



Corporate Report

NO: R053

COUNCIL DATE: APRIL 2, 2007

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **March 28, 2007**
FROM: **General Manager, Engineering** FILE: **0910-40-64 (Site filling)**
SUBJECT: **Trouton Pit Preload Filling, Matcon Excavation & Shoring Ltd.**

RECOMMENDATIONS

The Engineering Department recommends that Council:

1. authorize staff to enter into an Agreement with Matcon Excavation & Shoring Ltd., the highest price offer received by the City under an invitational tender for the supply, staged engineered placement and compaction of clean, structural fill material on the City-owned Trouton Pit property located at 12780 - 110 Avenue in return for payment to the City in the amount of \$450,000, with the additional revenue from the sale of sand located on a portion of the site, reasonably estimated to be in the order of \pm \$150,000; and
2. approve that revenues anticipated from the site filling be paid into the Municipal Land Reserve and be used to refund the construction costs of \$565,000 associated with the recent construction of environmental habitat works at this same location as approved by Council in November 2006 (R 234).

BACKGROUND

1. Property Description

This City-owned, vacant \pm 30.17 acre site includes an \pm 18.72 acre portion of level floodplain area, which is the subject area concerning the recommended filling contract. The soils within the floodplain are soft peat soils, which have been partially filled within the past 20 years. The floodplain portion lies northwest of a GVRD trunk sewer main located along the toe of the hillside slope at the easterly edge of the floodplain. Within the subject floodplain area, a \pm 7 acre portion of the site has been previously cleared, levelled, gravelled, and partially asphalt paved, and was formerly utilized for overflow parking for the Scott Road SkyTrain Station.

The hillside area contains ±11.45 acres. The topography within this hillside portion of the subject property lies between 5 metres and 25 metres in elevation. To ensure compliance with environmental requirements upon the floodplain prior to development, the construction of a new wetland habitat area along the hillside was approved by Council in November 2006 (R 234). Construction of this habitat area was recently completed. The purpose of this habitat project was to replace habitat located within the floodplain area; this work cost \$565,000 and was funded from the Municipal Land Reserve.

2. Zoning

The property is presently zoned Light Impact Industrial Zone (IL) and is designated Industrial in the Official Community Plan. The South Westminster Neighbourhood Concept Plan (NCP) dated December 2003 envisages that the subject site will be developed with a mix of retail/residential fronting 110 Avenue and multi-residential uses on the remainder of the developable portion of the site. The hillside area would likely be retained as open space.

Council, during the first half of 2005, considered offers for the purchase of the subject City land and the subsequent development of the site by private sector development companies. However, Council decided not to proceed with a sale of the land at that time and directed staff to remove development impediments to the land in advance of future considerations. The works necessary to remove these impediments were habitat construction, now complete, followed by engineered site filling, which is the subject of this report. This structural filling allows the site to be floodproofed (±4 m elevation).

DISCUSSION

Previously, the City has been successful in economically preparing industrial lands in the Bridgeview area for sale by accepting clean structural fill materials on the site at no cost, and including free placement and then compaction of the fill material in advance of servicing. Excavation and filling contractors found it attractive to dispose of material excavated from various construction sites from the City area. The City-owned Bridgeview properties were found to save hauling costs and/or tipping (disposal) fees.

More recently the current level of development and construction activity in Surrey and surrounding communities has generated higher volumes of excavation material, while the number of available "commercial" soil disposal sites has been decreasing. These market conditions have resulted in increased costs for contractors to haul fill material greater distances, and in the payment of increased tipping fees to dispose of the excavation materials. These conditions have created the opportunity for the City to not just accept structural fill material in order to fill City property at no cost, but to tender for the use of the City property as a fill site and to receive payment for the use of its property. Consequently, it was decided to tender for the rights to fill the City's Trouton Pit property, in preparation for the ultimate servicing and sale of the property.

Tenders for Contract "Trouton Pit Fill Site, 12780 - 110 Avenue, Trouton Pit Fill Contract" were received on February 1, 2007, with the results as follows:

Contractor	Tender Amount Plus GST
1. Matcon Excavation & Shoring Ltd.	\$450,000 and an additional payment for sand on site reasonably estimated to be in the order of *±\$150,000
2. B&B Contracting Ltd.	\$321,000
3. Southwest Contracting Ltd.	\$127,500

* Matcon, in their offer suggest that the City could receive as much as \$375,000 from the sale of on-site sand and payment for replacement fill. The \$150,000 amount is a conservative estimate of this anticipated revenue.

The tenders were reviewed for accuracy and completeness by both the City's engineering consultant & City Engineering staff. All submissions included the required bid bond, and were signed and sealed on the Tender form and Summary Sheet of the Schedule of Quantities and Prices. The successful bidder will be responsible for obtaining and maintaining a soil deposit permit and related obligations for the full term of the filling contract.

The highest bidder, Matcon Excavating & Shoring Ltd., has provided a Consent of Surety for a Performance Bond and a Labour & Materials Bond, and agreed to complete the work within the stipulated 600 calendar days. Matcon Excavating & Shoring Ltd., is an experienced and reputable contractor and has satisfactorily carried out a number of similar projects for the City in the past.

CONCLUSION

Under current construction market conditions, there is a revenue opportunity for the City in making City properties requiring fill and preload for development, available to contractors as a soil disposal site able to receive clean structural fill excavated from local construction sites. Should Recommendation #1 be approved, the use of the Trouton Pit property, as tendered, will result in the payment of approximately \$600,000 to the City, while at the same time readying the property for appropriate future use/development. Recommendation #2 seeks Council's authority to utilize the anticipated site filling revenue to repay, back to the Municipal Land Reserve, the costs associated with the recent construction of environmental habitat compensation upon the same site.

Paul Ham, P.Eng.
General Manager, Engineering

PH/WP/mpr/brb

<http://surrey.ihostez.com/content/uploaded/0a990fee8cec40b9b47e55b8edcc6e42-03221153-wp.doc>
M 7/14/10 2:42 PM

cc: - City Manager

Appendix I - Site Plan