



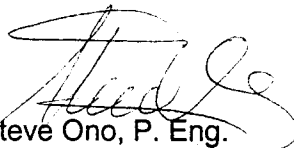
CITY OF RICHMOND

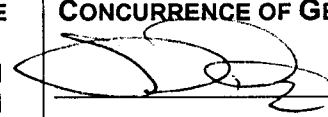
REPORT TO COMMITTEE

TO: Public Works and Transportation Committee **DATE:** February 7, 2003
FROM: Steve Ono, P. Eng. **FILE:** 6340-01
Director, Engineering
RE: **2003 Capital Program Projects for Construction by City Forces**

STAFF RECOMMENDATIONS

1. That City forces be authorized to construct the 2003 Capital Projects listed in Appendix A of the report dated February 7, 2003 from the Director of Engineering; and
2. That \$33,728 of excess funds from the 2002 Mores watermain replacement capital project account No. 40411 be transferred to the 2002 Bakerview watermain replacement capital project account No. 40408.


Steve Ono, P. Eng.
Director, Engineering

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ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Director Operations.....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	 <hr/>
Budgets	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	

STAFF REPORT

ORIGIN

City Purchasing Policy No. 3102 states that any project exceeding \$250,000 “*shall require a publicly tendered contract.*” Notwithstanding this policy, there are a number of projects that would benefit from being constructed by City forces.

This report is to obtain Council’s approval for exemption from Policy No. 3102 for select projects and to address the budget over run on the 2002 Bakerview watermain replacement capital project (40408).

DISCUSSION

City forces have demonstrated the skill to successfully undertake watermain replacement projects in an efficient and cost effective manner. In addition, City forces have confirmed that their schedules are sufficiently flexible to accommodate these projects while sustaining current infrastructure maintenance levels. These projects will provide an opportunity for City forces to maintain construction skills, and further improve their efficiency. The result will be reduced construction and maintenance costs. Staff therefore recommends that City forces be utilized to construct the projects summarized in Appendix A.

For comparison purposes, similar watermain replacement capital projects will be publicly tendered in 2003 to confirm that City forces continue to be competitive with respect to the local market. Appendix B summarizes watermain replacement comparisons for 2002.

Bakerview Watermain Replacement

The project budget approved by Council in 2002 was \$251,000. The final construction cost for this project is \$284,728, which results in a \$33,728 over run (or 13% of the original budget). The budget over run is a result of additional watermain work being completed in the Bakerview area while City forces were in the vicinity and watermain tie ins being more complex than anticipated. Council has approved the next phase of the Bakerview watermain replacement in the 2003 capital program and staff have addressed the watermain tie in complexities for the 2003 capital project.

FINANCIAL IMPACT

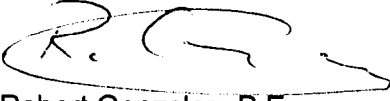
All of the projects summarized in Appendix A are included in the 2003 capital program and have dedicated funding from the Water Utility.

Bakerview Watermain Replacement

Staff recommend that \$33,728 of excess funds be transferred from the 2002 Mores watermain replacement capital project (40411), which City forces completed \$52,563 under budget, to the Bakerview watermain replacement capital project (40408).

CONCLUSION

Staff recommend that City forces construct the projects summarized in Appendix A in order to expedite project schedules and further improve City forces' skills.

A handwritten signature in black ink, appearing to read 'R. Gonzalez', enclosed within a hand-drawn oval.

Robert Gonzalez, P.Eng.
Manager, Engineering Design & Construction

RG:sg

Appendix A

Projects for Council's Approval for Construction by City Forces in 2003

Project Name	Project Budget per 2003 Capital Program	Funding Sources
Monds Watermain	\$ 500,000	Water Utility
Mores Watermain	\$ 483,000	Water Utility

Appendix B

2002 Watermain Replacement Cost Comparison

Project Name	Contractor	Cost (\$ / metre)
Monds Watermain	City Forces	\$ 271
Mores Watermain	City Forces	\$ 294
Bakerview Watermain	City Forces	\$ 348
Southdale Watermain	City Forces	\$ 305
Westminster Highway – 5 to 6 Rd	Progressive Contracting Ltd	\$ 300
Princess Lane	Progressive Contracting Ltd	\$ 274