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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: January 17, 2006
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Meeting Date: January 17, 2005

TO: Vancouver City Council

FROM: Project Manager, Southeast False Creek & Olympic Village

SUBJECT: Southeast False Creek and Olympic Village - Interim Site Servicing Budget and Award of Contract for Cofferdam Construction, Maintenance and Deconstruction

RECOMMENDATION

- A. THAT Council approve an interim budget of \$1,000,000 for site servicing costs for the Olympic Village in advance of a staff report of the detailed budget for all site servicing; source of funding to be the Property Endowment Fund: Southeast False Creek Development; AND THAT the City Manager be authorized to approve expenditures from this allocation of up to an individual maximum of \$300,000.
- B. THAT, subject to the conditions set out in Recommendations C, D and E, the City Manager be authorized to enter into a contract with Ruskin Construction Ltd. for the construction, maintenance and deconstruction of a cofferdam at the inlet on the Olympic Village site, at an estimated cost of \$1,034,000.00 plus GST, with the funding to be provided by the Property Endowment Fund: Southeast False Creek Development;
- C. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation B;
- D. THAT all such legal documents be on terms and conditions satisfactory to the City Manager and the Director of Legal Services; and

- E. THAT no legal rights or obligations will be created or arise by Council's adoption of Recommendations B, C and D above unless and until such legal documents are executed and delivered by the Director of Legal Services.

CITY MANAGER'S COMMENTS

The City Manager recommends approval of A, B, C, D and E above.

COUNCIL POLICY

On March 1, 2005 Council approved the Official Development Plan ("ODP") and the Financial Plan and Strategy for the Southeast False Creek ("SEFC") neighbourhood, which sets the development and financial framework for the SEFC neighbourhood, including the Olympic Village.

Funding for all capital expenditures must be approved by Council and Council approves the award of contracts that exceed \$300,000. Council approval is also required for this contract because funding is directly from the Property Endowment Fund: SEFC Development.

PURPOSE

This report asks City Council to allocate an interim site servicing budget of \$1,000,000 to allow work to continue on the preparation of the site for the Olympic Village while the more detailed project budget for all site servicing is being prepared. This report also seeks authorization to award the contract to Ruskin Construction Ltd. for the construction, maintenance and deconstruction of a cofferdam at the mouth of the inlet on the Olympic Village site, which is a key step in preparing the site for development.

BACKGROUND

On May 12, 2005, Council approved the establishment of the SEFC and Olympic Village Project Office (the "Project Office") to manage the development of the Olympic Village and the other City-owned lands in SEFC, as well as the design and construction of the public infrastructure for the entire ODP area. This includes designing and constructing the buildings on City lands as well as designing and constructing the parks, streets, waterfront, other public spaces, and site servicing infrastructure, including sewer, water, storm water, energy, and other utilities.

There is currently no standing administrative authority for the award of contracts funded from the Property Endowment Fund. All such contracts are reported to Council for approval.

On July 19, 2005, Council authorized the City Manager to enter into a contract with Stantec Consulting Ltd. to complete the design of the public infrastructure required in the Olympic Village sub-area of SEFC at a cost of \$1,625,000.

On December 13, 2005, Council authorized the City Manager to enter into a contract with JJM Construction Ltd. for the removal and disposal of decking and piles in the SEFC inlet at a cost of \$265,000.

DISCUSSION

Design of the public infrastructure for sub-area 2A, the Olympic Village phase, is expected to be completed in early 2006. Construction of the waterfront, roads, and other public infrastructure will begin shortly thereafter.

Detailed cost estimates for the construction of the waterfront, roads, and other public infrastructure are being prepared as part of the integrated site servicing design work currently underway. Once these cost estimates are finalized, the SEFC Project Manager will report back to Council with a detailed project budget for all public infrastructure construction and site servicing. This report will be presented to Council ahead of the sub - area 2A rezoning.

In the interim period, work is continuing on preparing the site for the Olympic Village. However, to continue this work in the period leading up to approval of the detailed budget, an interim site servicing budget of \$1,000,000 is required. This budget will provide funding for expanded work under existing contracts or for new contracts up to an individual maximum of \$300,000 in value. All approvals under this authority will be subject to normal City tendering requirements and awards will be reported with the detailed project budget. Contract for work beyond this maximum would be reported to Council.

Examples of activities to be funded by the interim budget are:

- implementing and monitoring environmental commitments;
- stabilizing the foreshore;
- removing existing debris from ocean floor;
- creating a detailed construction phasing plan for site servicing; and
- conducting geotechnical and groundwater investigations.

Two large site preparation work items have been tendered separately. The first piece of work is the removal and disposal of the decking and piles in the Olympic Village site. The contract for this work was awarded by Council on December 13, 2005 and the work began on January 5, 2006.

The second work item is the construction of a cofferdam across the mouth of the small inlet in the Olympic Village site. The cofferdam is a temporary dam that will be constructed of steel sheet pile. Its purpose is to prevent False Creek water from entering the inlet area, allowing environmental clean-up and site preparation activities to occur and minimizing release of sediments into False Creek. After deconstruction, the steel sheet pile will be saved and reused in the permanent SEFC foreshore.

This report recommends authorizing the City Manager to enter into a contract with Ruskin Construction Ltd. for the cofferdam construction, maintenance and deconstruction. This is

the second of a number of contracts for the construction of the public infrastructure and site servicing required for the Olympic Village.

Through a public tendering process, three tenders for the cofferdam work were received. The prices listed are based on a lump sum amount for construction and deconstruction of the cofferdam and a unit price for cofferdam maintenance based on an estimated 20 weeks that the cofferdam will be in place. The contractor will be paid for the maintenance based on the actual number of weeks that the cofferdam is in place.

Ruskin Construction Ltd.	\$1,034,000.00
JJM Construction Ltd.	\$1,250,000.00
Fraser River Pile and Dredge Ltd.	\$1,561,000.00

The low bid from Ruskin Construction Ltd. meets specifications and is acceptable. Therefore, on the basis of best value to the City, it is recommended that the cofferdam construction, maintenance and deconstruction contract be awarded to Ruskin Construction Ltd, for the estimated amount of \$1,034,000.00 plus GST.

FINANCIAL IMPLICATIONS

City Council approved the SEFC Financial Plan and Strategy in March, 2005, which sets the development and financial framework for the SEFC neighbourhood, including the Olympic Village. The Financial Plan and Strategy includes \$58 million for City Lands' site servicing, foreshore stabilization, and soil remediation.

Although Council has approved the development framework and financial strategy for the SEFC neighbourhood, an overall project budget is not yet in place. To date, Council has approved funding of \$712,000 for the operation of the SEFC Project Office in 2005 and \$615,000 annually starting in 2006, \$1.625 million for the Integrated Site Servicing Plan, and \$265,000 for the decking and pile removal contract.

The current request seeks to establish an interim site servicing budget of \$1,000,000 to allow the public infrastructure and site servicing work for the Olympic Village to continue while staff prepares the detailed budget. Funding is to be provided by the Property Endowment Fund: SEFC Development.

Separate from the interim site servicing budget of \$1,000,000, the City Manager recommends award of the cofferdam contract to Ruskin Construction Ltd. at an additional cost of approximately \$1,034,000.00 plus GST. Funding is to be provided by the Property Endowment Fund: SEFC Development.

It should be noted that the expenditures to date, plus the interim site servicing budget and the award of the cofferdam contract, are well within the above-noted \$58 million set out in the 2005 Financial Plan and Strategy. These expenditures will be included in the detailed project budget to be reported back to Council shortly.

ENVIRONMENTAL IMPLICATIONS

The Project Office has been working with the member agencies of the Burrard Environmental Review Committee and on November 25, 2005 received authorization from the Department of Fisheries and Oceans Canada to proceed with in-water works for the construction of the SEFC project, including the work outlined in this Council Report.

CONCLUSION

The SEFC and Olympic Village Project Manager seeks establishment of a \$1,000,000 interim site servicing budget in order to continue with the preparation of the Olympic Village site, prior to reporting back to Council to establish the detailed project budget, and that Ruskin Construction Ltd. be retained for the construction, maintenance and deconstruction of the cofferdam at an estimated cost of \$1,034,000.00 plus GST; funding to be provided by the Property Endowment Fund: SEFC Development.

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