

Corporate Report

NO: R309

COUNCIL DATE: December 13,

2004

REGULAR COUNCIL

TO: **Mayor and Council** DATE: **December 8, 2004**

FROM: **General Manager, Planning and Development** FILE: **0760-20 (South Surrey Rec Centre)**

SUBJECT: **Award of Structural Steel Contract for Construction of South Surrey Recreation Centre**

RECOMMENDATION

It is recommended that Council approve the award of a contract to XL Ironworks Co. for the structural steel components, related to the construction of the South Surrey Recreation Centre, with the total value of the contract not to exceed \$768,316.00, excluding GST.

PURPOSE

The purpose of this report is to obtain Council approval to award a contract for the structural steel component related to the construction of the South Surrey Recreation Centre.

BACKGROUND

Council approved the construction of the new South Surrey Recreation Centre, with funding provided in the 2004 and 2005 Capital budgets.

At its Regular meeting on November 29, 2004, Council awarded a contract for each of three components of work related to the construction of the South Surrey Recreation Centre, including earthworks, concrete works and mechanical works.

Construction on the project started on December 6, 2004 and the entire project is scheduled for completion by October 2005. The project is being managed using a sequential tendering method in an effort to speed up the construction timeline and to secure material and labour early in the process, which will help in minimizing the effect of escalating prices in the construction industry. More specifically, for the structural steel component, the lead-time for delivery of the manufactured product on site is 15 weeks. The remaining components for completing the Recreation Centre are currently being tendered and will come forward for Council's approval early in 2005.

Tender Process And Results

Omicron Construction, which has been retained to assist with managing the construction of this project, has worked with City staff to establish a list of pre-qualified contractors for each component of construction for tender purposes. Each component is being tendered separately. The tender process follows the City tendering policy. Invitations to pre-qualify for the tender process were published on the City's website, as well as on the BC Bid website. Pre-qualified contractors for each component were invited to submit a proposal. The following is a summary of the proposals received for the structural steel component of the work (five firms were invited to submit bids):

XL Ironworks Co.	\$768,316.00 excluding GST
Solid Rock Steel Fabricating Co. Ltd.	\$765,882.00 excluding GST
Macform Construction Group Ltd.	\$902,616.00 excluding GST
AI Industries	picked up documents/did not submit
Clearbrook Ironworks	picked up documents/did not submit

Based on an evaluation of the proposals, it was concluded that the proposal from XL Ironworks Co. represents the best overall value to the City, in relation to supplying and installing the structural steel components for the South Surrey Recreation Centre project. Although their price was not the low price for the work, more required elements were excluded from the proposal submitted by Solid Rock Steel Fabricating Co. Ltd. and Solid Rock Steel also had a longer delivery time, representing greater risk in completing the project on time and not interfering with the timelines for the work of other trades. Funding in support of this contract is available within the Council-approved budget for the project.

Project Budget Status:

Total funding approved for project: **\$7,970,000**

To date, contracts have been awarded for five components, as follow:

Earthworks:	\$670,500
Concrete Work:	\$529,365
Re-Bar:	\$88,000
Elevator:	\$61,290
Mechanical	<u>\$808,035</u>
Sub-total =	<u>\$2,157,190</u>

The award of the structural steel component will bring this total to:

Structural Steel:	<u>\$768,316</u>
TOTAL =	<u>\$2,925,506</u>

The remaining components, to complete the project, are currently being tendered. Those components will be combined into one stipulated price contract. It is expected that the award of the contract for the remaining components will be submitted to Council for approval in January 2005. It is estimated that the costs for the remaining components of the project, including the construction management fees, other soft costs and a contingency allowance, will remain within the overall budget for the project.

CONCLUSION

Based on the above, it is recommended that Council approve the award of a contract to XL Ironworks Co. for the structural steel components, related to the construction of the South Surrey Recreation Centre, with the total value of the contract not to exceed \$768,316.00, excluding GST.

Murray Dinwoodie
General Manager
Planning and Development

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