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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: March 1, 2006
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Meeting Date: March 7, 2006

TO: Vancouver City Council

FROM: Project Manager, Southeast False Creek & Olympic Village

SUBJECT: Southeast False Creek and Olympic Village - Award of Contract for Site Preparation Excavation and Backfill

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B, C and D, the City Manager be authorized to enter into a contract with Quantum Remediation Inc. ("Quantum") for site preparation excavation and backfill at an estimated cost of \$4,671,967.50 plus GST, with the funding to be provided by the Property Endowment Fund: Southeast False Creek Development;
- B. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A;
- C. THAT all such legal documents be on terms and conditions satisfactory to the City Manager and the Director of Legal Services; and
- D. THAT no legal rights or obligations will be created or arise by Council's adoption of Recommendations A, B and C 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 and D above.

COUNCIL POLICY

On March 1, 2005 Council approved the Official Development Plan for the Southeast False Creek ("SEFC") neighbourhood, which sets the framework for development of the SEFC neighbourhood, including the Olympic Village sub-area.

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 seeks authorization to award the construction contract for site preparation excavation and backfill near the Southeast False Creek inlet.

BACKGROUND

On March 1, 2005, Council approved the SEFC ODP, which sets the framework for development of the SEFC neighbourhood, including the Olympic Village sub-area.

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 facilitation 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.

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 an estimated 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 an estimated cost of \$265,000.

On January 17, 2006, Council authorized the City Manager 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.

DISCUSSION

Design of the public infrastructure required in the Olympic Village sub-area of Southeast False Creek is expected to be completed in early 2006. Construction of the waterfront, roads, and other public infrastructure will begin shortly afterwards.

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 order for construction to begin on time, site preparation began in early January, 2006 with the removal and disposal of the decking and piles found in the inlet located in Southeast False Creek northwest of the Salt Building. Construction of a cofferdam began in early February and is expected to be completed by March 31, 2006.

Further site preparation work is scheduled to begin in early April, 2006. This work will include the removal of an existing stockpile of soil, and the excavation and backfill of the area east of the proposed community centre and south of the future configuration of the inlet. The excavated soil will be classified and disposed of appropriately. This report recommends authorizing the City Manager to enter into a contract with Quantum Remediation Inc. for this work.

Through a public tendering process, the following tenders were received. The prices listed exclude GST and are based on lump sum amounts for mobilization, demobilization, site preparation, and unit rates for excavation, disposal of soil, wood waste, concrete and ground water, and supply, placement and compaction of backfill. The contractor will be paid for the actual volumes of material disposed of, whether it is more or less than the volumes estimated.

Quantum Remediation Inc.	\$4,671,967.50
Hazco Environmental Services	\$4,999,266.00
Tyam Construction Ltd.	\$5,623,300.00

The Engineer's estimate for this work was \$5,259,100.00 plus GST. On the basis of best value, it is recommended that the site preparation excavation and backfill contract be awarded to Quantum, for the estimated amount of \$4,671,967.50 plus GST.

FINANCIAL IMPLICATIONS

Although Council has approved the development framework and financial strategy for the Southeast False Creek 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, \$265,000 for inlet decking and pile removal, \$1,034,000 for cofferdam construction, and \$1,000,000 for an interim site servicing budget. These approvals along with the anticipated site servicing costs will be reflected in a more comprehensive project budget that will be reported to Council ahead of the sub -area 2A rezoning.

This contract has an estimated cost of \$4,671,967.50 plus GST. Funding is to be provided by the Property Endowment Fund: Southeast False Creek Development.

ENVIRONMENTAL IMPLICATIONS

An Approval in Principle ("AIP") for the SEFC city owned lands was received from the Province of British Columbia on June 14, 2005.

The Project Office has been working with the member agencies of the Burrard Inlet Environmental Review Committee ("BERC") and on November 25, 2005 received authorization from the Department of Fisheries and Oceans Canada to proceed with construction of the SEFC project.

The work described in this report will be completed in compliance with the terms of the AIP and BERC authorization.

CONCLUSION

Following a public tender process and evaluation of the bids for site preparation excavation and backfill, the SEFC Project Manager recommends Quantum be retained for this work.

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