



Corporate Report

NO: R182

COUNCIL DATE: July 19, 2004

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 9,
2004**

FROM: **General Manager,
Engineering** PROJECT **1704-
FILE: 008/01**

SUBJECT: **Consultant Appointment - Engineering
Agreement M.S. 1704-008-C1**

RECOMMENDATION

That Council authorize staff to enter into an Agreement for engineering services for Phase 1 construction of Campbell Heights City Lands Servicing, with New East Consulting Services Ltd.

INTENT

To receive Council's authorization to enter into an Agreement for engineering services, the value of which exceeds City policy limitations for approval by staff.

BACKGROUND

City policy allows the General Manager, Engineering the authority to enter in agreements on behalf of the City up to a value of \$200,000, and similarly the City Manager up to a value of \$350,000. Typically agreements for engineering services related to capital improvement projects fall within these authorization limits. However, the proposed Phase 1 construction of servicing for the Campbell Heights City Lands is a larger than typical project. and the value of consulting engineering services for the construction phase of the project will exceed the authorization limits of staff to enter into an agreement for services.

DISCUSSION

The construction of services for the Campbell Heights City Lands is being carried out in a number of phases. Phase 1 is proceeding in 2004 and includes six (6) construction contracts with an estimated value of \$12,300,000. The majority of the work is within the City Lands bounded by 190 Street, 20 Avenue, 194 Street and 28 Avenue; however, the water mains are being extended on 24 Avenue to 184 Street and on 192 Street to 32 Avenue, and the sanitary sewer is being extended on 192 Street to 52 Avenue west of 192 Street, and traffic signals will be installed at the intersections of 192 Street / 32 Avenue and 184 Street/32 Avenue.

Staff has previously awarded the engineering services, with the established authorization limits, for the design phase of Campbell Heights City Lands Servicing to New East Consulting Services Ltd. based on competitive proposals received from four engineering consulting firms, with the decision being made in consultation with the co-funding private sector partners, the Campbell Heights Group.

CONCLUSION

The total value of engineering services for the construction phase of Campbell Heights City Lands Servicing is \$ 590,000, including GST rebate and contingency, which exceeds the authority of staff to enter into the necessary agreement. This fee represents 4.9% of construction costs, which is lower than the average percentage fee of 6% for engineering services for the construction phase. This difference reflects the economies of scale for such a large project. There are, however, some additional costs involved with overseeing this construction in that additional materials testing and supervision will be required for the use of the native materials for trench backfill and road base. This fee proposal has been reviewed by staff and the co-funding private partner, CHG, and it has been found to be acceptable. City staff will continue to oversee the consultant's work and the City will invoice CHG for their share of the costs. Council's authority is required to enter into an agreement for the construction phase of engineering services for this project.

The engineering servicing costs for the DCC funded pre-servicing works will be funded 50% by the City and 50% by the Campbell Heights Group. Costs for local servicing works will be funded 100% by the Campbell Heights Group.

Paul Ham, P.Eng.
General Manager, Engineering

PH/RW/brb

- c.c. - General Manager, Finance, Technology & HR Dept.
- Pat Zoerb, Engineering Dept.
- Manuel Uy, Finance, Technology & HR Dept.
- Jo-Ann Anakotta, Finance, Technology & HR Dept.

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