



Corporate NO: R008

Report COUNCIL DATE: January 15, 2001

REGULAR COUNCIL			
TO:	Mayor & Council	DATE:	January 10, 2001
FROM:	General Manager, Engineering	FILE:	2120-011
		XC:	2123-901/01
SUBJECT:	Pre-Servicing of Industrial Area at 94 Avenue and 190 StreetAward of Tender and Authorization for By-law		

RECOMMENDATIONS

That Council:

1. Approve the award of Contract M.S. 2123-901 to the low bidder, Southwest Contracting Ltd., in the amount of \$714,974.00 including GST.
2. Authorize the introduction of the Specified Charge By-law to allow for the recovery of the pre-servicing costs from benefiting properties.
3. Approve funding for the project as follows:

Sewer and Drainage Utility \$180,000

Water Utility \$160,000

Legacy Fund \$660,000

INTENT

To seek Council's authority for the tender award, by-law introduction and funding for the pre-servicing at 94 Avenue and 192 Street.

BACKGROUND

In July 2000 (Corporate Report R176 – copy attached), Council approved the pre-servicing of a 20-acre industrial area at 94 Avenue and 190 Street. These works have now been designed, tendered, and a specified charge by-law prepared so that the City can recover its costs from the benefiting properties.

Tender Results

The following tenders were received for the construction of municipal and other utility services on 189 and 190 Streets, and on 94 Avenue.

<i>Tendered Amount</i>	<i>Corrected</i>
<i>Contractor with GST</i>	<i>Tender Amount</i>
1. Southwest Contracting Ltd.	\$714,974.00
2. Progressive Contracting Ltd.	716,301.87
3. B & B Contracting Ltd.	717,600.00
4. MCI Construction Ltd.	744,766.01
5. Tyam Construction Ltd.	764,409.07
6. Belpacific Excavating & Shoring Ltd.	772,861.00
7. Gemco Construction Ltd.	774,915.40
8. Bray Enterprises Ltd.	778,858.35
9. TAG Construction Ltd.	791,532.50
10. J. Cote & Son Excavating Ltd.	723,500.00 \$835,700.00
11. Pedre Contractors Ltd.	861,455.93
12. Conwest Contracting Ltd.	864,959.11
13. Sandpiper Contracting Ltd.	877,257.58
14. Ponte Bros. Contracting Ltd.	883,493.65
15. Jack Cewe Ltd.	910,765.81

The Engineer's pre-tender construction cost estimate was \$768,000 including GST. This estimate excludes Engineering overheads and construction administration costs.

Evaluation

All tenders were checked for legal or mathematical errors. The low bidder for the contract is Southwest Contracting Ltd.; their past performance on similar work has been satisfactory.

Funding

Funding details are shown in the Funding Statement in Appendix 1. Funding for this project requires up-front funding from the sewer and drainage utility, the water utility and the Legacy Fund. Based on very preliminary

estimates, Council, last year, authorized funding for these works consisting of \$660,000 for roads from the Legacy Fund, and \$270,000 for sewer, water and drainage from the respective utility fund. Final design and tendering has shown that an additional \$70,000 is required for City utility construction which is available within the 2001 budget funds. Funding has been allocated in accordance with the respective costs for roads, water, sewer and drainage. As the properties develop, they will pay the City specified charges which will then be returned to the various funding sources. On build-out of the area, all initial City costs will be recovered. The specified charge includes an interest component of 5.5% per annum for the first 10 years, after which the charge is capped.

Specified Charge By-law

A by-law to recover the City's costs through a specified charge by-law has been prepared. The specified charges for each parcel will be collected at the time of building permit issuance for that parcel. This by-law has been reviewed by the City Solicitor and also representatives of the various property owners involved, and they are in agreement with the provisions of the proposed by-law.

CONCLUSION

Due to the fragmented land ownership, this pre-servicing by the City will allow this area of Port Kells to proceed with industrial development much sooner than if the servicing had been left to the property owners. This action follows Council's directive of fostering commercial and industrial development.

Jorgen Johansen, P. Eng.

General Manager, Engineering

PH/brb

Attachment

c.c. - Acting General Manager, Finance, Technology & HR

g:\2001\utilities\01041417ph.doc

BRB 1/15/01 9:25