

NO: R240

COUNCIL DATE: December 20, 2021

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **December 14, 2021**

FROM: **General Manager, Engineering** FILE: **5518-004/21**

SUBJECT: **Award of Contract No. 5518-004-21**
District Energy Distribution Piping System Expansion

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract No. 5518-004-21 to Clearway Construction Inc. in the amount of \$3,218,079.90 (including GST) for the District Energy Distribution Piping Expansion project;
2. Set the expenditure authorization limit for Contract No. 5518-004-21 at \$3,600,000.00, including GST and contingency; and
3. Authorize the General Manager, Engineering to execute Contract No. 5518-004-21.

SCOPE OF WORK

The construction package related to this Contract consists of the installation of approximately 890 lineal metres of District Energy insulated steel pipe, leak detection system, and communication network conduit. The work will be conducted at the location listed in the following table, which are also illustrated on the map attached to this report as Appendix "I":

Map Reference Number	Project #	Project Description	Location
1	E-17270	District Energy System Extension	10468 University Dr Development 7811-0333
			13225 104 Ave Development 7820-0207

The Contract permits construction from 7:00 a.m. to 10:00 p.m., Monday through Friday, in compliance with the *Surrey Noise Control Bylaw, 1982, No. 7044*. The Contract does not include an option for contractors to work 24-hours a day, seven days a week as the work is located within a residential area. To minimize construct impacts, work along 132 Street adjacent to Kwantlen Park Secondary School will be undertaken during summer school recess.

Upon award of the Contract the Contractor will procure the materials for the District Energy insulated steel pipe which is anticipated to take four months. Construction of the contract work is expected to start in May 2022 and be completed by October 2022.

The District Energy insulated steel pipe delivered under this contract will service Development Applications 7811-0333 and 7820-0207.

TENDER RESULTS

Tenders for the subject contract were opened on December 13, 2021 with the following results:

<i>Contractor</i>	<i>Tendered Amount with GST</i>	<i>Corrected Amount</i>
1. Clearway Construction Inc.	\$3,250,787.40	\$3,218,079.90
2. Sandpiper Contracting LLP	\$4,430,842.50	\$4,430,842.50
3. Complete Utility Contractors Ltd.	\$4,899,227.46	\$4,899,283.66
4. Conwest Contracting Ltd.	\$5,196,481.17	\$5,196,480.67
5. Rissling Services Ltd.	\$5,705,503.65	\$5,705,617.05
6. B. Cusano Contracting (2007) Inc.	\$6,220,200.00	No Change

The Engineer's (FVB Energy) pre-tender estimate was \$5,100,000.00 including GST.

EVALUATION

The submissions were reviewed for accuracy and completeness. One tender was found to be non-compliant, and as such, was rejected. There were five arithmetic errors that had no bearing on the outcome of the tender process. All submissions included the required 10% bid bond, and were signed and sealed on the Tender Form.

Based on the tender evaluation price, Clearway Construction Inc. provides the best value to the City. Clearway Construction Inc. has provided a Consent of Surety for a Performance Bond and a Labour & Materials Bond, and agreed to complete the work within 120 working days. Clearway Construction Inc. have limited experience installing district energy piping; however, their past performance on similar utility work has been satisfactory as confirmed by reference checks. They have no outstanding legal claims against the City. It is recommended that Clearway Construction Inc. be awarded Contract No. 5518-004-21.

SUSTAINABILITY CONSIDERATIONS

The work of this contract supports the objectives of the City's Sustainability Charter 2.0. In particular, the project supports the following City Sustainability Charter scope actions:

- Building and Sites SD13: Continue to support low-carbon district energy networks;
- Energy and Climate Do8: Neighbourhood-scale district energy systems provide low-carbon energy in dense urban neighbourhoods ; and
- Energy and Climate SD8: Identify areas (residential, commercial, and Industrial) where low-carbon district energy is viable and support development of new systems.

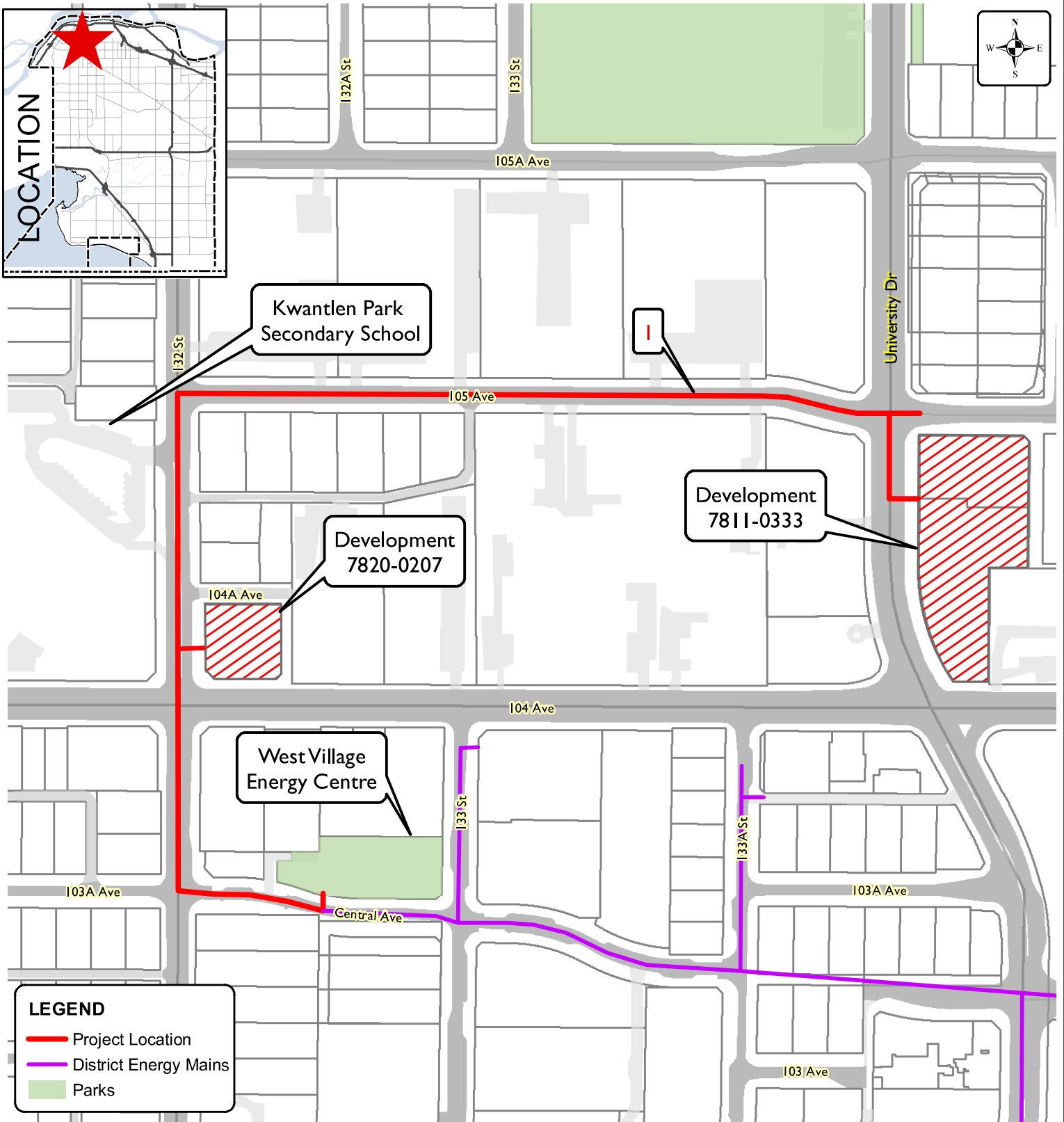
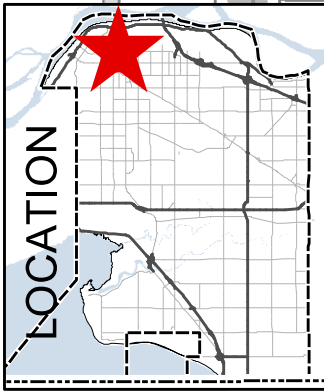
FUNDING

Funding for this contract is available in the proposed 2022 District Energy capital budget.

Scott Neuman, P.Eng.
General Manager, Engineering

Appendix "I": Map of Locations – Contract No. 5518-004-21

https://surreybc.sharepoint.com/sites/eng.administration/wp_docs/2021/admin/cr/final_crs/december_20/contract_award_district_energy_distribution_piping.docx
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LEGEND

- Project Location
- District Energy Mains
- Parks

Produced by GIS Section: 13-Dec-2021, P205803

Scale: 1:3,000



CONTRACT No. 5518-004-21 District Energy Distribution Piping Expansion

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.