



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: June 24, 2008  
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Meeting Date: July 8, 2008

TO: Vancouver City Council

FROM: The Director, Facilities Design and Management in consultation with the Chief Constable, Vancouver Police Department

SUBJECT: Award of Construction Contract for the Vancouver Police Department (VPD) Dog Squad Offices and Kennel at 755 Evans Avenue

#### RECOMMENDATION

- A. THAT Council approve a revised budget of \$3,803,000 for the VPD Dog Squad Project, with the additional budget of \$400,000 to be funded from the 2008 Capital Budget - Cost Escalation Fund.
- B. THAT, subject to the conditions set out in Recommendations C and D, the Director of Facilities Design and Management be authorized to enter into a contract with Pro-Can Construction Group Corp. for construction of the VPD Dog Squad at 755 Evans Avenue in the amount of \$2,840,000 plus applicable taxes; source of funding to be the revised project Capital 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 General Manager of Business Planning and Services and the Director of Legal Services.
- E. THAT no legal rights or obligations will be created or arise by Council's adoption of Recommendation B, C and 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 Business Planning and Services and the Chief Constable of the Vancouver Police Department RECOMMEND approval of the foregoing.

## COUNCIL POLICY

- Council approval is required for the award of any construction contract with a value over \$300,000.
- Contracts are to be awarded on the basis of best value for the City.

## PURPOSE

The Director of Facilities Design and Management and the Chief Constable of the Vancouver Police Department are requesting approval for the award of a construction contract for the VPD Dog Squad Offices and Kennel, and the approval of additional project funding as set out in this report.

## BACKGROUND

The VPD Dog Squad was located on Property Endowment Fund property adjacent to 1<sup>st</sup> Avenue to the south and the Cambie Bridge to the west. The existing facility has been in use since 1969 and has exceeded its useful life. The building has deteriorated significantly and lacks sufficient storage and operational space. This current site has been slated for redevelopment as part of the South East False Creek (SEFC) project, and therefore has been scheduled for relocation and redevelopment.

On February 28, 2006 (RTS # 05715), Council approved the appointment of a design team, led by Chernoff Thompson Architects to commence design work on a site located at 755 Evans Avenue.

On March 13, 2007 (RTS #06538), Council approved the relocation and construction of the VPD Dog Squad Offices and Kennel at 755 Evans Avenue at a cost of \$3.403 million.

On May 15, 2007 (RTS #06697), Council approved the appointment of Franz Environmental Inc. as the environmental consultant for environmental risk assessment work at 755 Evans Avenue at a cost of \$180,000.

## DISCUSSION

### INCREASE IN PROJECT BUDGET

In March of 2007, Council approved a project budget of \$3.403 million for the relocation of the VPD Dog Squad Offices and Kennel.

Concurrent with the building design, detailed environmental site investigation continued to define the extent and nature of contaminated soils.

During the environmental investigation extensive concrete slabs and building foundations were found. These remnants from abandoned structures used in coal handling operations in the late 1940's and early 1950's must be removed prior to construction of the new Dog Squad facility.

There has been cost escalations since the project was approved in March 2007. Coupled with the incremental costs required for the removal of additional contaminated soils and the removal of concrete debris, additional funding of \$400,000 is required. With this increase, the revised total budget for the VPD Dog Squad Offices and Kennel project will be \$3,803,000.

## AWARD OF CONTRACT

From an open invitation to general contractors to submit requests for prequalification, five proponents were prequalified to submit tenders for the Project.

Following a formal tender process, five bids were received on April 24, 2008 and opened in public. The bids are summarized as follows:

Bidder	Tender Price (exclusive of GST)
Pro-Can Construction Group Corp.	\$2,840,000
PAX Construction Ltd.	\$3,326,326
Dominion Fairmile Construction Ltd.	\$3,348,000
Tritan Construction Ltd.	\$3,715,000
Smith Bros. & Wilson (BC) Ltd.	\$3,788,089

On the basis of best value and subject to approval of additional funding set out in this report, staff recommends that the contract be awarded to Pro-Can Construction Group Corp., in the amount of \$2,840,000. Pro-Can met all the requirements of the tender documents.

## FINANCIAL IMPLICATIONS

The revised cost of the VPD Dog Squad Project is anticipated to be approximately \$3.803 million. Council previously approved the relocation and construction of Police Dog Squad Offices and Kennel at 755 Evans Avenue at a cost of \$3.403 million (RTS #06538).

An additional \$400,000 in project funding is required to cover cost escalations, removal of contaminated soils, and removal of concrete foundations. This additional funding is recommended to be provided from the 2008 Capital Budget - Cost Escalation Fund.

Subject to Council approval of the increase in project funding to \$3.803 million, funding for the contract with Pro-Can Construction Group Corp. for construction of the new VPD Dog

Squad Offices and Kennels in the amount of \$2,840,000 plus applicable taxes will be available in the revised project Capital Budget.

### SCHEDULING IMPLICATIONS

Construction of the Neighbourhood Energy Utility (NEU) as part of the SEFC Project will require the demolition of the existing Dog Squad structures by the end of June 2008. The Dog Squad has been relocated to a temporary facility at 580 Malkin Street to allow for construction of the NEU facility. The temporary facility is available only to the end of 2009, however, at which time the site is scheduled for development of Trillium Park. If the VPD Dog Squad project cannot be completed by the end of December 2009, it will be necessary to vacate the existing temporary site and relocate to another temporary site, resulting in further addition costs.

### CONCLUSION

To cover increased costs due to project tendering delays and site environmental remediation, an increase of \$400,000 is requested for the VPD Dog Squad Offices and Kennel Project, bringing the total project budget to \$3.803 million.

Following an open call for prequalification and a public tender process, five compliant bids were received and following analysis, the Director of Facilities Design and Management recommends that the City enter into a contract with Pro-Can Construction Group Corp. for the construction of the VPD Dog Squad Offices and Kennel at 755 Evans Avenue for a contract value of \$2,840,000.00 plus GST.

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