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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: March 5, 2008
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Meeting Date: March 11, 2008

TO: Vancouver City Council

FROM: The Project Manager for the Southeast False Creek & Olympic Village Development (the "Project Manager")

SUBJECT: Southeast False Creek and Olympic Village - Cost Consulting and Project Monitoring Services

RECOMMENDATION

- A. THAT, Council authorize the Director of Legal Services (on behalf of the City) to enter into a contract with BTY Quantity Surveyors B.C. Ltd. ("BTY") for cost consulting and project monitoring services for the City's buildings in Southeast False Creek ("SEFC") Area 2A (the site for the Olympic Village) at an estimated cost of \$300,000 plus GST; source of funding to be the existing project budgets for the City's Affordable Housing buildings (Parcels 2, 5 and 9), Civic Centre (Parcel 11) and Salt Building (Parcel 7);

AND THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required for the City to contract with BTY, and that such legal documents be on terms and conditions satisfactory to the City Manager and the Director of Legal Services, and that no legal rights or obligations will be created or arise 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 the foregoing.

COUNCIL POLICY

Council approval is required for all consulting contracts that exceed \$30,000.

Council approval is required for contracts awarded outside the City's normal competitive procurement process.

PURPOSE

This report seeks authority for the Director of Legal Services (on behalf of the City) to enter into a contract with BTY for cost consulting and project monitoring services for the City's buildings in SEFC Area 2A.

BACKGROUND

On October 30, 2007, Council approved the engagement of BTY as a cost consultant to provide project monitoring and to verify expenditures related to the market buildings being developed by Millennium Southeast False Creek Properties Ltd. ("Millennium") in SEFC Area 2A.

DISCUSSION

In order to safeguard the City's interests during negotiation of the construction financing for Millennium's buildings (the "Market Buildings") in SEFC Area 2A, the City utilized the services of BTY, a Quantity Surveyor, to review project timing and costs. Subsequently, Council approved an ongoing contract with BTY for construction cost and project oversight services on Millennium's Market Buildings.

As part of the development of SEFC Area 2A, the City is constructing three Affordable Housing buildings (on Parcels 2, 5 and 9) and a Civic Centre comprised of a community centre, childcare facility and commercial space (on Parcel 11), and is undertaking the heritage restoration of the Salt Building for future commercial and public uses (on Parcel 7).

The City's building projects also require the construction cost and project oversight services being provided by BTY on the Market Buildings. Under normal circumstances, a separate open request for proposals for this work would be issued. However, because of the complexity and interrelationship among Millennium's Market Buildings and the City's Affordable Housing buildings, the overlapping construction contracts, and the fact that the Affordable Housing buildings and Civic Centre are all being constructed by affiliated contractors, staff do not recommend adding a separate oversight manager. Instead, it is recommended that (subject to successful negotiations on the legal documents) the City contract with BTY to also include the construction cost and project monitoring requirements for the City's buildings in SEFC Area 2A.

BTY has extensive experience in providing professional and practical advice to a range of construction projects, and BTY has demonstrated its ability to provide effective project cost monitoring under its current arrangements with the City with respect to the Market Buildings.

In addition, BTY's familiarity with the SEFC Area 2A development will help to reduce the cost of the cost consulting and project monitoring services for the City's buildings.

The Project Manager for SEFC & Olympic Village recommends that the contract with BTY include the following services:

- attendance at construction meetings for the Market Buildings and Affordable Housing buildings;
- regular review of construction progress for all parcels;
- review of the on-site schedules relative to the project schedule;
- budget reviews for all parcels;
- review of tender awards and cash allowances for the Affordable Housing buildings, Civic Centre and Salt Building;
- review of change orders for the Affordable Housing buildings, Civic Centre and Salt Building;
- review of progress draws for construction and soft costs relative to the budgets for the Affordable Housing buildings, Civic Centre and Salt Building; and
- other related project monitoring.

The term of BTY's contract will extend until November 1, 2009 (which date marks the beginning of the exclusive use period for SEFC Area 2A by VANOC for the Olympic Village), and has an estimated cost of approximately \$300,000 plus GST during the entire term. Costs for each component of the services provided by BTY (i.e. for the Affordable Housing, Civic Centre and Salt Building) will be billed separately by BTY, and charged to the appropriate City building project.

FINANCIAL IMPLICATIONS

The contract with BTY is expected to cost approximately \$300,000 plus GST over the term ending on October 31, 2009. Funding will be provided from the approved budgets for the various components of the City developments in SEFC Area 2A, including the Affordable Housing, Civic Centre and Salt Building.

CONCLUSION

To ensure an appropriate level of project monitoring for the City's developments in SEFC Area 2A, the Project Manager for SEFC & Olympic Village recommends that BTY be retained at a cost of approximately \$300,000 plus GST.

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