



# Corporate Report

NO: R163

COUNCIL DATE: July 24, 2006

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## REGULAR COUNCIL

TO: Mayor & Council DATE: July 19, 2006  
FROM: General Manager, Engineering PROJECT FILE: 4806-004/11  
SUBJECT: Contract Award M.S. 4806-004-11, Tyam Construction Ltd.

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## RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract M.S. 4806-004-11 to the low bidder, Tyam Construction Ltd., in the amount of \$1,771,154.00 including GST.
2. Set the expenditure authorization for Contract M.S. 4806-004-11 in the amount of \$1,775,000.

## SCOPE OF WORK

Contract M.S. 4806-004-11 is comprised of works to improve Scott Creek, from River Road to South Fraser Way, in South Westminster.

The need to improve the conveyance of this creek and upgrade the Grace Road culvert crossing was identified by Associated Engineering in the "*Manson and Gunderson's Slough Watersheds: Storm Water Management Review and Feasibility/Functional Plan, November 1999*" and this project was subsequently included in the City's 10 Year Capital Plan.

Furthermore, the City has committed to the Department of Fisheries and Oceans Canada, by way of a Memorandum of Understanding, that the habitat value of this creek will be significantly enhanced in order to offset the impacts of other City work in this watershed.

There is currently an active industrial land development application adjacent to this creek that is relying on the completion of this project to satisfy both conveyance requirements and DFO requirements.

Construction is expected to start in August 2006, and be completed by November 2006.

## TENDER RESULTS

Tenders for the above contract were received on July 17, 2006, with the results as follows:

<i>Contractor</i>	<i>Tender Amount with GST</i>	<i>Corrected Amount with GST</i>
1. Tyam Construction Ltd.	\$1,771,154.00	\$1,771,154.00
2. Double M Excavating Ltd.	\$1,827,773.47	\$1,810,691.47
3. Mission Contracting Ltd.	\$1,882,881.75	\$1,882,900.74
4. Delta Aggregates Ltd.	\$2,200,103.00	\$2,200,102.99

The Engineer's pre-tender estimate was \$1,200,000.00 including GST.

The large discrepancy in the engineer's estimate and the tendered bids is primarily a result of higher than expected earth removal prices. Due to the time sensitive nature of this work, we are recommending that we proceed with award of this contract. Market conditions are such that the cost of soil removal is high and we do not expect to find better value in the near future. Our strategy to reduce the overall project costs is to implement design changes that will reduce the amount of material leaving the site. These design changes have already been completed and we estimate that the actual project cost will be closer to \$1,300,000.00 at the low bidder's tendered rates.

## EVALUATION

Our Consultant reviewed the tenders for accuracy and completeness. All submissions included the required 10% bid bond and were signed and sealed on the Tender Form and Summary Sheet of the Schedule of Quantities and Prices.

The low bidder, Tyam Construction Ltd., has provided a Consent of Surety for a Performance Bond and Labour & Materials Bond, and has agreed to complete the work within the 77 working days stipulated in the contract. Tyam Construction Ltd.'s past performance with the City has been satisfactory, and have no outstanding legal claims against the City. We, therefore recommend that Tyam Construction Ltd. be awarded the work.

## FUNDING

Funding is available within the approved Drainage budget.

Paul Ham, P.Eng.  
General Manager, Engineering

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c.c. - Jo-Ann Anakotta, Finance, Technology & HR Department  
- Drainage Planning Manager