



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Date: February 21, 2006  
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Meeting Date: March 7, 2006

TO: Vancouver City Council

FROM: Director, Facilities Design and Management, in consultation with the Directors of Real Estate Services and Housing Centre

SUBJECT: Award of Contract: Urgent Repairs to Abbeyfield Houses, 8264 Hudson Street

#### RECOMMENDATION

- A. THAT Council approve the total project budget of \$650,000 for urgent repairs to Abbeyfield Houses at 8264 Hudson Street; source of funding to be \$100,000 previously approved for soft costs and \$550,000 for hard construction costs from the PEF (Housing Demonstration Fund).
- B. THAT Council award the contract for building envelope repairs to Morse Construction Ltd. in the amount of \$330,000, excluding GST.

#### GENERAL MANAGER'S COMMENTS

The General Manager of Corporate Services RECOMMENDS approval of A and B.

#### COUNCIL POLICY

- Consulting contracts over \$300,000 require the approval of Council

## PURPOSE

This report seeks approval for an additional amount of \$550,000 for a total project budget of \$650,000 for urgent repairs to the City-owned Abbeyfield Houses, 8264 Hudson Street and to award the contract for the building envelope portion of the work to Morse Construction Ltd. in the amount of \$330,000 plus GST.

## BACKGROUND

The City owns or leases 66 buildings which are occupied by non-profit social service, childcare and cultural facilities. The buildings are leased, at a nominal rate, to the operating societies who are responsible for programs and day-to-day operations. The City is responsible for major structural repairs and this work falls in the category of major structural repairs.

The Abbeyfield house at 8264 Hudson Street was constructed in 1912 as a private residence and served at one time as the first children's hospital in Vancouver. By the early 1990s, the building was slated for demolition to make way for an apartment building. Council approved purchasing of the site in February 1990, and later approved the development of an 18-unit senior's congregate housing project to be operated by the Abbeyfield Houses of Vancouver Society. Source of funding for the purchase and upgrading was the Property Endowment Fund. Construction of the nine units in the renovated Heritage House and an additional nine units in a new coach house built at the rear of the property began in the fall of 1992 and was completed in the summer of 1993. The project opened its doors to the first seven residents on September 1, 1993.

In July 1995, Council approved adjustments to the lease with the Society, extending the term from 25 to 60 years. At the time, seven smaller units were proving to be difficult to market, and the revised lease provided flexibility in setting resident fees for these smaller, less attractive units.

## DISCUSSION

On June 22, 2004, Council approved tendering of urgent repairs at Abbeyfield with a report back on the final project budget and source of funding prior to award of contract. Further, Council approved \$100,000 for design and testing services and the award of a consulting contract to McGinn Engineering in the amount of \$56,000 plus disbursements, with the source of initial funding being the Neighbourhood Housing Demonstration Project Reserve.

**Building Envelope Problems:** As early as 1995, progressively more serious problems developed with the nine-unit coach house, resulting in the replacement of sundecks and structural elements. A recent building envelope assessment undertaken by the Iredale Group, the original architectural firm for the project, identified significant problems, such as those described on the Coach House:

- Staining and deterioration of siding boards;
- Structural deterioration of cross beams on balconies and roof decks;
- Inadequate waterproofing where cross beams tie into wall with an interface detail that permits water penetration;

- Balcony guardrail components, including balusters, top and bottom rails, and corner posts which are in an advanced state of deterioration on all four balcony/roof decks; and
- Advanced structural deterioration of the carport entrance beam at the Coach House.

McGinn Engineering & Preservation Ltd. was retained to complete design details and tender packages for urgent repairs to the building envelope. Building envelope repairs were tendered to four prequalified bidders with experience in heritage buildings. However, only one bid was received from Morse Construction Ltd. in the amount of \$330,000, excluding GST. The Consultant and staff advise that this work is within the original budget estimate and that specialist contractors are very busy at this time. It is unlikely that re-bidding the project would yield different results. Therefore, it is recommended that the building envelope repair contract be awarded to Morse Construction Ltd.

In addition, Abbeyfield and the City have been repairing on-going leaks in copper piping which supplies domestic water. Yoneda & Associates, mechanical engineers for the original project, have assessed the situation as arising, in part, from corrosion. The piping replacement work has been tendered and will be awarded under a separate contract at an estimated amount cost of \$165,000. The total project budget required for urgent repair of the building envelope and replacement of copper piping follows:

Consultant Fees (envelope, re-piping repairs)	\$75,000
Disbursements, permits, administration, project management	25,000
Construction (envelope repairs )	330,000
Construction (re-piping repairs)	165,000
Contingency	55,000
Total	<u>\$650,000</u>
Previously Approved	<u>(100,000)</u>
Additional Funding Required	\$550,000

## FINANCIAL IMPLICATIONS

**Replacement Reserve:** In a letter to the Society, dated May 31, 1995, attached to the Council Report of July 4, 1995, staff outlined both the City and the Society's responsibilities regarding the building:

- "6. Abbeyfield will be responsible for all operating costs, including routine maintenance, insurance and taxes. Routine maintenance does not include Replacement Reserve items defined in Clause 7 below which shall be the responsibility of the City.
7. The City will be responsible for maintaining the Replacement Reserve. The Reserve will be used to cover the cost of: (1) building deficiencies arising from inadequate original materials or workmanship; (2) maintaining the exterior of the building, such as roofing and outside painting; and, (3) ensuring the structural soundness of the building, such as the foundation and main structural members. All other maintenance items will be the responsibility of Abbeyfield, with the understanding that, any major capital costs which pose an unreasonable financial burden on

Abbeyfield, such as replacement of the boiler and/or elevator, may be considered for cost-sharing with the City.”

The initial project budget of \$100,000 was approved for further investigation, testing and soft costs including consulting fees, permits and disbursements. Funds were allocated from the Property Endowment Fund (Housing Demonstration Fund). It is recommended that the additional funding of \$550,000 required to complete this work be from this same source.

## CONCLUSION

Staff recommend that urgent repairs to the building envelope and copper piping be undertaken for a total project budget of \$650,000 to be comprised of \$100,000 previously approved for soft costs, and additional \$550,000 for the hard construction costs to be funded from the Housing Demonstration Fund. Staff are recommending the award of a contract the envelope repairs to Morse Construction Ltd. in the amount of \$330,000 excluding GST.

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