

Council Chambers
City Hall, Saskatoon, Sask.
Friday, May 26, 2006
at 11:15 a.m.

MINUTES OF SPECIAL MEETING OF CITY COUNCIL

PRESENT: His Worship the Mayor, in the Chair;
Councillors Alm, Birkmaier, Dubois, Fortosky, Heidt, Hnatyshyn,
Neault, Penner, and Wyant;
A/City Manager Uzelman;
City Solicitor Dust;
General Manager, Corporate Services Bilanski;
General Manager, Community Services Gauthier;
City Clerk Mann.

Moved by Councillor Penner, Seconded by Councillor Heidt,

THAT Council go into Committee of the Whole to consider the report of the Administration with the Mayor in the Chair.

CARRIED.

Committee arose.

His Worship the Mayor, Chair of the Committee of the Whole, made the following report:

THAT while in Committee of the Whole, the following matter was considered and dealt with as stated:

“ADMINISTRATIVE REPORT NO. 11-2006

Section D – INFRASTRUCTURE SERVICES

**D1) Award of Tender
Capital Project No. 0634 -18, - 20
Trunk Sewers-North Industrial – 18 AB/BC, – 20 C/D
File No. 7820-68
and
Capital Project No. 1769-02
Land Development – Marquis Industrial Area
(File No. 4111-43; CK. 7820-1)**

- RECOMMENDATION:**
- 1) that City Council approve an increase of \$6,450,000 for Capital Project 0634 Trunk Sewers – North Industrial (AB/BC and C/D), funded from the Trunk Sewer Reserve; and
 - 2) that City Council approve an increase of \$318,000 for Capital Project 1769, Land Development – Marquis Industrial Area, funded from the General Prepaid Services – Engineering; and
 - 3) that the tender submitted by Hamm Construction Ltd., for the Marquis Industrial Trunk Sewers, Contract No. 6-0005, at a total estimated cost of \$17,754,649.51, including G.S.T. and P.S.T. be accepted; and
 - 4) that His Worship the Mayor and the City Clerk be authorized to execute the contract documents as prepared by the City Solicitor under the Corporate Seal.

ADOPTED.

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REPORT

This contract is for construction of the trunk storm and sanitary sewers required to service north industrial land and the local servicing required for Maple Leaf Foods. The work includes common trench sanitary/storm sewer construction of 296 metres of 1500/3050mm pipe at 14 metres depth, 164 metres of 1050/2100mm pipe at 12 metres depth, 628 metres of 1200/2400mm pipe at 11 metres depth, 440 metres of 1200/2100mm pipe at 10 metres depth, 130 metres of 1050/1200mm pipe at 7 metres depth, 165 metres of 600/1200mm pipe at 7 metres depth, and 239 metres of 300/1050mm pipe at 5 metres depth.

Tenders for Contract No. 6-0005, Marquis Industrial Trunk Sewers, were received and opened publicly on May 17, 2006.

Despite extending the tender period by two (2) weeks only one tender was received as shown in the following table:

BIDDER	TOTAL TENDER PRICE
Hamm Construction Ltd. Saskatoon, Saskatchewan	\$17,754,649.51

The Engineer's estimate, as of April, 2006, including G.S.T., was \$15,893,986.97.

The net cost to the City for the bid, submitted by Hamm Construction Ltd. is calculated as follows:

Base Tender Amount	\$ 16,093,130.38
Contingency	\$ 500,000.00
G.S.T.	<u>\$ 1,161,519.13</u>
Total Tender Price	\$ 17,754,649.51
Less G.S.T. Rebate to City	<u>\$ 1,161,519.13</u>
Net Cost to City	<u>\$ 16,593,130.38</u>

Engineering, inspection, and administrative levies will cost an additional \$257,625.00 for a total project cost of \$16,850,755.38.

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The Capital Budget currently has a total of \$10,082,000 approved for this project. The primary reason for the discrepancy between the budgeted amount and the engineer's final estimate is that the final design had not been completed at the time of the budget preparation. Also, a southern realignment of trunk sewers to avoid placing them under Marquis Drive resulted in increased length for the Maple Leaf Foods local servicing segment and the Millar Avenue trunk sewers segment. A requirement to service land fronting Millar Avenue resulted in extending the trunk sewers approximately 130 metres west of Millar Avenue.

Pricing for water and sewer construction increased approximately 20% in 2005 and a further 20% in 2006. Contractors indicate that increased cost of base items including fuel, labour, and pipe have contributed to the increased cost.

Existing funding includes \$7,210,000 from Capital Project 0634-18, \$2,867,000 from Capital Project No. 0634-20, and \$5,000 from Capital Project 1769-02. An additional \$6,450,000 from the Trunk Sewer Reserve is required to fully fund the Trunk Sewer segment of the project and an additional \$318,000 from the General Prepaid Services – Engineering Reserve is required to fully fund the Local Servicing segment of the project.

The Prepaid Land Development Reserve Sufficiency Forecast, included in the 2006 Capital Budget, projected a year end deficit of \$2.457 million in the Trunk Sewer reserve, with an overall estimated balance for all land development reserves of 26.2 million.

PUBLIC NOTICE

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Moved by Councillor Heidt, Seconded by Councillor Penner,

THAT the report of the Committee of the Whole be adopted.

CARRIED.

Moved by Councillor Penner,

THAT the meeting stand adjourned.

CARRIED.

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The meeting adjourned at 11:30 a.m.

Mayor

City Clerk