

NO: R144

COUNCIL DATE: July 10, 2017

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 6, 2017**

FROM: **General Manager of Engineering**

FILE: **1220-040-2017-083**

SUBJECT: **Award of Contract No. 1220-040-2017-083
Material Screening and Filling Operation**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract 1220-040-2017-083 to RDM Enterprises, Ltd. in the amount of \$2,991,000.00, including GST, for a material screening and filling operation at Stokes Pit;
2. Set the expenditure authorization limit for Contract 1220-040-2017-083 at \$3,290,100.00, including GST and contingency, the full cost of which is to be subsequently recovered from the Surrey City Development Corporation; and
3. Authorize the General Manager, Engineering to execute Contract 1220-040-2017-083.

BACKGROUND

The Surrey City Development Corporation (“SCDC”) has beneficial interest of lands located at 19475 – 26 Avenue and 19500 – 26 Avenue (the “Lands”). The Lands have a combined area of 297,223 m² (73.45 acres) and are located in Campbell Heights. As part of SCDC’s development plan for the Lands, approximately 300,000 cubic metres of structural material will be sourced from City-owned lands located at 19526 – 24 Avenue and 19525 – 20 Avenue (the “Southern Parcels”). Presently, the Southern Parcels are being utilized for City operations relating to gravel disposal. There is approximately 1,000,000 cubic metres of onsite stockpiled material (the “Stockpile”) contained on the Southern Parcels.

The City is securing, by means of a Request for Quotations (an “RFQ”) process, a fill relocation contract with a contractor for the relocation and placement of the 300,000 cubic metres of structural material from the Stockpile to the Lands. The condition of securing a contract for the purpose of fill relocation and placement is subject to SCDC’s approval by July 17, 2017. The cost of the relocation and placement of the 300,000 cubic metres of structural material from the Stockpile to the Lands is the responsibility of SCDC.

DISCUSSION

RFQ Process

In accordance with the Purchase and Expenditure Authorization Bylaw, an RFQ was posted on both the BC Bid and City of Surrey websites. Six contractors submitted quotes. The proponents were required to provide a price for the excavation, screening, transportation, placement and compaction of the required 300,000 cubic metres.

The City received a total of six submissions from the following proponents:

1. RDM Enterprises, Ltd.;
2. High Road Excavating, Ltd.;
3. Projex Infrastructure, Ltd.;
4. Trico Excavating, Inc.;
5. B&B Contracting (2012), Ltd.; and
6. M2K Construction, Ltd.

Evaluation

An evaluation team involving staff from the Engineering Department, Finance & Technology Department and representatives from SCDC reviewed the quotations for accuracy and completeness.

The submission from M2K Construction, Ltd. did not follow the City's pricing requirements outlined in the RFQ, and they could not commit to completing the works within the required deadlines.

RDM Enterprises, Ltd. provided the low quotation for the full scope of the RFQ at a cost of \$2,991,000.00, including GST. A review of their references for similar projects was deemed to be positive.

Based on the above, it is recommended that the City award the contract to RDM Enterprises, Ltd.

SUSTAINABILITY CONSIDERATIONS

This project supports the objectives of the City's Sustainability Charter. In particular, this project relates to the Sustainability Charter theme of Infrastructure. Specifically, this contract supports the following Desired Outcomes:

- All Infrastructure DO1: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems;
- All Infrastructure DO2: Infrastructure systems provide safe, reliable and affordable services; and
- All Infrastructure SD1: Proactively manage community assets to maintain them over the long-term in a state of good repair.

FUNDING

Funding for this project is available in the approved 2017 Engineering Budget, with the full cost to be recovered from SCDC.

Fraser Smith, P.Eng., MBA
General Manager, Engineering

RAC/cc

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