

# LATE DISTRIBUTION FOR COUNCIL - JUNE 27, 2006

# A14



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: June 23, 2006  
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Meeting Date: June 27, 2006

TO: Vancouver City Council

FROM: Project Manager, Southeast False Creek & Olympic Village

SUBJECT: Southeast False Creek and Olympic Village - Award of Contract for Construction of Roads and Utilities

#### 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 BelPacific Excavating and Shoring Limited Partnership ("BelPacific") for construction of roads and utilities at an estimated cost of \$7,847,080 plus GST, with \$6,597,620 plus GST of the funding to be provided by the Property Endowment Fund: Southeast False Creek Development and \$1,249,460 plus GST to be financed by the Capital Financing Fund, with recovery from the Neighbourhood Energy Utility;
- 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 the SEFC Project Manager be authorized to construct the BC Hydro and communications infrastructure work as a part of the contract for Construction of Roads and Utilities at a cost of \$214,593 for BC Hydro and \$530,776 for Telus and seek to recover these costs from BC Hydro and Telus respectively; AND

THAT should these cost recovery efforts fail, the SEFC Project Manager be authorized to eliminate the portion of the tender price for BC Hydro and Telus Infrastructure work from the contract for Construction of Roads and Utilities by Change Order due to insufficient funding for this work, and request that:

- 1) BC Hydro install and pay for its infrastructure, according to the British Columbia Hydro and Power Authority Electric Tariff; and
- 2) Telus install and pay for its infrastructure.

#### **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 the construction of roads and utilities 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 selecting a developer and work with the developer to design and construct the buildings on City lands in the Olympic Village (Sub-area 2A) 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.

On April 4, 2006, Council authorized the City Manager to enter into a contract with HAZCO Environmental Services Ltd. for road excavation, backfill and storm water outfall construction at an estimated cost of \$8,619,401.60 plus GST.

On April 21, 2006, Council authorized the City Manager to enter into six construction phase consultancy contracts for an estimated total cost of \$2,308,763.00 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 Olympic Village (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 in the inlet located 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 began. Both are now completed. Later in April, the road excavation and backfill and storm water outfall construction began.

The next scheduled construction activity is the construction of the roads and utilities in the Olympic Village sub-area of SEFC. This includes the installation of water, sanitary, storm, district heating, lighting, electrical and telecommunications infrastructure. This report recommends authorizing the City Manager to enter into a contract with BelPacific for this work.

Through a public tendering process, tenders were received from BelPacific, Conwest Contractors Ltd. and JJM Construction Ltd. Prices listed in Table 1 exclude GST and are based on lump sum amounts for mobilization, demobilization, and unit rates for roadworks and supply and installation of water, sanitary, storm, district heating, lighting, electrical and telecommunications infrastructure, and are based on portions of the work being completed in 2008 as set out as an option in the tender. The contractor will be paid for the actual quantities of material used, whether it is more or less than the amount estimated.

Table 1: Tender Prices

	Tender Price
BelPacific Excavation and Shoring	\$7,847,080.00
Conwest Contractors Ltd.	\$8,452,485.00
JJM Construction Ltd.	\$9,733,945.00

The work was divided into two sections: Part A included work associated with the external streets in the SEFC Olympic Village sub-area, and Part B included work associated with the internal streets. The Tender Price in Table 1 is the sum of Part A and Part B work.

The Costs noted in Table 1 also include a cost increase associated with doing the Part B work at a later date (between October 2007 and December 2008) to allow for more efficient construction techniques for the building sites, which will significantly reduce construction time on the buildings. It is possible that this work may be done earlier, in which case the contract price would be less than the amount recommended in this report.

The tender price by BelPacific also includes:

1. \$214,593 for BC Hydro infrastructure construction; and
2. \$530,776 for Telus infrastructure construction.

The City will be seeking to get a reimbursement from both BC Hydro and Telus for these costs.

On the basis of best value, it is recommended that the roadwork's and utilities construction contract be awarded to BelPacific, for the estimated amount of \$7,847,080 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 To Date

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	\$265,000.00
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
Six Construction Phase Consultancies	\$2,308,763.00
Total:	\$21,618,382.10

Approximately \$500,000 remains in the interim site servicing budget amount of \$1,000,000 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 Olympic Village (Sub-area 2A) rezoning.

This contract has an estimated cost of \$7,847,080 plus GST, with \$6,597,620 plus GST of the funding to be provided by the Property Endowment Fund: Southeast False Creek Development and \$1,249,460 plus GST of the funding to be provided by the Capital Financing Fund because it is related to the neighbourhood energy utility.

The City will be seeking to recover:

1. \$214,593 from BC Hydro for the cost of BC Hydro infrastructure work; and
2. \$530,776 from Telus for the cost of Telus infrastructure work.

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.

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 roadworks and utilities construction, the SEFC Project Manager recommends BelPacific be retained for this work.

The SEFC Project Manager recommends the BC Hydro and communications infrastructure work be built as a part of this contract at a cost of \$214,593 for BC Hydro and \$530,776 for Telus and that the SEFC Project Manager seek to recover these costs or, failing that, be given the authority to remove this work from the contract and request that BC Hydro and Telus install and pay for its infrastructure.

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