



REPORT TO COUNCIL

To: **Mayor Schaffer and Councillors**

Subject **Tender Award – 48 Avenue Muckle Creek
Culvert Replacement**

Report #: 18-38

From: Rick Bomhof, P.Eng
Director of Engineering, Parks & Environment

File #:
Doc #:

Date: July 18, 2018

RECOMMENDATION:

1. **THAT** Mission Contractors Ltd. be awarded the contract for the 48th Avenue Culvert Replacement based on the tender price of \$610,391.32 excluding GST.
2. **THAT** the Director of Engineering, Parks and Environment and the Chief Administrative Officer is authorized to execute documents related to this award.

RECOMMENDATION:

The purpose of this report is to seek authorization from Council to award the tender T2018-019 48th Avenue Culvert Replacement, to Mission Contractors Ltd.

POLICY:

As per City Policy, FN-12 Purchasing Policy, all single purchases for goods or services that exceed a total value of over \$375,000 must be approved by City Council.

COMMENTS/ANALYSIS:

As per the City Purchasing Policy FN-12, the tender was posted on BC Bid and was open to all bidders. Two contractors submitted bids. The low bidder was Mission Contractors Ltd. at \$610,391.32. The Engineers estimate for this project was \$565,932.00; the low bid is 8% higher than the engineers estimate.

The tenders were reviewed by the Contract Administrator for completeness, errors and it was found to be in compliance to the tendering specifications. The Contract Administrator is satisfied that they have the knowledge and capacity to complete the project. Mission Contractors Ltd. is the low compliant bidder and the Contract Administrator recommends award on that basis.

As the low compliant bid is within the available budget, it is recommended that Council award Mission Contractors Ltd. the contract for the T2018-020 48th Avenue Culvert Replacement based on the tender price of \$610,391.32.

The amount of contingency is quite low at just 5.9%. Staff took extra measures in the design of the project to reduce construction risks such as verifying the utility locations and completing a soils test hole so we have a higher level of confidence that any extra unforeseen costs will be kept to a minimum.

BUDGET IMPLICATIONS:

The 2018 Capital Improvement Plan has the following budget for this project:

- 50 Ave Culvert Replacement	\$708,927.00
- Sewer and Drainage Replacements	<u>\$50,000.00</u>
Total budget	\$758,927.00

Tender Price	\$610,391.32
Pre-purchased Culvert	\$58,072.00
Design & Contract Administration	<u>\$48,495.00</u>
Total Costs	\$716,958.32

<i>Contingency</i>	<i>\$ 41,968.68 (5.9%)</i>
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ALTERNATIVES:

None

Respectfully Submitted,



Kara Jefford, P.Eng.
Manager of Engineering Services

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Concurrence:



Rick Bomhof, P. Eng.
Director of Engineering Parks & Environment

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I support the recommendation.



Francis Cheung, P. Eng.
Chief Administrative Officer