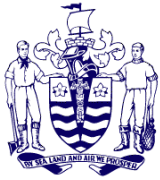


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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: March 1, 2006
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Phone No.: 604.871.6878
RTS No.: 5737
CC File No.: 03-1000-11
Meeting Date: March 21, 2006

TO: Vancouver City Council

FROM: Project Manager, Southeast False Creek & Olympic Village

SUBJECT: Southeast False Creek and Olympic Village - Award of Contract for Waterfront Densification

RECOMMENDATION

- A. THAT the City of Vancouver exercise its option to reject all tenders submitted in response to Invitation to Tender No. C104 Southeast False Creek and Olympic Village Waterfront Densification, and that the tenders submitted by Geopac West Ltd. ("Geopac"), West Shore Constructors Ltd. ("Westshore") and Griffiths Pile Driving Inc. ("Griffiths") all be rejected both as of right and as non-compliant tenders effective immediately;
- B. THAT, subject to conditions set out in Recommendations C, D and E, Council authorize the City Manager to enter into negotiations to produce a sole-source contract with Geopac for waterfront densification at an estimated cost of \$767,250, 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 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: Southeast False Creek Development.

PURPOSE

This report seeks authorization to cancel the Southeast False Creek waterfront densification tender on the basis that none of the bids received are compliant and that in all of the circumstances, the City should exercise its legal right to reject all bids. This report also seeks authorization to enter into negotiations to produce a sole-source contract with Geopac for the waterfront densification.

BACKGROUND

On March 1, 2005, Council approved the SEFC Official Development Plan ("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 SEFC 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 SEFC, northwest of the Salt Building. Construction of a cofferdam began in early February and is expected to be completed by March 31, 2006.

The next phase of the site preparation work is the requirement for densification of the waterfront north of the Olympic Village. Densification is required to improve the soil conditions to support lateral movements in the event of an earthquake. This work must begin in early April in order to meet project timelines.

The densification work was tendered through a public tendering process. The tenders received are summarized below in Table 1 (the listed prices exclude GST). For West Shore and Griffiths, the prices are based on a lump sum amount for installing gravel columns with an add/delete provision for more or less columns installed. The price listed for Geopac is based on a lump sum for completing the densification using the dynamic compaction method. The Engineer's estimate for this work was \$1.6 million excluding GST.

Table 1: Summary of Tenders

Geopac West Ltd.	\$767,250.00
West Shore Constructors Ltd.	\$1,123,300.00
Griffiths Pile Driving Inc.	\$1,294,850.00

Unfortunately, all three tenders are non-compliant and staff are recommending the tender be cancelled.

The Geopac and West Shore tenders are non-compliant because they use different methods than specified in the tender documents to achieve the densification required. The Griffiths tender is non-compliant because it does not complete the work within the specified schedule deadline.

As the densification work is still required to begin in early April in order to meet the project timelines; this report recommends authorizing the City Manager to enter into negotiations to produce a sole-source contract with Geopac for this work rather than re-tendering because:

1. Geopac can complete the work in a reduced timeframe, significantly less than the scheduled timeframe; and
2. the time it would take to re-tender this work would set back the project schedule by approximately 4 weeks. This delay will put significant time pressures on the completion of the Olympic Village.

In addition, the method employed by Geopac has been reviewed by the City's geotech consultant and will meet the City's performance objectives for the soils densification work.

FINANCIAL IMPLICATIONS

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, \$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.

A contract with Geopac for the densification work is anticipated to cost \$767,250 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, the Project Office 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 waterfront densification, the SEFC Project Manager recommends cancelling the tender and entering into negotiations to produce a sole-source contract with Geopac for this work.

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