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MANAGER'S REPORT NO.	15
COUNCIL MEETING	91/03/04

TO: MUNICIPAL MANAGER 1991 FEBRUARY 26

FROM: DIRECTOR ENGINEERING

SUBJECT: 1991 LOCAL IMPROVEMENT STREET PROGRAM (LIP):
CONSTRUCTION SUPERVISION

PURPOSE: To seek Council approval to award an engineering agreement for construction supervision of the current Local Improvement Street Program.

RECOMMENDATION:

1. THAT R.F. Binnie & Associates Ltd. be retained to provide engineering consulting services for construction supervision of the Local Improvement Street Program.

REPORT

PREAMBLE

Council at its meeting of 1990 August 27 approved proceeding with approximately \$2.9 million of local improvement street works throughout the Municipality. Council subsequently at its meeting of 1991 January 21 directed the Municipal Clerk to initiate the program as approved.

Implementation of this program is scheduled for the 1991 construction season (spring/summer/fall). A professional engineering consultant is therefore required to provide services of construction supervision. More specifically, the consulting services we require include contract preparation and administration, survey for construction layout, resident field inspection, and general engineering supervision.

Engineering proposals for these projects were invited from three (3) consulting engineering firms, each of which has had extensive experience in supervising works construction calling for expertise in this particular discipline of professional civil engineering.

ENGINEERING PROPOSALS

The three companies invited to propose on the project are all well-established firms having engineers and technicians on staff who are highly qualified in this work. The companies were:

- . R.F. Binnie & Associates Ltd.
- . Associated Engineering (B.C.) Ltd.
- . Vector Engineering Services Ltd.

The consultants were asked to provide details of the experience and expertise of each of their respective firms and assigned staff related to this type of project, together with details of their intended method of approach to the project. They were also requested to submit a detailed work schedule and a schedule of "per diem" rates for their services.

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PROPOSAL REVIEW

The submitted proposals were reviewed by staff in a quantitative manner on predetermined factors such as: the consultant's company and assigned staff experience and expertise, proven ability based upon the consultant's previous work history, list of references, understanding of the nature of the work, proposed methodology, innovation, total cost implications, scheduling, and public relations. Each of the consultants is considered competent to do the work and the quantitative rating represented an appraisal of the Corporation's particular needs in this specific local improvement program.

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CONSULTANT SELECTION

The evaluation rating method established R.F. Binnie & Associates Ltd. as the leading candidate who would most closely meet the needs of the Corporation. R.F. Binnie & Associates have extensive experience in local improvement type works in Burnaby as well as surrounding municipalities. Their staff demonstrated a complete understanding of the project and concern for the sensitive nature of this particular type of work.

The consultants did not submit a fixed maximum fee, primarily because it is unrealistic to do so given the number of variables with potential to impact on their fees. The preferred method of remuneration would be on a per diem basis for actual hours worked. Your Director Engineering concurs that this method of payment is the most suitable for work of this nature.

As mentioned, total cost implications was a factor in the evaluation process. R.F. Binnie & Associates Ltd. submitted a proposal which was competitive in terms of per diem rates and was also the more attractive to the Corporation in terms of total cost effectiveness.

It is therefore recommended that the firm of R.F. Binnie & Associates Ltd. be retained to provide engineering consultant services for construction supervision of the current Local Improvement Paving Program. The Purchasing Agent concurs with this recommendation.

The consultant and the Corporation will enter into an engineering agreement which includes the Corporation's Terms of Reference and the consultant's Engineering Proposal as integral parts.

AGREEMENT AWARD AND FINANCING

The Municipal Clerk has initiated the LIP program and the deadline for petitions against the work expires 1991 March 19. The Municipal Clerk will be submitting a Certificate of Sufficiency to Council upon completion of his review. The program, as initiated, has an estimated total construction value of \$2.9 million. However the final construction value is unknown at this time because it is contingent upon which and how many projects are approved by the property owners. Past practice would indicate that an acceptance rate of 70% could be reasonably expected. Thus initiation of a \$2.9 million LIP program based on a 70% acceptance rate would translate into construction costs of \$2.1 million.

Engineering fees for construction supervision for previous works of a similar nature have equated to approximately 8% of total construction cost. Based on the \$2.1 million construction cost, the estimated value of this assignment would be \$179,000 (inclusive of GST).

It is in the Corporation's interest to tender the construction works as soon as possible to take advantage of:

- a competitive bidding market
- a full construction season

Award of an engineering agreement at this juncture would permit the consultant to commence work on preparation of the tender documents and place us in a position to take advantage of optimum timing. Local improvement costs will ultimately be funded by construction bylaws raised for that purpose. However, it will be necessary to interim finance the consultant expenditures until such time as the construction bylaws are in place.

It is therefore recommended that an engineering agreement be awarded for construction supervision of the roadworks as described, with the cost to be interim financed from the 1991 Capital Contingency as provided in the 1991 Provisional Operating Budget. The Contingency Fund would be reimbursed following Council approval of the construction bylaws.


DIRECTOR ENGINEERING

BCD:jb

cc: Director Finance
Director Administrative & Community Services
Purchasing Agent
Municipal Clerk

