

NO: **R082**

COUNCIL DATE: **May 6, 2013**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **May 1, 2013**

FROM: **General Manager, Engineering**

FILE: **4810-001/71**

SUBJECT: **Award of Contract - M.S. 4810-001-71
Dyke Improvement Works along the Nicomekl River and along Bear Creek**

RECOMMENDATIONS

The Engineering Department recommends that Council:

1. Award Contract M.S. 4810-001-71 to Double M. Excavating Inc. in the amount of \$873,200.08, including GST, for dyke improvement works along the Nicomekl River and Bear Creek; and
2. Set the expenditure authorization limit for Contract M.S. 4810-001-71 at \$920,000.00 including contingency and GST.

SCOPE OF WORK

The construction works in this contract consist of dyke improvements within statutory rights-of-way along the Nicomekl River and along Bear Creek. This contract primarily involves the moving, placement and compaction of soil to complete dyke upgrades along the Nicomekl River and to finish topping up the existing dyke along Bear Creek that has settled since its original construction over ten years ago. These works support the City's strategic plan for Lowland Flood Control. The work areas are highlighted on the map attached to this report as Appendix I. Secondary activities associated with this contract include hydro-seeding, fencing, and access road construction.

Due to the nature of the soils with which the dykes are constructed, placing material on the dykes is limited to periods of dry weather. Due to geotechnical constraints, material placement occurs in three stages with a wait period of up to 8 weeks between stages. It is anticipated that the dyke construction work will begin in June and extend through October 2013. In the event that the third stage of soil placement cannot be completed before wet weather returns this fall, the construction will extend to the dry weather season in 2014. This contract is one of a series of contracts related to dyke construction work along the Nicomekl River and Bear Creek.

TENDER RESULTS

Tenders for the subject contract were opened on April 26, 2013, with the following results:

<i>Contractor</i>	<i>Tendered Amount with GST</i>	<i>Corrected Amount</i>
1. Double M Excavating Ltd.	\$873,925.69	\$873,200.08
2. Delta Aggregates Ltd.	\$1,029,164.51	No Change

The Engineer's pre-tender estimate was \$727,137.06 including GST.

EVALUATION

The City's consultant reviewed the tender submissions for accuracy and completeness. Two tenders were found to be non-compliant and as such were rejected. Of the remaining two valid tenders, one contained an arithmetic error that had no bearing on the outcome of the tender process. While the compliant low bid exceeds the Engineer's pre-tender estimate, the estimate was based on the previous year's tender pricing (M.S. 4810-001-61). Several important differences were applicable to this tender, that were not adequately reflected in the estimate. Firstly, all tenders anticipated this contract to require the full Contract Time, extending until July 2014, resulting in unit pricing including a number of costs associated with a multi-year contract, such as bonding, insurance and interest on holdbacks. Secondly, the completion of this dyke involves small quantities of work distributed over large distances with extensive constraints from active agriculture that reduce production rates. This contract is anticipated to be the last dyke construction tender on the Nicomekl and Serpentine Rivers. Future construction and maintenance will be managed by Engineering Operations, which is expected to reduce construction costs.

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, Double M Excavating 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 contract time. Double M Excavating Ltd.'s past performance on other City projects has been satisfactory. They have no outstanding legal claims against the City.

It is recommended that Double M Excavating Ltd. be awarded Contract M.S. 4810-001-71.

SUSTAINABILITY CHARTER/CONSIDERATIONS

The Serpentine and Nicomekl Flood Control Project, which is being constructed in phases, is allowing for the intensification of farming activities in the flood plains in Surrey. As the Project has progressed, previously semi-dormant hay fields are now being actively farmed with higher value crops such as vegetables and blueberries. This, along with habitat compensation and environmentally-sensitive design and construction, assists in achieving the objectives of the Economic and Environmental Pillars of the City's Sustainability Charter; more particularly, the following action items:

- EC12: Enhancing the productivity of agricultural lands within the Serpentine and Nicomekl River floodplains; and
- EN12: Enhancement and Protection of Natural Areas, Fish Habitat and Wildlife Habitat.

FUNDING

Funding for the subject contract is available in the Council-approved 2013 Budget.

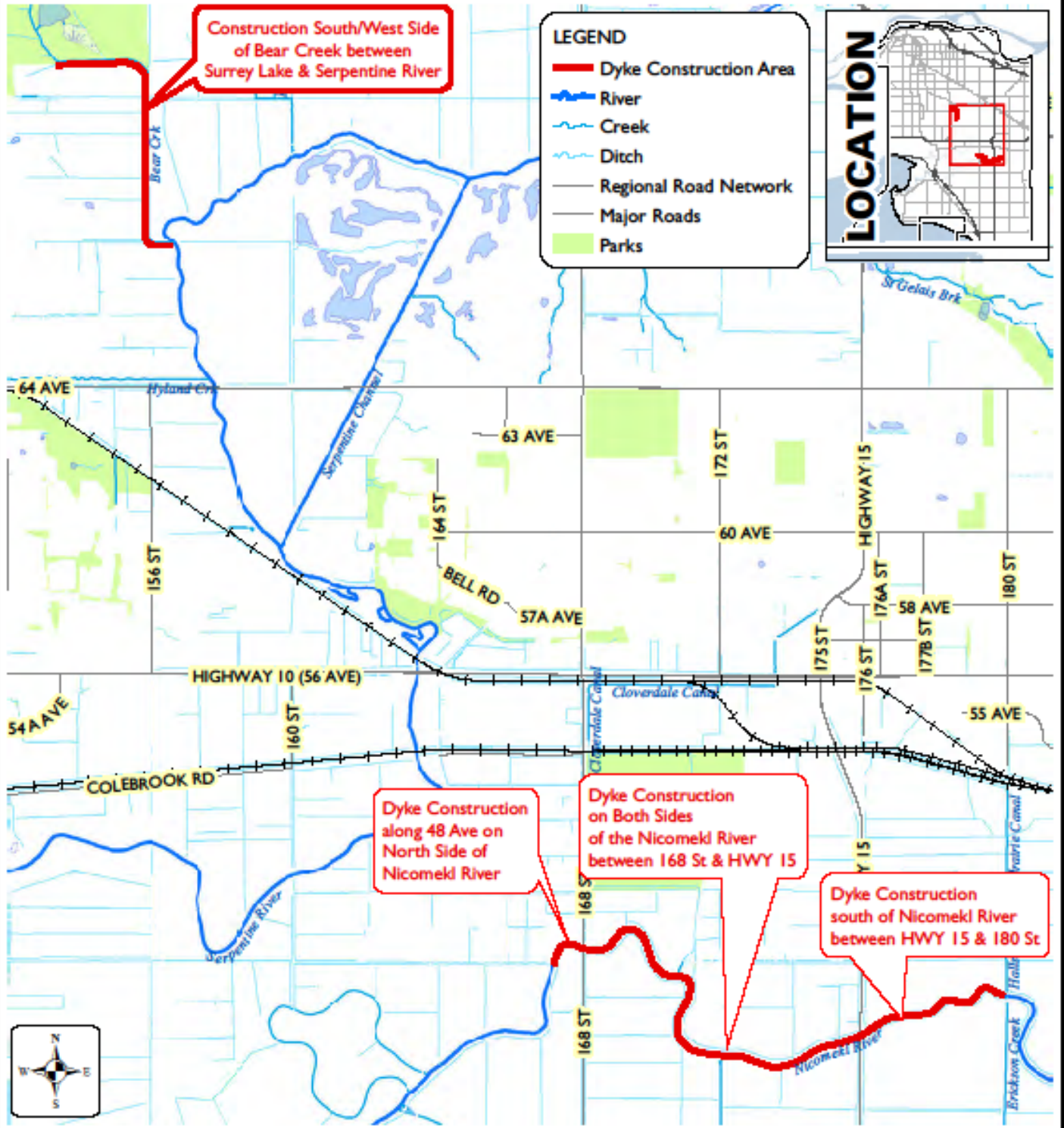
Vincent Lalonde, P.Eng.
General Manager, Engineering

MO/brb

Appendix I – Map of Nicomekl River and Bear Creek 2013 Dyke Construction under Contract
M.S. 4810-001-71

g:\wp-docs\2013\admin\cr\04191343mo (md) 3.docx
BRB 5/2/13 12:27 PM

APPENDIX I



MS 4810-001-71
 Nicomekl River & Bear Creek
 2013 Dyke Construction

ENGINEERING
 DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office. Source: G:\MAPPING\GIS\Maps\Corporate\reporting\ing_Utility\CS-ContractAward_MS-4810-001-71.mxd