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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: November 10, 2006
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Meeting Date: November 16, 2006

TO: Vancouver City Council

FROM: Project Manager, Southeast False Creek & Olympic Village

SUBJECT: Southeast False Creek and Olympic Village - Award of Contract for Salt Building Foundation Upgrade and Additional Funding for Site Servicing and Olympic Village Work

RECOMMENDATION

- A. THAT a budget of \$1,900,000 be approved for the upgrade of the Salt Building foundation and related work with funding to be provided by the Property Endowment Fund: Southeast False Creek Development.
- 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 Ruskin Construction Ltd. ("Ruskin") for the upgrade of the Salt Building foundation at an estimated cost of \$1,657,370.00 plus GST with funding to be provided by the budget established pursuant to Recommendation A.
- 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.
- 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.

- F. THAT Council approve an additional \$1,000,000 budget for site servicing costs and other work for the Olympic Village; source of funding to be the Property Endowment Fund: Southeast False Creek Development.

CITY MANAGER'S COMMENTS

The City Manager recommends approval of A, B, C, D, E and F 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 approval of the budget for the upgrading of the Salt Building foundation and related work, and seeks authorization to award a contract for the foundation upgrade to Ruskin Construction Ltd. The report also seeks Council approval for additional funding of \$1 million for site servicing costs for the Olympic Village.

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.

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 of these contracts 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 began in July. Construction of the island and shoreline began in August.

DISCUSSION

The Salt Building

The next scheduled construction activity is the foundation upgrade for the Salt Building located at 85 West First Avenue. The foundation upgrade is required as part of the structural upgrade of the building to prepare it for potential use during the 2010 Winter Games and afterwards with a still-to-be-determined use. The foundation upgrade, including the installation of steel sheet piles around the perimeter of the building, is required before the roads surrounding the building can be excavated and backfilled with clean structural fill.

Approximately \$1,900,000 in total will be required for the upgrading of the Salt Building foundation and related work. A budget for this work was included in the *pro-forma* for the Southeast False Creek development, but has not yet been specifically approved by Council.

Through a public tendering process, tenders were received from Ruskin, JJM Construction Ltd, and West Shore Constructors Ltd. Prices listed in Table 1 exclude GST and are based on a lump sum amount for mobilization, demobilization, removal of debris from below the building, temporary bracing of the building, and concrete work, as well as unit rates for excavation, disposal of excavated material, supply and placement of backfill material, and supply and installation of steel sheet piles. The contractor will be paid for the actual quantities of material, whether it is more or less than the amount estimated.

Table 1: Tender Prices

	Tender Price
Ruskin	\$1,657,370.00
West Shore Constructors Ltd.	\$2,342,962.00
JJM Construction Ltd.	\$2,546,000.00

On the basis of best value, it is recommended that the Salt Building foundation upgrade contract be awarded to Ruskin for the bid amount of \$1,657,370.00 plus GST.

Additional Funding for Site Servicing

Recommendation F seeks approval of additional funding for site servicing of \$1.0 million. The additional funding requested in this report will provide funding for expanded work under existing contracts or for new contracts up to an individual maximum of \$300,000 in value. Any use of these funds will be in accordance with existing administrative authorities.

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

- construction site logistics including fencing, security and first aid;
- change orders to existing construction contracts for site servicing and the Olympic Village; 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. On January 19, 2006, Council approved \$1,000,000 for consultancy and construction work to continue with the site servicing project. Council also approved a further \$1,000,000 for this purpose on July 18, 2006.

FINANCIAL IMPLICATIONS

This report recommends that Council establish the budget of \$1,900,000 for the the Salt Building foundation upgrade and related work, and award a contract to Ruskin at an estimated cost of \$1,657,370.00 plus GST, with funding to be provided by the Property Endowment Fund: Southeast False Creek Development.

The report also requests a further \$1,000,000 in additional funding for site servicing and Olympic Village costs from the Property Endowment Fund: Southeast False Creek Development.

The total budget to date, including the proposed budget and contract award requested in this report, is within the amount allocated in the 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 Council approval to allocate a budget of \$1,900,000 for the Salt Building foundation upgrade and related work, and to retain Ruskin at an estimated cost of \$1,657,370.00 plus GST, with funding to be provided by the Property Endowment Fund: SEFC Development. The report also seeks Council approval of additional funding for site servicing and Olympic Village work in the amount of \$1 million.