



# Corporate

NO: R105

# Report

COUNCIL DATE: May 28, 2002

<b>REGULAR COUNCIL</b>			
TO:	<b>Mayor &amp; Council</b>	DATE:	<b>May 23, 2002</b>
FROM:	<b>General Manager, Engineering</b>	FILE:	<b>4899-003/33</b>
SUBJECT:	<b>Contract Award M.S. 4899-003-41 Upper Serpentine River, Latimer Creek, Bear Creek Dyke Tie-In Phase 4</b>		

## RECOMMENDATION

1. Contract M.S. 4899-003-41 (Upper Serpentine River, Latimer Creek, Bear Creek Dyke Tie-In Phase 4) be awarded to the low bidder, Chet Construction Ltd., in the amount of \$1,388,255.66 including GST; and
2. In the event that the lowest bidder, Chet Construction Ltd., refuses to enter into the Contract with the City under the terms of the Instructions to Tenderers – Part II, that Contract M.S. 4899-003-41 (Upper Serpentine River, Latimer Creek, Bear Creek Dyke Tie-in Phase 4) be awarded to the second lowest bidder, Double M Excavating Ltd., in the amount of \$1,962,730.14 including GST.

## SCOPE OF WORK

Contract M.S. 4899-003-41 consists of flood protection and environmental enhancement works in Upper Serpentine River tie-in area, extending along Serpentine River from 88 Avenue to the Fraser Highway and in the Latimer Creek tie-in area, extending along Latimer Creek from the Serpentine River to 184 Street, and in the Bear Creek tie-in area, extending along Bear Creek from 72 Avenue to 68 Avenue. Contract M.S. 4899-003-41 also includes conveyance works along 176 Street and 80 Avenue. The frequency and duration of flooding experienced by the areas adjoining this project will be minimized as a result of this work. This is Phase 4 of critical components of the Serpentine-Nicomekl Flood Control Project.

Construction is expected to start by June 3 and be completed by October 15, 2002.

## Tender Results

Tenderers in this project were by invitation only. These contractors have been qualified in our annual pre-qualification process approved by Council (R072).

Tenders for the above contract were received on May 17, 2002, with the results as follows:

<i>Contractor</i>	<i>Tendered Amount</i>	<i>Corrected</i>	<i>Amount</i>
1. Chet Construction Ltd.	\$1,388,255.66	No Change	
2. Double M Excavating Ltd.	\$1,962,730.13	\$1,962,730.14	
3. Matcon Civil Constructors Ltd.	\$2,037,280.00	\$2,038,082.50	
4. Mission Contractors Ltd.	\$2,438,253.39	No Change	

## **Evaluation**

All tenders were checked for legal or mathematical errors. There was one minor mathematical error on bids by both Matcon Excavating Ltd. and Double M Excavating Ltd.; however, these did not alter the overall standings as indicated in the tender results of this report. Chet Construction Ltd. is the low bidder and with their past earth moving experience and work on environmentally sensitive projects, they are capable of completing this project. Work which they have performed under previous contracts for the City has been satisfactory.

Representatives of Chet Construction Ltd. have advised that they may not enter into a contract with the City pending their further more detailed review of the contract work and their bid. This relates to the fact that their tender bid was approximately 30% less than the second low bid, an unusually high difference for this type of contract. Should Chet Construction decide not to enter into a contract with the City, they will forfeit their 10% bid bond to the City that amounts to \$138,825.

Given the uncertainty associated with the Chet bid, the importance of completing the subject floodplain works during the drier summer weather, and the tight timelines specified in the tender documents, staff recommends that Council approve at this time a course of action to address this contingency. It is recommended that Council approve the award of the project to the second low bidder, being Double M Excavating Ltd. if Chet Construction Ltd. does not enter into a contract with the City in accordance with the requirements of the tender documents. Double M Excavating Ltd. has undertaken previous contracts for the City and their work has been satisfactory. This award procedure has been reviewed by Legal Services and confirmed to comply with sound tender award procedures and would be defensible if challenged.

## **Funding**

Funding if Chet Construction Ltd. undertakes the contract, is available as follows:

Required \$1,677,000

Available 2,310,000

Return to Drainage Budget \$ 633,000

Funding if Chet Construction Ltd. fails to enter into contract, and if Double M Excavating Ltd. undertakes the

contract, is available as follows:

Required (Double M Excavating Ltd.)      \$2,259,000

Available      \$2,310,000

Return to Drainage Budget      \$ 51,000

Return to Drainge Budget

Revenue from forfeited bid bond

Chet Construction Ltd.      \$ 138,825

Paul Ham, P. Eng.

General Manager, Engineering

VL/JA/RAW/brb/kjj

Attachment

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

- City Solicitor, Legal Services Division

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