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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: March 29, 2006
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Meeting Date: April 4, 2006

TO: Vancouver City Council

FROM: Project Manager, Southeast False Creek & Olympic Village

SUBJECT: Southeast False Creek and Olympic Village - Award of Contract for Road Excavation, Backfill and Stormwater Outfall Construction

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 HAZCO Environmental Services Ltd. ("HAZCO") for road excavation, backfill and stormwater outfall construction at an estimated cost of \$8,619,401.60 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;
- 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; and
- E. THAT non-Hazardous Waste soil excavated from Southeast False Creek Sub-area 2A be used for contouring at the Vancouver Landfill at an estimated fee of \$10 per tonne to be paid to the Solid Waste Capital Reserve, with the funding to be provided by the Property Endowment Fund: Southeast False Creek Development.

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") 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 contract for road excavation, backfill and stormwater outfall construction in the Olympic Village sub-area of SEFC.

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 plus GST.

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 plus GST.

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 plus GST.

On March 7, 2006, Council authorized the City Manager to enter into a contract with Quantum Remediation Inc. for site preparation excavation and backfill, at an estimated cost of \$4,671,967.50 plus GST.

On March 21, 2006, Council authorized the City Manager to enter into a contract with Geopac West Ltd. for waterfront densification, at an estimated cost of \$767,250 plus GST.

DISCUSSION

Design of the public infrastructure required in the Olympic Village sub-area of SEFC is nearing completion and construction of the waterfront, roads, and other public infrastructure is beginning.

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 to facilitate work in and around the inlet began in early February and is now completed. In early April, the site preparation, excavation and backfill contract and the waterfront densification contract will begin.

The next scheduled construction activity is the excavation and backfill of the roads in the Olympic Village sub-area of SEFC and the construction of stormwater outfalls at the extension of Ontario Street, Columbia Street and at the northern end of the future stormwater wetland facility. This report recommends authorizing the City Manager to enter into a contract with HAZCO Environmental Services Ltd. for this work.

Through a public tendering process, tenders were received from HAZCO Environmental Services Ltd. and Quantum Remediation Inc. Prices listed in Table 1 exclude GST and are based on lump sum amounts for mobilization, demobilization, soils testing, and unit rates for excavation, disposal of soil, wood waste, concrete, steel, and ground water (including the potential for chemically contaminated groundwater), as well as supply, placement and compaction of backfill, and stormwater sewer construction. The contractor will be paid for the actual amount of material disposed of, whether it is more or less than the amount estimated.

Table 1: Tender Pricing

	Tender Price	Option B Pricing
HAZCO Environmental Services Ltd.	\$12,287,956.60	\$8,619,401.60
Quantum Remediation Inc.	\$16,411,251.00	\$10,591,201.00

The tender price is based on taking the various categories of waste material to private landfills. Option B pricing is based on taking non-Hazardous Waste soils to the Vancouver Landfill (the "Landfill"). A risk assessment has determined that this non-Hazardous Waste soil could be safely used at the Landfill.

The Landfill can use the non-Hazardous Waste soil in the Western 40 Hectares. This area, which is not intended to receive any more "garbage", is being contoured with wood waste and soil material over the next 10 years as part of the ultimate closure plan. Using this soil as fill in the Western 40 Hectares will advance the completion of the contouring of this area by 1-2 years allowing final cover and revegetation to proceed ahead of schedule. This will reduce leachate generation from the landfill and maximize landfill gas recovery. It is proposed that the solid waste utility charge the PEF an estimated fee of \$10 per tonne to offset future lost disposal revenues.

On the basis of best value, it is recommended that the road excavation, backfill and stormwater outfall construction contract be awarded to HAZCO, for the estimated amount of \$8,619,401.60 plus GST based on Option B Pricing.

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, \$1,000,000 for an interim site servicing budget, \$4,671,967.50 for site preparation, excavation and backfill around the inlet, and \$767,250 for waterfront densification. 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 \$8,619,401.60 plus GST. In addition, using the non-Hazardous Waste soil excavated from SEFC Sub-area 2A at the Landfill will result in an additional fee of approximately \$10 per tonne to be paid to the Solid Waste Capital Reserve. Funding is to be provided by the Property Endowment Fund: SEFC 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.

Construction of the Columbia stormwater outfall may require a separate BERC approval because it deals with stormwater mainly from outside SEFC. If so, this work will begin only when this approval has been obtained.

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

CONCLUSION

Following a public tender process and evaluation of the bids for road excavation, backfill and stormwater outfall construction, the SEFC Project Manager recommends HAZCO be retained for this work.

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