

NO: R006

COUNCIL DATE: January 30, 2019

**REGULAR COUNCIL**

TO: **Mayor & Council** DATE: **January 25, 2019**  
 FROM: **General Manager, Engineering** FILE: **1716-070/21**  
 SUBJECT: **Award of Contract No. 1716-070-21**  
**192 Street Widening from 40 Avenue to Colebrook Road**

**RECOMMENDATION**

The Engineering Department recommends that Council:

1. Award Contract No. 1716-070-21 to B & B Contracting (2012) Ltd. for the amount of \$7,646,600.00 (including GST) for the widening of 192 Street from 40 Avenue to Colebrook Road;
2. Set the expenditure authorization limit for Contract No. 1716-070-21 at \$8,400,000.00 (including GST and contingency);
3. Authorize the General Manager, Engineering to execute Contract No. 1716-070-21; and
4. Authorize amendments to *Noise Control Bylaw, 1982, No. 7044* as documented in Appendix "II" of this report; and
5. Authorize the City Clerk to bring forward the necessary Amendment Bylaw for the required readings.

**SCOPE OF WORK**

The construction package related to this Contract consists of the road widening and installation of storm system, which are also illustrated on the map attached to this report as Appendix "I":

Map Reference Number	Project #	Project Description	Location
1	R-10605	Arterial Road Widening to 3-lanes	192 Street: 40 Avenue to Colebrook Road
2	D-17119	800m of stormwater infiltration galleries	192 Street: 40 Avenue to 44 Avenue

The Contract work is expected to start in February 2019 and be completed by February 2020. There are no planned road closures or prolonged impacts to any residences or businesses resulting from any of the Contract work.

## TENDER RESULTS

Tenders for the subject Contract were opened on January 10, 2019 with the following results:

<i>Contractor</i>	<i>Tendered Amount with GST</i>	<i>Corrected Amount</i>
1. B & B Contracting (2012) Ltd. ("B&B")	\$7,646,600.00	No Change
2. Richco Contracting Ltd.	\$8,795,934.00	\$8,795,986.50
3. Eurovia British Columbia Inc.	\$9,382,286.30	No Change

The Engineer's (R.F. Binnie & Associates) pre-tender estimate was \$7.3 million (including GST).

## EVALUATION

The City received three Tender Submissions and upon review for accuracy and completeness, one of the Tenders had a minor arithmetic error that had no bearing on the outcome of the tender process. All submissions included the required 10% bid bond, were signed on the Tender Form, and were initialed on the Summary Sheet of the Schedule of Quantities and Prices.

The Tender Submissions were based on construction being permitted for 250 days from 7:00 a.m. to 5:00 p.m., Monday through Friday, which complies with the City's *Noise Control Bylaw. 1982 No. 7044* which allows for construction by contractors between 7:00 a.m. and 10:00 p.m., Monday through Saturday. In an effort to explore opportunities to reduce the cost of construction projects and to reduce the duration of construction and its associated impact on road users, the Tender Submissions also required contractors to indicate the cost or savings to the City and a savings in the total working days if the City were to permit contractors to work 24-hours a day, 7-days a week.

B&B was the low bidder based on construction being permitted from 7:00 a.m. to 5:00 p.m., Monday through Friday. B&B also offered the greatest financial savings of \$19,429.00 and time savings of 66 working days, or 26%, as compared to the other Tender Submissions if they were permitted to work 24-hours a day, 7-days a week. Richco Contracting Ltd. indicated that if they were permitted to work 24-hours a day, 7-days a week, they would be able to offer a financial savings of \$10,000 and a time savings of 10 working days. Eurovia British Columbia Inc. indicated that if they were permitted to work 24-hours a day, 7-days a week, it would be at a cost of \$281,133.49 and a time savings of 30 working days.

Based on the time savings being offered each contractor, it is likely that B&B is not planning on regularly working 24-hours a day, 7-days a week, but rather running longer shifts each day, and both Richco Contracting Ltd. and Eurovia British Columbia were likely planning to only run a limited number of longer shifts.

There are a few possible factors for the marginal cost savings, or increase in cost, and varied schedule reduction through the introduction of working 24-hour a day, 7-days a week by each contractor. These include:

- Longer work hours and therefore higher premiums for labour;
- Lack of labour in order to allow for the scheduling of crews 24-hours a day, 7-days a week;
- Challenges in securing the supply and deliver of materials after regular working hours; and
- Additional equipment rental for night time works.

The time savings of 66-days offered by B&B is of benefit to the community through a reduction in construction related traffic delays along 192 Street.

While B&B has indicated that there is only marginal savings to the construction cost of this Contract as a result of the option for 24-hour a day, 7-days a week work, staff expect the financial savings combined with the savings resulting from the reduction in construction schedule will be sufficient to cover the cost of overtime by staff and Engineering Consultants who provide contraction administration and inspection for this Contract.

The low bidder, B&B has provided a Consent of Surety for a Performance Bond and a Labour & Materials Bond, and based on a 24-hours a day, 7-day a week work potential. B&B has agreed to complete the work within 184 working days, as stipulated in the Contract. They have no outstanding legal claims against the City. It is recommended that B&B be awarded Contract No. 1716-070-21 based on their reduced construction schedule (184 working days down from 250 working days) and that *Noise Control Bylaw, 1982, No. 7044* be amended so that the Bylaw does not apply to construction or installation of City works or services, whether carried-out by City employees or City contractors in order to permit for opportunities for 24-hour a day, 7-day a week work on this Contract, and on other projects in the future.

### **Schedule Adherence**

All infrastructure related construction contracts include the opportunity for the City to reduce the amount owed to the contractor should they fail to complete the project in the number of working days provided by the contract. This deduction is referred to as a liquidated damage and is intended cover the resulting costs incurred by the City for additional contract administration and inspection due to the prolonged construction period. The City's current liquid damages deduction for late completion is \$1,500 per calendar day.

### **Opportunities to Accelerate the Delivery and Reduce the Cost of Capital Construction Projects**

The introduction of the option to contractors to work 24-hours a day, 7-days a week, or at least above typical construction hours on this Contract, is the first effort towards accelerating the delivery and reducing the cost of capital construction projects. Staff are preparing to bring forward a Corporate Report to Council in the near future identifying further opportunities towards accelerating the delivery and reducing the cost of capital construction projects.

## **Legal and Bylaw & Licensing Services Review**

This report has been reviewed by the Legal Services Division and Bylaw & Licensing Services Division of the Corporate Services Department.

## **SUSTAINABILITY CONSIDERATIONS**

The work of this Contract supports the objectives of the City's Sustainability Charter 2.0. In particular, this work relates to the Sustainability Charter 2.0 theme of Infrastructure. Specifically, this Contract supports the following Desired Outcomes ("DO"):

- All Infrastructure DO<sub>1</sub>: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems; and
- Transportation DO<sub>14</sub>: Goods movement throughout the city is efficient, and minimizes environmental and community impacts.

## **FUNDING**

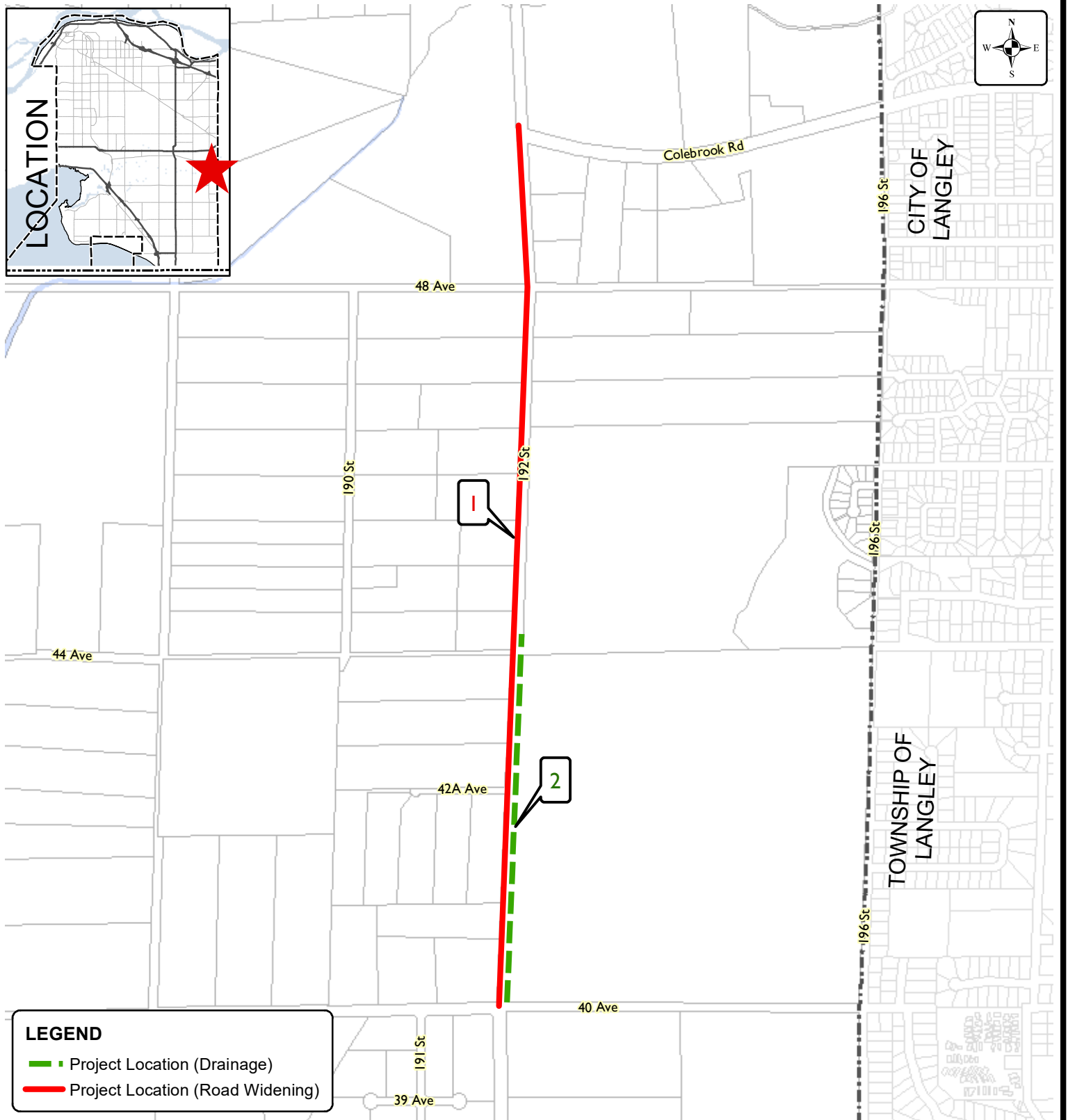
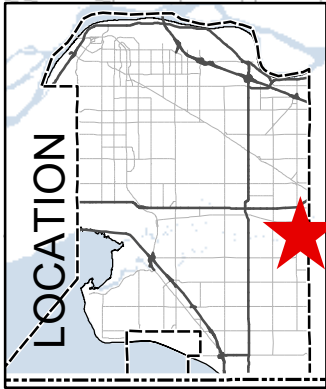
Funding for this Contract is available in the approved 2019 Transportation and Utilities Budget.

Fraser Smith, P.Eng., MBA  
General Manager, Engineering

JA/RI/GKC/ggg/jma/cc

Appendix "I": Map of Locations – Contract No. 1716-070-21

Appendix "II": Proposed Amendments to *Noise Control Bylaw, 1982, No. 7044*



**LEGEND**

- Project Location (Drainage)
- Project Location (Road Widening)

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Scale: 1:12,000 0 110 M



**CONTRACT No. 1716-070-21**  
**192 Street Widening from**  
**40 Avenue to Colebrook Road**

**ENGINEERING**  
**DEPARTMENT**

**Proposed Amendments to the Noise Control Bylaw, 1982, No. 7044**

That Noise Control Bylaw, 1982, No. 7044 be amended as follows:

1. Section C be amended by inserting a new section 4. as follows:
  4. This Bylaw does not apply to construction or installation of City works or services carried out by City employees or City contractors as authorized by the General Manager, Engineering.