



ADMINISTRATIVE REPORT

Report Date: May 28, 2017
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Meeting Date: June 28, 2017

TO: Standing Committee on Policy and Strategic Priorities

FROM: General Manager of Engineering Services Department and Chief Purchasing Official

SUBJECT: Contract Award for Construction Services for the Knight and Marine Intersection Improvements

RECOMMENDATION

- A. THAT Council approve an increase to the multi-year capital project budget for Knight and Marine Intersection Improvements from \$3,500,000 to \$5,200,000; source of funding for the increase to be reallocation from the multi-year capital project budget for the 2017 Active Transportation Corridors and Spot Improvements program. Expenditures will be managed within the overall approved Annual Capital Expenditure Budget for Engineering Services.
- B. THAT, subject to approval of Recommendation A, Council authorize City staff to enter into a contract with Lafarge Canada Inc., for Construction Services for the Knight and Marine Intersection Improvements, for a term of approximately four (4) months, with an estimated contract value of \$3,185,581.00, plus applicable taxes over the approximate four (4) month term;

FURTHER THAT the Director of Legal Services, Chief Purchasing Official and General Manager of the Engineering Services Department be authorized to execute on behalf of the City the contract contemplated by Recommendation B.

- C. THAT no legal rights or obligations will be created by Council's adoption of Recommendation B above unless and until such contract is executed by the authorized signatories of the City as set out in these Recommendations.

REPORT SUMMARY

The City issued ITT PS20170210 Construction Services for the Knight and Marine Intersection Improvements, in May, 2017 for Construction Services for the Knight and Marine Intersection Improvements. The ITT was advertised on the City of Vancouver website and BC Bid and the work was called in accordance with the terms and condition of the City's Procurement Policy AF-015-01. City staff on the ITT evaluation committee and, subsequently, the Bid Committee, have considered the responses received, and on that basis recommend that the City enter into a contract as described above with Lafarge Canada Inc.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy AF-015-01 requires that contracts with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered, and recommended Lafarge Canada Inc., as the successful tenderer.

REPORT

Background/Context

The City of Vancouver's Transportation 2040 Plan identifies safety and goods movement improvements as key objectives. In line with this, the Knight at Marine Intersection Improvements Project (the Project) objectives are to:

- improve user safety at the Knight at Marine intersection; and
- improve vehicle connectivity in support of better goods movement.

The intersection of Knight Street and Marine Drive is the highest crash location in the City of Vancouver. Between 2009 and 2013 there were 1,300 collision incidents, averaging 260 collisions per year. During this period there were 529 injury collisions (approximately 40% of collisions). Most collisions occurred during weekdays and the afternoon peak period, linking them with high traffic activity and congestion. Rear end collisions and uncontrolled merges at poor angles, particularly where the northbound to eastbound off-ramps merge onto Marine Drive, account for the majority of these incidents. Although the overall number of collisions is high, there have been no fatalities at this location between 2009 and 2013, or more recently.

The Knight at Marine Intersection Improvements Project will improve safety through design and signalization changes to the intersection and bridge ramps; and additionally through improvements to the drainage infrastructure around the intersection, reducing ponding on the road surface.

Vehicle connectivity will be improved through the provision of an additional turn bay, allowing westbound Marine Drive traffic to turn north on to Knight Street; a connection which isn't currently available. Both Marine Drive and Knight Street are key regional truck routes, and with this additional connectivity, this Project will benefit goods movement and reduce the impacts of trucks on minor streets.

Currently, the Project is funded by Transport Canada and the City. The City has also applied for Major Road Network and Bike (MRNB) funding from TransLink, and requested additional funding from ICBC.

The purpose of the ITT was to identify contractors with a demonstrated capability to supply the City's estimated demand over the term of the contract with competitive pricing and meets the City's service requirements.

Strategic Analysis

The ITT was issued in the accordance with City's Procurement Policy AF-015-01. The City received responses from:

Lafarge Canada Inc.	\$3,185,581.00
BA Blacktop Ltd.	\$3,306,511.56

The responses were evaluated through the work of an evaluation team comprised of representatives from the Engineering Services Department under the stewardship of Supply Chain Management to ascertain if the responses offered good overall value to the City, both quantitative and qualitative factors were evaluated.

Lafarge Canada Inc. is qualified to perform the work required for the project as set out in the tender package based on its satisfactory completion of multiple large civil works contracts as well as its satisfactory references. References were checked by the project team and Supply Chain Management as part of the evaluation process.

Based on the overall evaluation, the team concluded that the tender submitted by Lafarge Canada Inc., best met the City's requirements and provided best overall value to the City.

Financial Implications

The current approved multi-year capital project budget for the Knight and Marine Intersection Improvements project is \$3,500,000. Staff recommend an increase of \$1,700,000 to the multi-year capital project budget for a revised multi-year budget of \$5,200,000 to address the following cost increases relative to when the budget was established:

- construction industry inflationary costs
- cost for City provided equipment, safety and traffic monitoring
- an appropriate project contingency.

The funding source for the proposed multi-year budget increase will be a reallocation from the multi-year capital project budget for 2017 Active Transportation Corridors and Spot Improvements. Expenditures will be managed within the Annual Capital Expenditure Budget for Engineering Services.

As a result of the ITT, the City is able to achieve cost certainty for the proposed four (4) month contract term.

Legal

The City's Procurement Policy requires that all contracts that have been awarded by Bid Committee plus Council will be signed by the Director of Legal Services.

CONCLUSION

In summary, City staff recommends that the City of Vancouver enter into a four (4) month contract, with Lafarge Canada Inc., for Construction Services for Knight and Marine Intersection Improvements.

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