



CITY OF VANCOUVER

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ADMINISTRATIVE REPORT

Report Date: June 10, 2008
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Meeting Date: June 24, 2008

TO: Vancouver City Council

FROM: General Manager of Engineering Services

SUBJECT: Consulting Contract Extension and Material Purchase Approval for the Downtown Historic Railway Track Infrastructure Upgrades

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations C, D and E, Council authorize an extension and amendment to the Professional Services Agreement between the City and Hatch Mott MacDonald ("HMM") dated May 15, 2007, to include the detailed design and construction management of the Downtown Historic Railway (DHR) track infrastructure upgrades at an estimated cost of \$826,189 (including disbursements) plus applicable taxes; source of funds to be the DHR Infrastructure Upgrades Project budget.
- B. THAT, subject to the conditions set out in Recommendations C, D and E, Council delegate contract award authority to the City Manager for one or more contracts to supply rail and related material for the DHR infrastructure upgrades up to the approved project budget; source of funds to be the DHR Infrastructure Upgrades Project budget.
- C. 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 and B.
- D. THAT, all such legal documents be on terms and conditions satisfactory to the General Manager of Engineering Services, Manager of Materials Management, and the Director of Legal Services.

- E. THAT, no legal rights or obligations will be created by Council's adoption of Recommendation A, B, C or D above unless and until such legal documents are executed and delivered by the Director of Legal Services.

GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services and the Manager of Materials Management recommend approval of Recommendations A through E.

CITY MANAGER'S COMMENTS

COUNCIL POLICY

Consultant agreements exceeding \$30,000 require Council authorization. Contracts are to be awarded on the basis of best overall value for the City.

Award of contracts for goods and services exceeding \$300,000 require Council authorization.

PURPOSE

The purpose of this report is to recommend that Council:

- Approve an amendment to the scope of work under the City's contract with HMM to include the detailed design and construction management of the Downtown Historic railway (DHR) track infrastructure upgrades.
- Delegate authority to the City Manager to award one or more contracts to supply rail and related material for the DHR infrastructure upgrades during the Council recess to minimize the risks to the Demonstration Streetcar Project schedule.

BACKGROUND

In 2006, Council approved a budget of \$300,000 to complete preliminary engineering and design work on the Phase Zero section of the Downtown Streetcar project, from Granville Island to Science World.

On May 3, 2007, following a request for proposals process, Council approved an award of contract to Hatch Mott Macdonald (HMM) to provide professional engineering services for preliminary engineering and design of Phase Zero of the Downtown Streetcar Project. The request for proposals contemplated that the successful proponent might be retained to complete more detailed design work in the future, subject to further Council approval.

In March 2008, Council approved a budget of \$8.5 million to replace the single-track rail infrastructure between Granville Island and the 2nd Avenue Canada Line Station to allow continued operation of the DHR.

In March 2008, further to the budget approval for the DHR infrastructure upgrades, Council instructed staff to seek opportunities to develop the Downtown Streetcar Demonstration Project for the 2010 Olympic and Paralympic Winter Games using modern streetcar equipment and infrastructure.

DISCUSSION

Consulting Contract Extension and Amendment - Recommendation A

Over the last year, HMM has been completing professional services related to both the Phase Zero preliminary engineering for the Downtown Streetcar and the reinstatement of the DHR service on 1st Avenue in Southeast False Creek (SEFC). The work to date has been a valuable exercise in minimizing future construction costs, addressing design issues and safeguarding the streetcar alignment for modern equipment and track infrastructure.

As part of the procurement process for Preliminary Engineering and Design, HMM was selected with the understanding that they may be retained for future work on this project. Staff have been satisfied with the quality of heritage and modern streetcar design and experience that HMM and its team have provided to date.

In order to ensure that design and construction of the DHR infrastructure is ready for the modern streetcar demonstration during the Olympic period, staff recommend the extension and amendment of HMM's existing professional engineering services contract to include completion of detailed design and construction management of the DHR track infrastructure upgrades as well as assisting staff in developing the 2010 Downtown Streetcar Demonstration Project. HMM's previous work with both the DHR and Downtown Streetcar project make them uniquely qualified to complete the work in the limited time available.

Furthermore, this will ensure that there is a seamless transition from the previous streetcar engineering and design work. It will also provide staff greater flexibility in adopting changing requirements with HMM later into the design process, especially in light of the time-constrained delivery of a streetcar demonstration project for the 2010 Winter Games.

Material Purchase Approval - Recommendation B

The steel rail required to replace the existing aged DHR infrastructure has a long procurement lead time. Significant risk to the project schedule can be avoided by acquiring this material in advance and supplying it to the successful contractor. Given that the City is not yet in a position to tender the construction services, reliance on a contractor to supply the rail in the future may lead to unacceptable delays. Also, given that the project is material intensive, acquisition of the rail directly from a manufacturer will likely result in savings as the City will avoid a contractor's mark-up.

To ensure completion of the upgrades in advance of Games Time, staff estimate that material supply contracts for the purchase of steel rail and other project materials will need to be

entered into no later than mid-to-late August of this year. While this August target is realistic given the current state of the project, this timing coincides with the Council recess.

To ensure that infrastructure is ready for a successful 2010 Downtown Streetcar Demonstration Project, staff recommend that the authority to award such material supply contracts be delegated to the City Manager during Council's summer recess. Staff will undertake all such procurements in accordance with City policies and procedures.

Furthermore, staff will be reporting back in the fall on a recommended contractor which will represent the majority of the approved budget for the DHR infrastructure upgrades

FINANCIAL IMPLICATIONS

On March 11, 2008, Council approved a total of \$8.5 million for detailed design, material and construction, project management and contingencies for the DHR infrastructure upgrades.

The extension and amendment of the Professional Services Agreement between the City and HMM to include detailed design and construction management services at an estimated cost of \$826,189 (including disbursements) is consistent with previous estimates and projections, and is less than 10% of the overall approved project budget.

The award of the material supply contracts will follow applicable City procurement policies and procedures, and will proceed only if material costs are consistent with overall project estimates and within the approved project budget.

Source of funds for the extension and amendment of the Professional Services Agreement with HMM and the material supply contract(s) will be the approved DHR Infrastructure Upgrades Project Budget (RTS#7115).

CONCLUSION

Staff recommend that the existing Professional Services Agreement with HMM be extended and amended to include detailed design and construction management services for the DHR track infrastructure upgrades and other minor work associated with the 2010 Downtown Streetcar Demonstration Project. HMM's proposal for the additional services reflects the best overall value to the City as they are uniquely positioned to undertake the work given their previous experience with both the DHR and Downtown Streetcar projects.

Also, staff recommend that Council delegate authority to award material supply contracts for the purchase of steel rail and related material to the City Manager during the Council recess to minimize the risks to the Demonstration Streetcar Project schedule.

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