



Engineering and Public Works  
Memorandum

File Category: FIN.CON.INF.  
File Folder: Gaudin Creek Diversion, Cedar Street Roadworks, Silverdale Avenue Road Remediation, Contract No. 2011-003

**To:** Chief Administrative Officer  
**From:** Deputy Director of Engineering  
**Date:** August 8, 2011  
**Subject:** **Award of Contract No. 2011-003;  
Gaudin Creek Diversion, Cedar Street Roadworks, and Silverdale Avenue Road Remediation**

### Recommendation

That Contract No. 2011-003 – Gaudin Creek Diversion, be awarded to the low bidder, Mission Contractors Ltd., at their tendered prices of \$658,225.00 which includes adjusted HST at 1.75% and 5% internal admin fees as well as \$30,000 contingency.

### Background

Submissions to Tender No. 2011-005 – Gaudin Creek Diversion, Cedar Street Roadworks, Silverdale Avenue Road Remediation, were received on Tuesday August 2, 2011 and were opened in public at 1:00 p.m. in the Municipal Council Chambers. A summary of the tenders received is as follows:

Contractor	Total Tender Price including HST	Price for each Project excluding HST
Mission Contracting Ltd.	\$1,747,579.36	Silverdale - \$785,900.85 Gaudin Creek - \$586,098.90 Cedar Street - \$188,338.96
Marv's Excavating Ltd.	\$1,813,125.44	Silverdale - \$791,028.00 Gaudin Creek - \$642,765.00 Cedar Street - \$185,069.00
B. Cusano Contracting (2007) Inc.	\$2,048,091.36	Silverdale - \$938,925.00 Gaudin Creek - \$671,682.00 Cedar Street - \$218,046.00
Double M Excavating Ltd.	\$2,117,101.57	Silverdale - \$1,092,812.70 Gaudin Creek - \$596,658.40 Cedar Street - \$200,798.16

The tender received from Mission Contractors Ltd. was complete in all respects and staff is comfortable that Mission Contractors Ltd. is capable of doing the works.

## Financial Implications

A summary of the project budget, costs to date and anticipated costs to completion of the project is as follows.

### Cedar Street Road Upgrade Project additional works

Total Budget (Grant Agreement) For Cedar Street Road Upgrade	\$3,881,025
Total Projected Expenditures to Completion (Grant Eligible)	\$3,181,025
<b>Approximate Remaining Budget for eligible costs</b>	<b>\$700,000.00</b>
Mission Contracting Ltd. Bid Price + \$30,000 Contingency + 1.75% adjusted HST + 5% admin fees For Guadin Creek Diversion.	<b>\$658,225.00</b>
<b>Approximate Remaining Budget after awarding Guadin Creek</b>	<b>\$42,000.00</b>
Mission Contracting Ltd. Bid Price + \$10,000 Contingency + 1.75% adjusted HST + 5% admin fees For Cedar Street additional Roadworks.	\$211,900.00

The Cedar Street Upgrade Project is complete, and at this time we are working on the deficiency list and once all deficiencies are corrected, we will issue the Completion Certificate. As such, there is sufficient remaining budget in the Cedar Street Road Upgrade project to award Gaudin Creek Diversion, however, the surplus budget after awarding Gaudin Creek Diversion is not sufficient to award Cedar Street additional Roadworks or parts of it at this time; having said that, staff will be monitoring the budget as works progress on Gaudin Creek and will issue Change Orders to do parts of Cedar Street additional works as budget permits.

### Silverdale Avenue Road Remediation

This project is \$153,056.00 over budget; staff are still investigating options that will be brought forward to the Council in the next two weeks for consideration.

It is recommended that at this time the Contract be awarded to Mission Contractors Ltd. for Gaudin Creek Diversion Project.



Salem Abushawashi, P. Eng.

I am in agreement with the financial aspects of this report.




Ken Bjorgaard  
Director of Finance

application. Application S04-030 is a prime example where the PLA letter was issued in 2007 with many extensions granted but no engineering administration fee being charged. However at the time this change was implemented the amount to be charged for a 6 month extension was not adequately considered. Also, a notice went out to all larger scale developers at the time of the changes but not to applicants of a smaller scale such as the one in question here. Since most applicants complete their applications in the allotted time it is not normally an issue.

There is a larger amount of staff time spent at the initial application stage than at the time of extensions so there is justification to reduce the extension fee. However there is still time required to review the application again and amend any comments if applicable with respect to frontage works and servicing issues. There are times when the applicant will submit revisions to the application which also require additional review. The exact amount of time will vary from one application to the next but is generally less for smaller subdivisions. It is suggested that a reduced fee is justified for smaller subdivisions of say 4 lots or less. The recommended fees for smaller subdivisions is 25% of the initial fee and is based on an estimated average of 2 hours of management staff time and 8 hours of a technologist staff time per application and double that for larger developments. If approved by Council staff will monitor this over the next year and if required recommend changes at a later date.

The rationale for not charging the full fee now for this application is to try to reduce the impact of the fee structure change on in-stream applications and recognizing the full fee will still be charged at the end of the process, i.e. at time of approval (assuming it proceeds).

The extension fees also provide an incentive for applicants to proceed with the development in a timely fashion to order to avoid additional costs.

  
Rick Bömhof