



COUNCIL REPORT

To: Mayor and Council

Date: July 28, 2020

From: Paul Gipps, CAO

File No:

Subject: **Public Works Yard – Emil Anderson Agreement**

RECOMMENDATION

THAT Council consider and resolve to waive purchasing policy and directly award the removal of approximately 180,000 m³ of material from the property located at 2015 Bartley Road to Emil Anderson Construction (EAC) Ltd for the net amount of \$1.85 per cubic meter to be paid by EAC to the CWK; and,

THAT Council authorize EAC to apply for a mining permit through the British Columbia Ministry of Energy, Mines & Petroleum Resources, on behalf of the City of West Kelowna (CWK); and,

THAT Council consider and resolve to waive purchasing policy and directly award the contract to complete earthwork associated with meeting the elevations related with the mining application and future public works yard to Emil Anderson Construction (EAC) at an estimated net cost to be paid by the CWK to EAC of approximately \$256,088.

BACKGROUND

The City of West Kelowna's property located at 2015 Bartley Road, future home to Public Works, has a significant amount of gravels that will eventually need to be removed in order to make the site useable as a future Public Works yard. The amount of materials that need to be removed is estimated to be between 250,000 – 300,000 cubic meters and will require a permit from the Ministry of Energy, Mines and Petroleum Resources; see attached map.

Staff have been evaluating the best and most cost effective means of removing the gravel materials and an option staff is proposing is to work with the adjacent land owner to accomplish this. EAC owns the neighbouring property and is interested in working with the City for mutual benefit.

To fully utilize the property and to maximize the amount of gravel that can be removed, a partnership with the neighbouring land owner (EAC) should be considered. If the CWK and EAC were to continue to maintain a recommended 2:1 slope between properties,

there would be a significant amount of gravel that would not be accessible by either party. As a result, creating such a partnership has mutual benefit for both EAC and the CWK. Without such a partnership, the CWK would need to build a retaining wall at the property line to fully utilize the site and to maximize the amount of gravel that can be removed. Cost to install such a retaining wall is estimated to cost \$2M or more.

If approved by the Ministry of Mines, EAC has expressed an interest in a partnership to purchase the gravels from the CWK and move the piles across onto their property, eliminating the need for a retaining structure and eliminating trucking costs to remove the material.

The CWK is also using some of this gravel to support the civil works currently underway at the Rose Valley Water Treatment Plant. Once this civil work is completed, the majority of the remaining gravel left to be removed from the PWY site is along the property line shared between EAC and CWK. As a result, staff is recommending a direct award to EAC to complete the work as described in this report.

The City of West Kelowna's purchasing policy requires any direct award of a service of this nature must be approved by Council through a resolution.

Staff are seeking Council's authorization to direct award the gravel removal and application for a mines permit to Emil Anderson Construction Ltd.

Note: During the period of time when the PWY site is being mined, the CWK will need to remove all storage and equipment items from the site. EAC has offered to lease some of their adjacent property to the CWK at a cost of \$1 per month for 24 months.

Estimated savings on leasing land (2 years): \$100,000 - \$300,000

FINANCIAL IMPLICATIONS

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| Estimated EAC Mining and Earthwork Costs: | \$657,366.04 |
| Estimated CWK Gravel Revenue: | \$401,278.50 |
| CWK Net Costs to Pay EAC: | \$256,087.54 |
| Estimated Lease Land Savings: | \$100 - \$300K |

Attachment: Material Pile Survey