



Corporate Report

NO: R073

COUNCIL DATE: April 24, 2006

REGULAR COUNCIL

TO: Mayor & Council DATE: April 20, 2006
FROM: General Manager, Engineering PROJECT FILE: 1206-241-11
SUBJECT: Contract Award - M.S. 1206-241-11
Terasen Utility Services Inc.

RECOMMENDATIONS

1. That Council set the expenditure authorization for Contract M.S. 1206-241-11 to \$3,970,000 including GST; and
2. That Contract M.S. 1206-241-11 be awarded to Terasen Utility Services Inc. in the amount of \$3,780,250.38 including GST.

SCOPE OF WORK

Terasen Utility Services Inc. will provide water meter installation services for the volunteer program projected at approximately 8,000 meters, and the installation of approximately 5,000 meters in meter boxes already provided at new residential lots. The contract should be completed by September 2009.

DISCUSSION

Terasen Utility Services Inc. has provided water meter installation for the City since 2001. During that time period, 18,500 meters were installed under the voluntary metering program and 3,000 meters under the new residential construction program. The 2001-2005 Voluntary Metering Program included extensive marketing as part of the Program. Currently there are 28,000 metered and 43,000 unmetered single family residential customers. At the completion of this contract, it is projected that there will be 41,000 metered and 36,000 unmetered single family residential customers. The public's awareness of the program has now been well established and does not require the same level marketing. This contract provides a limited budget for marketing and will be used at the City's discretion. This contract includes both voluntary metering and new-residential construction.

TENDER RESULTS

Tenders for Contract M.S. 1206-241-11 were received on April 18, 2006, from the three pre-qualified water meter contractors, with the results as follows:

<i>Contractor</i>	<i>Tender Amount with GST</i>	<i>Corrected Tender Amount with GST</i>
1. Terasen Utility Services Inc.	\$3,780,250.38	
2. Neptune Technology	\$4,024,116.13	
3. Canadian Meter Installation	\$4,420,492.65	\$4,495,492.65

The Engineer's pre-tender estimate was \$4,700,000 including GST.

EVALUATION

All tenders were reviewed and checked for mathematical errors by our consultant.

The low bidder, Terasen Utility Services Inc. has no outstanding claims or legal issues with Surrey and have satisfactorily completed several projects for the City in the past. We recommend Terasen Utility Services Inc. be awarded this contract.

FUNDING

Sufficient funding is available in the 2006 Water budget and the 2007 funding is budgeted in the 10 Year Financial Plan.

Paul Ham, P. Eng.
General Manager, Engineering

VL/PH/SB:rdd/brb

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

APPENDIX 1
Summary of Funding Available and Required

Funding Source	2005 Carry Forward	2006	2007	2008	2009	Total Funding Available	Total Funding Required
Residential Metering 10 Year Plan		\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$7,200,000	\$2,908,000
New Residential Construction Funding from Development	\$397,000	\$210,000	\$210,000	\$210,000		\$1,027,000	\$624,000