

TO: CITY MANAGER **DATE:** May 12, 2004

FROM: DIRECTOR FINANCE

SUBJECT: CONTRACT NO. 2004-11
2004 WATERMAIN REPLACEMENT PROGRAM PACKAGE 'A'

PURPOSE: To obtain approval to award a contract for the construction of replacement water mains.

RECOMMENDATION:

1. THAT a contract be awarded to the lowest bidder, Hyland Excavating Ltd., for the construction of replacement water mains for a total cost of \$1,023,134.00 with final payment based on actual quantities and unit prices tendered.

REPORT

Five tenders for this contract were received by the closing time of 3:00 p.m. Monday, May 10, 2004 and were opened by staff in the presence of representatives of the firms bidding. The tenders received are as follows:

Hyland Excavating Ltd.	\$1,023,134.00
Rissling Services Ltd.	\$1,114,753.82
Sandpiper Contracting Ltd.	\$1,145,788.10
J. Cote & Son Excavating Ltd.	\$1,195,190.00
TAG Construction Ltd.	\$1,253,799.25

The work of this contract involves the supply of all labour, materials, tools, plant and equipment required for the installation of approximately 2,450 meters of various diameter watermain and other related work at various locations throughout Burnaby.

The recommended bidder, Hyland Excavating Ltd., has satisfactorily completed works of a similar nature for the City. Based on their past performance, the Director Engineering is satisfied that they have the experience and resources to complete the work of this contract. The Director Engineering and our consultant, R.F. Binnie & Associates Ltd., concur with the above recommendation.

The Director Engineering advises that: "The lowest tender price received for this contract is approximately 25% higher than the tender price for similar work contracted in 2003. The increase is primarily attributed to higher material and labour costs and is seemingly reflective of the current extremely active construction market in the Lower Mainland. However, staff are of the opinion that the cost of undertaking these works is not likely to reduce in the future. Deferral of these works is not recommended as it would expose the City to higher repair and maintenance costs. This tender is the first of a series of watermain replacement contracts to be issued for our 2004 construction program. Given the increase in costs, staff will make the necessary adjustments in program scope in order to meet the Council approved budget limits".

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Sufficient funds are available and this project is included under the Water Utility component of the 200-2008 Capital Program. Appearing elsewhere on this agenda is a work order report seeking additional funding approval for this project.


Rick Earle
DIRECTOR FINANCE

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cc. Director Engineering