



# Corporate Report

NO: R161

COUNCIL DATE: July 24, 2006

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## REGULAR COUNCIL

TO: Mayor & Council DATE: July 21, 2006  
FROM: General Manager, Engineering FILE: 4802-401/31  
SUBJECT: Contract Award M.S. 4802-401-31  
Lower Nicomekl Dykes-Surrey Dyking District

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## RECOMMENDATIONS

The Engineering Department recommends that Council:

1. Award Contract M.S. 4802-401-31 to the Surrey Dyking District in the amount of \$394,605.00 (GST is not applicable); and
2. Set the expenditure authorization for Contract M.S. 4802-401-31 at \$434,066.00 (GST is not applicable).

## INTENT

We recommend that the Surrey Dyking District be engaged to carry out the upgrading of the Lower Nicomekl Dykes.

## BACKGROUND

Since 2001, the City has funded a limited scope of work for the Surrey Dyking District (SDD) to complete portions of dyking required in the Nicomekl-Serpentine flood control project. The work was carried out according to the design prepared by the City. The areas involved are extensively farmed with either vegetable or berry crops, making the property negotiations and dyke works along the existing dyke very challenging. Since the start of work by the SDD, they have been able to very efficiently complete large portions of the Lower Nicomekl River Dykes and most of the Lower Serpentine Dykes.

## DISCUSSION

The SDD has been performing very well for the City, which has resulted in the City saving considerable time and expense. In addition, the SDD helped liaise with farmers to

do the works based on the trust they have established with the farmers and the District's ability to upgrade dykes with minimum impact on their crops. Involving the SDD in the construction of some of the dyke upgrades is in our interest since they will be maintaining the dykes after their completion.

## QUOTATION RESULTS AND EVALUATION

In accordance with the City's purchasing policy, a contract to upgrade the Lower Nicomekl Dykes was negotiated with the SDD on a discretionary basis. In doing this, City Policy Q7(1)(4) was used. Since the SDD is a self-liquidating, non-profit and regulated body, they did not wish to actively compete with regular for-profit contractors in public tenders.

In order to take advantage of the SDD's expertise and ensure that the City obtains maximum value, the negotiated unit prices for the different quantities were compared to 2006 average tender unit prices of similar work. SDD unit prices for the main quantity items were competitive or lower than the average award prices as shown:

|                           | <i>Surrey Dyking District</i> |               | <i>2005/2006 Average Award<br/>Prices of Similar Work</i> |               |
|---------------------------|-------------------------------|---------------|---|---------------|
|                           | <i>Quantities</i>             | <i>Prices</i> | <i>Quantities</i>   | <i>Prices</i> |
| Load, Haul and place fill | 20,000 m <sup>3</sup>         | \$12.50       | 70,000 m <sup>3</sup>                                     | \$12.70       |
| Stockpile*                | 10,000 m <sup>3</sup>         | \$ 2.50       | 18,000 m <sup>3</sup>                                     | \$ 2.72       |

In addition to being smaller quantities, the type of work required by the SDD is more difficult and time-consuming. For example, on many occasions in the past, they have had to use track trucks that are rare and more expensive to operate. This would undoubtedly lead to higher prices from our regular contractors.

## CONCLUSION

There is sufficient funding in Project 4802-401 for this contract.

Paul Ham, P.Eng.  
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