

At its Regular meeting on May 26, 2014 Council adopted the recommendations of Corporate Report No. Ro86;2014 to award Contract M.S. 1713-006-11 to TAG Construction Ltd. for the construction of 52 Avenue road widening from 188 Street to 190th Street. This contract was awarded through a competitive tender whereby TAG Construction was the lowest bid.

The extent of TAG's contract, the RBRC limits and the connector road are illustrated on the map attached to this report as Appendix I.

DISCUSSION

Under the RBRC contract, BA Blacktop bid \$1 Million for the optional work to construct the connector road. Since the original bid documents were assembled, the connector road alignment and width varied, which since resulted in BA Blacktop revising their original quote to \$1.5 Million, with the quote valid if BA Blacktop started construction before June 19, 2014. After this date the City in accordance with the terms of their contract, would be subject to delay claims.

The City reached verbal agreement from the final key property owner on June 16, 2014, and final property transfer documents are now being reviewed by legal representatives of each party and finalized. The City anticipates the documents will be finalized, and the owner will remove stored products and equipment from their property, before August 1, 2014. Thus, the delay in property acquisition would trigger a 6 week delay to BA Blacktop and the City would be responsible for delay claims up to \$150,000.00 per week. The result would be a total BA Blacktop proposed cost in excess of \$2.4 Million, compared to their original quote of \$1 Million.

As previously mentioned, TAG Construction Ltd. is currently working in the immediate area adjacent to the connector road, and their construction contract for 52 Avenue has similar scope of utility and road works as required for the proposed connector road. TAG's pricing on the 52 Avenue contract was secured through a competitive bid process, and their unit rates are lower cost than BA Blacktop. Furthermore, TAG has the staff and equipment resources available to construct the connector road, without delay costs, before October 31, 2014 which would allow the City to obtain the funding through the RBRC Project. The cost sharing arrangement as part of the RBRC project is such that the City is responsible for 11% of the total cost and the remainder is the responsibility of the other funding partners.

Therefore the savings to the City by issuing a contract change order to TAG Construction will result in an eighty-nine percent (89%) savings in the estimated \$1,250,000.00 of construction. Failure to meet the October 31, 2014 RBRC funding deadline will result in the City having to construct the road segment at one-hundred percent (100%) Surrey's cost at a later date.

SUSTAINABILITY CONSIDERATIONS

The project will enhance the public realm by implementing street standards that minimize the negative impacts of transportation facilities on communities, while providing appropriate infrastructure in support of the City's transportation needs. In particular, the project supports the following Sustainability Charter Scope action elements:

- SC13: Creating a Fully Accessible City; and
- EN 13: Enhancing the Public Realm.

FUNDING

Funding for this additional work is available from a contribution from the RBRC project and the remaining funding is available in the approved 2014 Transportation Budget.

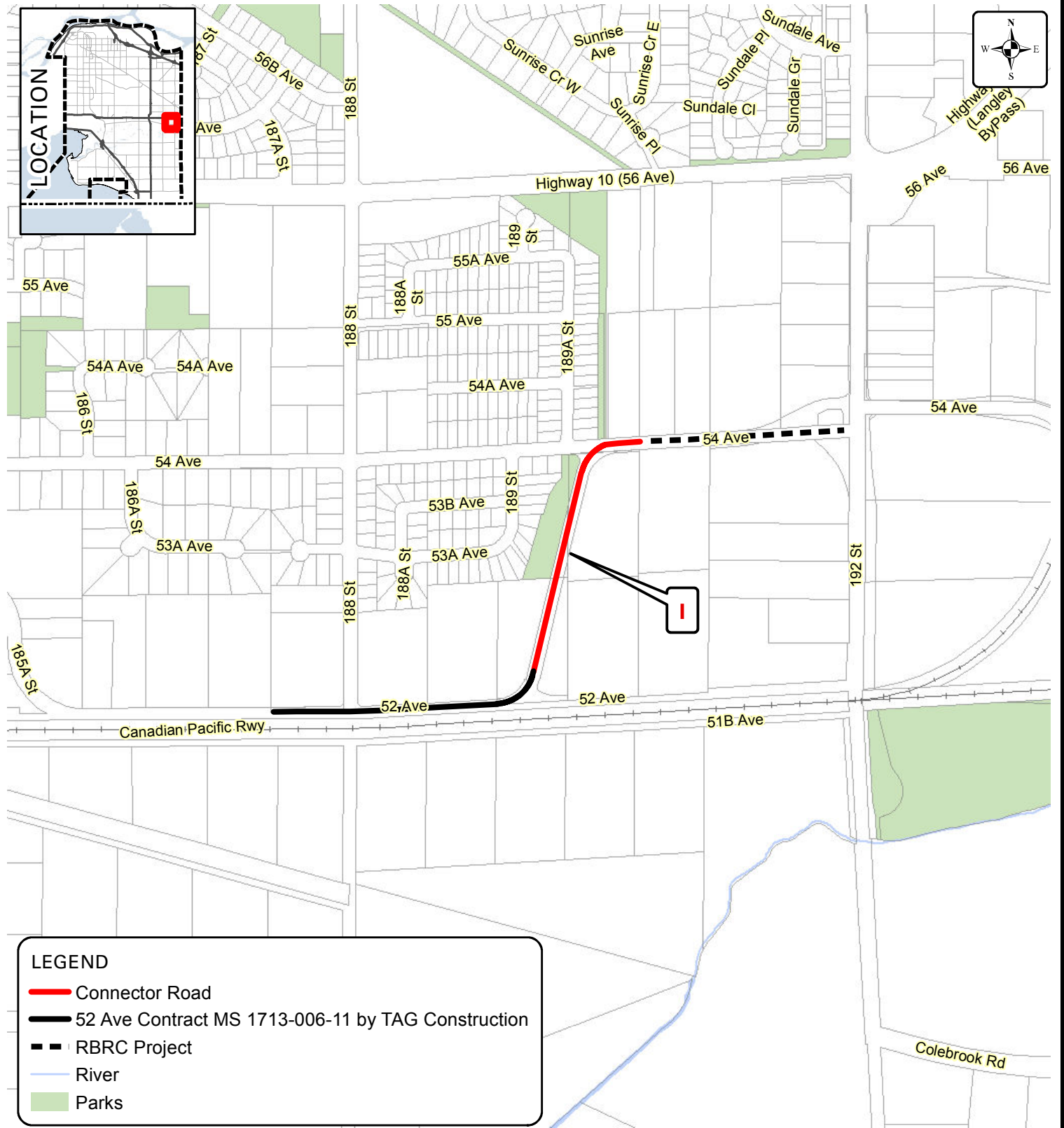
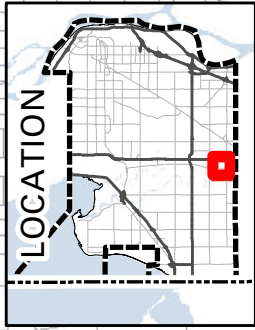
Gerry McKinnon
Acting General Manager, Engineering

GMC/SN/hl/ras

Appendix I – Map of Location - 52-54 Avenue Connector Road Project

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APPENDIX I



LEGEND

- Connector Road
- 52 Ave Contract MS 1713-006-11 by TAG Construction
- - - RBRC Project
- River
- Parks

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52-54 AVE CONNECTOR ROAD PROJECT R06/13

ENGINEERING
DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey.
This information is provided for information and convenience purposes only.
Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.