



COUNCIL REPORT
Engineering and Public Works
For the March 26th, 2019 Council Meeting

DATE: March 18, 2019
TO: Jim Zaffino, Chief Administrative Officer
FROM: Allen Fillion, GM Engineering & PW
RE: Rose Valley Transmission Watermain Tender Award

RECOMMENDED MOTION:

THAT Council amend the 2019 Financial Plan to increase the budget by \$120,000 for the Rose Valley Transmission Watermain Replacement for the purpose of construction contingency; and

THAT Council approve the \$120,000 increase be funded from the Water System Reserve.

RATIONALE:

The Rose Valley Transmission Watermain project was tendered in accordance with the City's Purchasing Policy. The lowest bid price submitted by TKI Construction is below the City's estimated value; however, it only allows for a contingency of less than 6%. In an effort to ensure a streamlined construction project with no delays due to insufficient funding for unforeseen circumstances, it is recommended that Council approve additional funding for the construction contingency. These funds would only be used in the case of unforeseen construction costs, and if unused, would be returned to reserves once the project is complete.

BACKGROUND:

The Rose Valley Transmission Watermain was installed from the Rose Valley Dam to the Lakeview Heights neighbourhood in the 1950s. The pipe has now reached the end of its service life and has required numerous repairs in recent history that have significantly affected utility staff resources and budgets. This is the same vintage pipeline recently replaced under Westlake Road and the new section of Boucherie Road. A section from McDougall Road up to the Rose Valley Dam will remain and replacement will have to be planned for in the short to medium term.

In April 2018, the City hired Urban Systems Ltd. to complete the preliminary and detailed design, prepare the tender documents and provide services for construction contract administration for the Rose Valley Transmission Watermain from Westlake Road to McDougall Road. Once the detailed design was complete, a cost estimate was prepared and as part of the 2018 Capital Budget, Council approved \$1,080,000 for this project. The additional request of \$120,000 is to ensure a reasonable construction contingency value is in place. Should unforeseen conditions arise during construction it is imperative to have additional budget already secured to avoid delays in the construction process.

FINANCIAL IMPLICATIONS:

Per the City's Purchasing Policy, the Rose Valley Transmission Watermain Construction Tender will be awarded to TKI Construction for a total construction value of \$1,023,740.

The total price was below the anticipated construction value; however, limited contingency funding is available based on the approved budgets.

Item	Remaining Budget	TKI Const. Bid Price	Recommended Contingency	TOTAL	Contract Admin & Inspections	Additional Funding Requested
Water Transmission Main	\$ 1,080,000	\$ 1,023,740	\$ 126,260	\$ 1,150,000	\$ 50,000	\$ 120,000

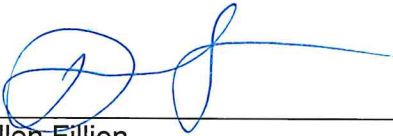
Respectfully submitted,



Rob Hillis
Engineering Manager



Warren Everton
CFO



Allen Fillion
General Manager of Engineering & PW

Approved for Agenda

J. Batt *Mar. 20/2019*
for Jim Zaffino, CAO Date