

# LATE DISTRIBUTION FOR COUNCIL - JULY 18, 2006

# A19



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: July 12, 2006  
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CC File No.: 11-2000-14  
Meeting Date: July 18, 2006

TO: Vancouver City Council

FROM: Project Manager, Southeast False Creek & Olympic Village

SUBJECT: Southeast False Creek and Olympic Village - Interim Site Servicing Budget and Award of Contract for Shoreline Construction

#### RECOMMENDATION

- A. THAT Council approve an additional \$1,000,000 interim budget for site servicing costs for the Olympic Village in advance of a staff report of the detailed budget for all site servicing; source of funding to be the Property Endowment Fund: Southeast False Creek Development; AND THAT the City Manager be authorized to approve expenditures from this allocation of up to an individual maximum of \$300,000;
- B. THAT, subject to the conditions set out in Recommendations C, D and E, the City Manager be authorized to enter into a contract with JJM Construction Ltd. ("JJM") for shoreline construction at an estimated cost of \$5,483,425 plus GST, with 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 ("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 asks City Council to allocate an interim site servicing budget of \$1,000,000 to allow work to continue on the preparation of the site for the Olympic Village while the more detailed project budget for all site servicing is being prepared. This report also seeks authorization to award the contract for construction of the shoreline of 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.

Although Council has approved the development framework and financial strategy for the SEFC neighbourhood, an overall project budget is not yet in place. To ensure the project can proceed within the tight timelines for delivery of the Olympic Village, Council has approved specific contracts for site development work. These 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.

To date, Council has approved the following funding:

Table 1: Summary of Funding Approvals To Date

May 12, 2005	SEFC Project Office (2005)	\$712,000
May 12, 2005	SEFC Project Office (2006)	\$615,000
May 12, 2005	Funding for Consultancy Contracts	\$200,000
July 19, 2005	Integrated Site Servicing Design - Stantec	\$1,625,000
Dec 13, 2005	Inlet Decking and Pile Removal Contract - JJM	\$265,000
Jan 19, 2006	Cofferdam Contract - Ruskin	\$1,034,000
Jan 19, 2006	Interim Site Servicing Funding	\$1,000,000
March 7, 2006	Inlet Site Preparation Contract - Quantum	\$4,671,967
March 21, 2006	Waterfront Densification Contract - Geopac	\$767,250
April 4, 2006	Road Excavation, Backfill, Storm Outfall Contract - HAZCO	\$8,619,401
April 4, 2006	Disposal of Material at the Vancouver Landfill	\$2,547,000
April 21, 2006	Six Construction Phase Consultancies	\$2,308,763
June 27, 2006	Roadwork and Utilities Contract - BelPacific	\$7,847,080
July 11, 2006	Steel Sheet and Pipe Pile Contract - Fraser River Pile	\$3,695,177
	Total:	\$35,907,639

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.

Construction of the roads and utilities in the Olympic Village sub-area of SEFC, including the installation of water, sanitary, storm, district heating, lighting, electrical and telecommunications infrastructure, is beginning this month. Construction of a steel sheet pile bulkhead and steel pipe piling along the Olympic Village waterfront will begin in early August.

## 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 has begun.

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.

i) Interim Consultancy Budget

In the interim period until a more comprehensive budget can be brought forward, work is continuing on preparing the site for the Olympic Village. However, to continue this work in the period leading up to approval of the detailed budget, an additional interim site servicing budget of \$1,000,000 is required. This budget will provide funding for expanded work under existing contracts or for new contracts up to an individual maximum of \$300,000 in value. All approvals under this authority will be subject to normal City tendering requirements and awards will be reported with the detailed project budget. Contracts for work beyond this maximum would be reported to Council.

Examples of activities to be funded by the interim budget are:

- Construction site logistics including fencing, security and first aid,
- Change orders to existing construction contracts, and
- Design modifications required to accommodate updates to the site plan.

Previous interim site servicing funding requests have been approved by Council. On May 12, 2005, Council approved \$200,000 for consultancy contracts and on January 19, 2006, Council approved \$1,000,000 for consultant and contract work to continue with the site servicing construction. This funding has been used for many site servicing design and construction related items including the following:

- Implementing and monitoring environmental commitments,
- Stabilization of the foreshore,
- Removal of existing debris from the ocean floor,
- Assessment of the existing steel sheet pile wall,
- Updates to the site survey,
- Completion of the SEFC public realm plan,
- Design of a cofferdam to facilitate construction work in and around the inlet,
- Assessment of the Salt Building foundations,
- Removal of underground obstructions found during excavation (timber piles, underground storage tanks, old concrete foundations),
- Creation of a detailed construction phasing plan for SEFC site servicing, and
- Excavation of test holes to understand dewatering required during construction.

ii) Contract C106: Shoreline Construction

The next scheduled construction activity is the construction of the island and foreshore armoring along the waterfront of the Olympic Village sub-area of SEFC. The island will be surrounded by intertidal fish habitat, a requirement of the Department of Fisheries and Oceans Canada. The foreshore armoring will consist of the placement of rip rap along the waterfront. This report recommends authorizing the City Manager to enter into a contract with JJM for this work.

Through a public tendering process, tenders were received from JJM and HAZCO Environmental Services. Prices listed in Table 1 exclude GST and are based on a lump sum amount for mobilization, demobilization and site preparation, as well as unit rates for

excavation, disposal of excavated material, supply and placement of foreshore armouring material, and stockpile and installation of granite blocks. The contractor will be paid for the actual quantities of material used, whether it is more or less than the amount estimated.

Table 2: Tender Prices

	Tender Price
JJM	\$5,483,425.00
HAZCO Environmental Services	\$6,117,093.55

On the basis of best value, it is recommended that the shoreline construction contract be awarded to JJM, for the estimated amount of \$5,483,425 plus GST.

#### FINANCIAL IMPLICATIONS

The current request seeks an additional \$1,000,000 as an interim site servicing budget to allow the public infrastructure and site servicing work for the Olympic Village to continue while staff prepares the detailed budget. Funding is to be provided by the Property Endowment Fund: SEFC Development.

The City Manager also recommends award of the shoreline construction contract to JJM at an estimated cost of \$5,483,425 plus GST, with funding to be provided by the Property Endowment Fund: Southeast False Creek Development.

The total budget to date, including the proposed contract award 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

The SEFC and Olympic Village Project Manager seeks establishment of a \$1,000,000 interim site servicing budget in order to continue with the preparation of the Olympic Village site, prior to reporting back to Council to establish the detailed project budget, and that JJM be

retained for the shoreline construction at an estimated cost of \$5,483,425 plus GST; with funding to be provided by the Property Endowment Fund: SEFC Development.

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