

LATE DISTRIBUTION FOR COUNCIL - MAY 2, 2006

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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: April 21, 2006
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Meeting Date: May 2, 2006

TO: Vancouver City Council

FROM: Project Manager, Southeast False Creek & Olympic Village

SUBJECT: Southeast False Creek and Olympic Village - Construction Consultancies

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations G, H and I, the City Manager be authorized to enter into a contract with Morrow Environmental Consultants Inc. ("Morrow") for environmental monitoring, testing and underground storage tank removal for an estimated cost of \$839,000.00 plus GST, with the funding to be provided by the Property Endowment Fund: Southeast False Creek Development;
- B. THAT, subject to the conditions set out in Recommendations G, H and I, the City Manager be authorized to enter into a contract with Stantec Consulting Ltd. ("Stantec Civil") for civil engineering review and construction phase activities associated with contracts for road and utility work in the Olympic Village area of Southeast False Creek and First Avenue for an estimated cost of \$735,000.00 plus GST, with the funding to be provided by the Property Endowment Fund: Southeast False Creek Development;
- C. THAT, subject to the conditions set out in Recommendations G, H and I, the City Manager be authorized to enter into a contract with PWL Partnership Landscape Architects Ltd. ("PWL") for construction review associated with waterfront landscaping contracts and design and construction review of the park area west of Columbia Street ("Hinge Park") for an estimated cost of

\$238,000.00 plus GST, with the funding to be provided by the Property Endowment Fund: Southeast False Creek Development;

- D. THAT, subject to the conditions set out in Recommendations G, H and I, the City Manager be authorized to enter into a contract with Levelton Consultants Ltd. ("Levelton") for geotechnical engineering review and testing associated with waterfront densification and road construction contracts for an estimated cost of \$121,940.00 plus GST, with the funding to be provided by the Property Endowment Fund: Southeast False Creek Development;
- E. THAT, subject to the conditions set out in Recommendations G, H and I, the City Manager be authorized to enter into a contract with Hay and Company Engineering ("Hayco") for civil engineering review associated with waterfront construction contracts for an estimated cost of \$263,323.00 plus GST, with the funding to be provided by the Property Endowment Fund: Southeast False Creek Development;
- F. THAT, subject to the conditions set out in Recommendations G, H and I, the City Manager be authorized to enter into a contract with FVB Energy Inc. ("FVB") for engineering review of district energy distribution construction activities for an estimated cost of \$111,500.00 plus GST, with the funding to be provided by the Capital Financing Fund;
- G. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendations A, B, C, D, E and F;
- H. THAT all such legal documents be on terms and conditions satisfactory to the City Manager and the Director of Legal Services; and
- I. THAT no legal rights or obligations will be created or arise by Council's adoption of Recommendations A, B, C, D, E, F, G and H 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, E, F, G, H and I 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 these consultancies because funding is directly from the Property Endowment Fund: SEFC Development and the Capital Financing Fund.

PURPOSE

This report seeks authority for the City Manager to enter into contracts with Morrow, Stantec Civil, PWL, Levelton, Hayco and FVB for construction phase consultancy work.

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 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, stormwater, 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.

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.

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. Council also authorized the City Manager to approve expenditures for consultant and contract work to continue with the site preparation for the Olympic Village, totalling up to \$1,000,000.

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.

On April 4, 2006, Council authorized the City Manager to enter into a contract with HAZCO Environmental Services Ltd. for road excavation, backfill and stormwater outfall construction at an estimated cost of \$8,619,401.60 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 the infrastructure construction to begin on time, site preparation began in early January, 2006 with the removal and disposal of decking and piles northwest of the Salt Building. Construction of a cofferdam began in early February and is now completed. In early April the site preparation, excavation and backfill contract and the waterfront densification contract began. In mid April, the road excavation and backfill and stormwater outfall construction contract began.

The roadwork and utility construction contract is scheduled to begin in June along with a contract for sheet piling along the waterfront. Foreshore armouring, island construction, waterfront landscaping, and park construction are scheduled to begin in August and September.

Although the original Stantec Architecture Ltd. contract for the site servicing design for the Olympic Village is coming to a close, the construction work requires the ongoing involvement of individual members of the Stantec Architecture Ltd. design team, including Stantec Civil, PWL, Levelton and Hayco. Furthermore, the services of other key design consultants already engaged on this project will be required to manage construction of their designs; they include FVB for the district energy distribution system, and Morrow for the environmental monitoring and testing work. All these consultants have a high level of involvement and expertise in this project and were originally hired through public Request for Proposals processes. It is recommended that they be retained to manage and monitor the construction of the elements they designed.

Accordingly, the SEFC and Olympic Village Project Manager recommends that construction review, monitoring and testing for the Olympic Village site servicing work be sole-sourced to these existing consultants as follows:

- Morrow for environmental monitoring, testing and underground storage tank removal for an estimated cost of \$839,000.00 plus GST,
- Stantec Civil for civil engineering review and construction phase activities associated with contracts for road and utility work in the Olympic Village area of Southeast False Creek and First Avenue for an estimated cost of \$735,000.00 plus GST,
- PWL for construction review associated with waterfront landscaping contracts and additional design and construction review of the Hinge Park work for an estimated cost of \$238,000.00 plus GST,
- Levelton for geotechnical engineering review and testing associated with waterfront densification and road construction contracts for an estimated cost of \$121,940.00 plus GST,
- Hayco for civil engineering review associated with waterfront construction contracts for an estimated cost of \$263,323.00 plus GST, and
- FVB for engineering review of district energy distribution system construction activities for an estimated cost of \$111,500.00 plus GST.

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 the following funding:

Table 1: Summary of Funding Approvals

SEFC Project Office (2005)	\$712,000.00
SEFC Project Office (2006)	\$615,000.00
Integrated Site Servicing Design - Stantec	\$1,625,000.00
Inlet Decking and Pile Removal Contract - JJM	\$265,000
Cofferdam Contract - Ruskin	\$1,034,000.00
Interim Site Servicing Budget	\$1,000,000.00
Inlet Site Preparation Contract - Quantum	\$4,671,967.50
Waterfront Densification Contract - Geopac	\$767,250.00
Road Excavation, Backfill, Storm Outfall Contract - HAZCO	\$8,619,401.60

Approximately \$500,000.00 remains in the interim site servicing budget amount of \$1,000,000.00 which was approved by Council on January 17, 2006. This funding is required for other consultants and/or change orders to existing consultancies or contracts.

The above-noted approvals along with the anticipated remaining 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.

The contracts with design consultants for construction phase work noted in this report will cost approximately \$2,308,763.00 plus GST. Funding is to be provided by the Property Endowment Fund: SEFC Development except for the FVB contract estimated at \$111,500 plus GST which will be provided by the Capital Financing Fund because it is related to the neighbourhood energy utility.

The total budget to date, including the proposed consultant contracts requested in this report, is well within the amount allocated in the original pro-forma for the 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

The SEFC Project Manager is recommending that Morrow, Stantec Civil, PWL, Levelton, Hayco and FVB be retained for construction phase work that will cost approximately \$2,308,763.00 plus GST, with funding to be provided by the Property Endowment Fund: SEFC Development except for the FVB contract estimated at \$111,500 plus GST which will be provided by the Capital Financing Fund.

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