices for liquid asphalt. For the purpose of cost escalation of liquid asphalt, the manufacturers posted price for this material is hereby established in this Contract as thirty-six dollars and seventy cents (\$36.70) per ton exclusive of federal and provincial sales taxes and delivery charges. Future escalation beyond this price will be considered extra to the unit prices tendered as stipulated in Clause 2 of the Instructions to Bidders."

Addendum 2

"The Schedule of Approximate Quantities and Unit Prices for this Contract has been amended to include an item for Miscellaneous Paving.

Tenderers are required to use the amended Schedule of Approximate Quantities and Unit Prices attached hereto."

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Addendum 3

"Item 4, '46 Ft. Pavements', of the Schedule of Approximate Quantities and Unit Prices as amended by Addendum #2 is hereby amended to read 46 Ft. and Wider Pavements."

The work of this contract is to be completed by April 30, 1975.

Four tenders were received and opened in the presence of Messrs. Greene, Walters, Hagen and representatives of the firms bidding.

A correct tabulation of the tenders received is attached.

An error found in the extended total for item 8 of the tendered Schedule from Columbia Bitulithic has the effect of reducing their tender to \$196,513.50.

A comparison of unit prices in the lowest tender for 1974 and the corresponding contract for 1973 (J. Cewe Ltd. in each case) indicates that the price for Type V asphalt mix for street paving has risen from \$7.50 to \$9.55/ton, an increase of 27.3%. The cost of lane paving has risen to \$12.15/ton from \$10.00/ton (up 21.5%) for lanes under 200 feet in length and to \$11.00/ton from \$8.30/ton (up 32.5%) for lanes over 200 feet. Other unit prices in the contract appear reasonable for the classes of work involved.

This Contract contains a price escalation clause applicable to crude oil derivatives and energy producing materials. For liquid bitumen, the manufacturer's posted price has been established in the contract documents as \$36.70 per ton F.O.B. refinery exclusive of 12% Federal and 5% Provincial taxes. On this basis tenders may be reviewed on the basis of tendered unit prices as received as price escalations in the price of liquid asphalt would be the same for all bidders.

Jack Cewe Ltd. submitted with their tender as required by the Contract a letter stating the posted prices of energy related materials subject to price escalation as defined in Clause 2 of the Special Provisions of Contract. The Engineering Department challenged the intent of the last paragraph of the submission in that it appeared to place conditions on the tender in regard to price escalations which were not specified in the tender documents. Subsequent to receiving our letter of 15 May, 1974 requesting that the last paragraph of the submission be deleted, Mr. Johnson of Jack Cewe Ltd. visited the Municipal Hall and deleted the above noted paragraph.

The Municipal Engineer and the Purchasing Agent recommend:

RECOMMENDATION:

THAT the lowest tender (with the amended letter relating to posted prices of energy related materials) submitted by Jack Cewe Limited in the amount of \$189,284.50 be accepted with final payment to be based on unit prices tendered and actual quantities used with the unit prices so tendered being adjusted where required for escalation of costs according to provisions of the Contract.

  
PURCHASING AGENT

KFW/jk  
Attachment  
c.c. Municipal Clerk  
N.B. The usual insurance and bonding is required

THE CORPORATION OF THE DISTRICT OF BURNABY

TABULATION OF TENDERS FOR

CONTRACT #7407, ASPHALT CONCRETE SUPPLY, MACHINE-LAID PAVEMENT

PURCHASING DEPARTMENT  
May 13, 1974

<u>TENDER NO.</u>	<u>COMPANY</u>	<u>TOTAL</u>	
1.	Jack Cewe Limited	\$189,284.50	
2.	Standard General Company	248,101.25	
3.	Columbia Bitulithic Limited	196,701.00	(196,513.50)
4.	Imperial Paving Limited	200,366.00	

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