



ADMINISTRATIVE REPORT

Report Date: April 3, 2009
Contact: Mark Schwark
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RTS No.: 07788
VanRIMS No.: 08-2000-20
Meeting Date: April 21, 2009

TO: Vancouver City Council

FROM: General Manager of Engineering Services in consultation with the Director of Finance

SUBJECT: Award of Contract ITT PS08217 - 425 Industrial Avenue By-Law Impoundment Lot Construction

RECOMMENDATION

- A. THAT Council approve the construction of the new By-Law Impoundment Lot at 425 Industrial Avenue at an estimated cost of \$4,650,000; source of funds to be a loan from the Capital Financing Fund to be repaid from Street and Traffic By-law fine and towing revenues;
- B. THAT subject to the conditions set out in Recommendations C, D and E, the General Manager of Engineering Services be authorized to enter into a contract with n. Wallace and Company for the construction of the new By-Law Impoundment Lot at 425 Industrial Avenue with a value of \$3,079,487, exclusive of the applicable 5% Goods and Services Tax, with funding 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 document required to implement Recommendation B;
- D. THAT all such legal documents be on terms and conditions satisfactory to the General Manager of Engineering Services and the Director of Legal Services; and
- E. THAT no legal rights or obligation will be created or arise by Council's adoption of Recommendations A, 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 Engineering Services RECOMMENDS approval of recommendations A through E.

COUNCIL POLICY

Contracts with a value of \$300,000 are referred to Council for approval.

PURPOSE

This report seeks authorization for the General Manager of Engineering Services to establish funds for the construction of the Impoundment Lot, with the source of funds to be a loan from the Capital Financing Fund and to award a contract to n. Wallace and Company for the construction of the new Impoundment Lot.

BACKGROUND

The existing impoundment facility located at 1410 Granville Street provides storage for vehicles towed under by-law infractions issued by the Parking Enforcement Branch and the Vancouver Police Department and has been in operation since 1986. At that time, the impoundment facility was surrounded by a mix of commercial, light industrial uses, and vacant land to the east on the former Expo site. Since rezoning Granville Slopes (1984), False Creek North (1990) and Downtown South (1991), the surrounding area has emerged as a high-density residential neighbourhood which is incompatible with the location and operation of an impoundment lot. The increase of residents moving into the area has resulted in an increase in the number of complaints related to noise from car alarms, nuisance and crime. The impoundment facility is now operating at full capacity with the number of vehicles towed to the site being maintained at approximately 48,000 tows per year.

Council directed staff to undertake a study that would provide an urban design vision and a new zoning for the Granville Bridgehead area to create a neighbourhood centre on the City-owned properties on and adjacent to the existing impoundment lot site. The recommended relocation of the impoundment facility from its current location to 425 Industrial Avenue, formerly 375 Industrial Avenue, (see Appendix A) will allow better neighbourhood-serving land-uses for the emerging neighbourhoods in False Creek North, Granville Slopes and Downtown South. Resolution of the plan for this area will also facilitate future planning of the bridge loops sites, immediately north of Pacific Boulevard, for redevelopment.

In 2005, after a review of potential sites, Engineering and Planning staff agreed that the site at 425 Industrial Avenue would be a suitable replacement site due to its compatibility with surrounding land uses as well as its ability to meet the operational requirements of the impoundment facility.

In April 2005, Council approved the property acquisition of 425 Industrial Avenue for the purposes of accommodating future Civic uses including the relocation of the City's existing impoundment facility.

In July 2005, Stantec Consulting was hired to develop preliminary designs for an impoundment facility at 425 Industrial Avenue. The preliminary designs show that the property can accommodate the required small office building and vehicle spaces to meet the City's impoundment needs (see Appendix B).

In July 2006, Council approved the relocation of the By-law Impoundment Lot from the current location of 1410 Granville Street to 425 Industrial Avenue, the transfer of the 425 Industrial Avenue property from the PEF to the Capital Fund, an increase to Street and Traffic By-law 2849 violation fines and vehicle towing rates, and the retention of an architect for the impoundment lot detailed design.

In March 2007, Stantec Consulting was hired to develop the detailed design and in December 2008 received the development permit approval for the Impoundment Lot.

DISCUSSION

The Impoundment Lot project can be generally described as a vehicle handling facility that has provisions for a surface parking lot, an administration office, proper gating and fencing, utilities, lighting, security systems and site paving. There are also off-site improvements such as a sidewalk, sidewalk street lighting improvements and fibre optic connection.

The City of Vancouver issued an Invitation to Tender (ITT PS 08217) on January 7, 2009. Tenders for the construction of the Impoundment Lot were received from five bidders and were opened on March 18, 2009.

The tender packages were evaluated by the Purchasing, Law and Engineering departments and the design consultant based on demonstrated ability, qualifications and experience, proposed methodology, available resources, schedule and references. n. Wallace and Company was the only bidder compliant with the tender requirements and meeting the project specifications. It is therefore recommended that the construction of the Impoundment Lot at 425 Industrial Avenue be awarded to n. Wallace and Company in the amount of \$3,079,487, exclusive of GST.

The total cost of construction of the Impoundment Lot (outlined in Table 1) will include the following items: construction management consultants, environmental consultants, permit fees, construction contract, environmental management, off-site improvement costs and staff costs. It is recommended that funding be provided from the Capital Financing Fund and repaid over a 15 to 20 year period from the following revenue sources:

- 1) \$750,000 per year from the July 2006 Council-approved \$10 increase from \$80 to \$90¹ in the Street and Traffic By-law 2849 violation fines, and the \$5 increase (\$40 to \$45) for payment before 35 days, both which have been in effect since September 1, 2006.
- 2) \$144,000 per year from the existing annual rent and \$200,000 per year from the Council approved increase in the towing fee from \$47.23 to \$68.88 plus GST, which will be in effect once the new impoundment lot begins its operations.

A summary of the capital costs and revenue sources for the repayment of the Capital Financing Fund loan is provided in Table 1.

¹ On March 24, 2009 Council approved a further \$10 increase in the Street and Traffic By-law 2849 from \$90 to \$100 providing additional revenues to the Operating Budget. None of these additional revenues are being applied to the repayment of the CFF loan.

Table 1 - Capital Costs and Revenue Sources

Capital Costs	
<i>Previous Funding Approved by Council</i>	
Land Purchase	\$4,700,000
Detailed design consultant/permits	\$470,000
Funding approved by Council on July 11, 2006	\$5,170,000
<i>Construction Costs Requiring Funding</i>	
Construction/Environmental Consultants	\$350,000
Building Permit Fees	\$50,000
Construction Contract (Recommendation B)	\$3,080,000
Environmental Management	\$300,000
Off-site Improvements	\$400,000
Staff Costs	\$50,000
Sub-Total Construction Costs	\$4,230,000
Contingency (10%)	\$420,000
Total Construction Costs (Recommendation A)	\$4,650,000
Total Capital Costs	\$9,820,000
Annual payment required based on monthly repayment over 15 years @ 6%	
	\$1,080,000
Annual Revenue Sources	
Increased by-law fine revenue	\$750,000
Existing rent revenue	\$144,000
Increased towing fee revenue	\$200,000
Total annual revenue	\$1,094,000

If Council approves this proposal, construction work would proceed in the spring of 2009 with an expectation that the new lot would be operational by the spring of 2010.

FINANCIAL IMPLICATIONS

The Impoundment Lot relocation is being funded from increased bylaw fine revenue, increased towing fees and rent paid by the City's contractor with financing being provided from the Capital Financing Fund. These sources generate a loan payment of approximately \$1,080,000 annually.

In 2006 -2008, \$5.1 million was advanced from the CFF to purchase the site and complete preliminary design. Of this amount, \$1.5 million had been repaid at December 31, 2008, leaving an outstanding balance of \$3.6 million.

The cost of construction of the new Impoundment Lot at 425 Industrial Avenue is estimated at \$4,650,000. Staff recommend that the source of funds for this construction be a loan from the Capital Financing Fund to be repaid over a period of 15 to 20 years from Street and Traffic By-Law fine and towing revenues. Staff also recommend that Council award a contract to n. Wallace and Company in the amount of \$3,079,487, excluding GST, for the construction of the Impoundment Lot, with funding to be provided by the CFF loan.

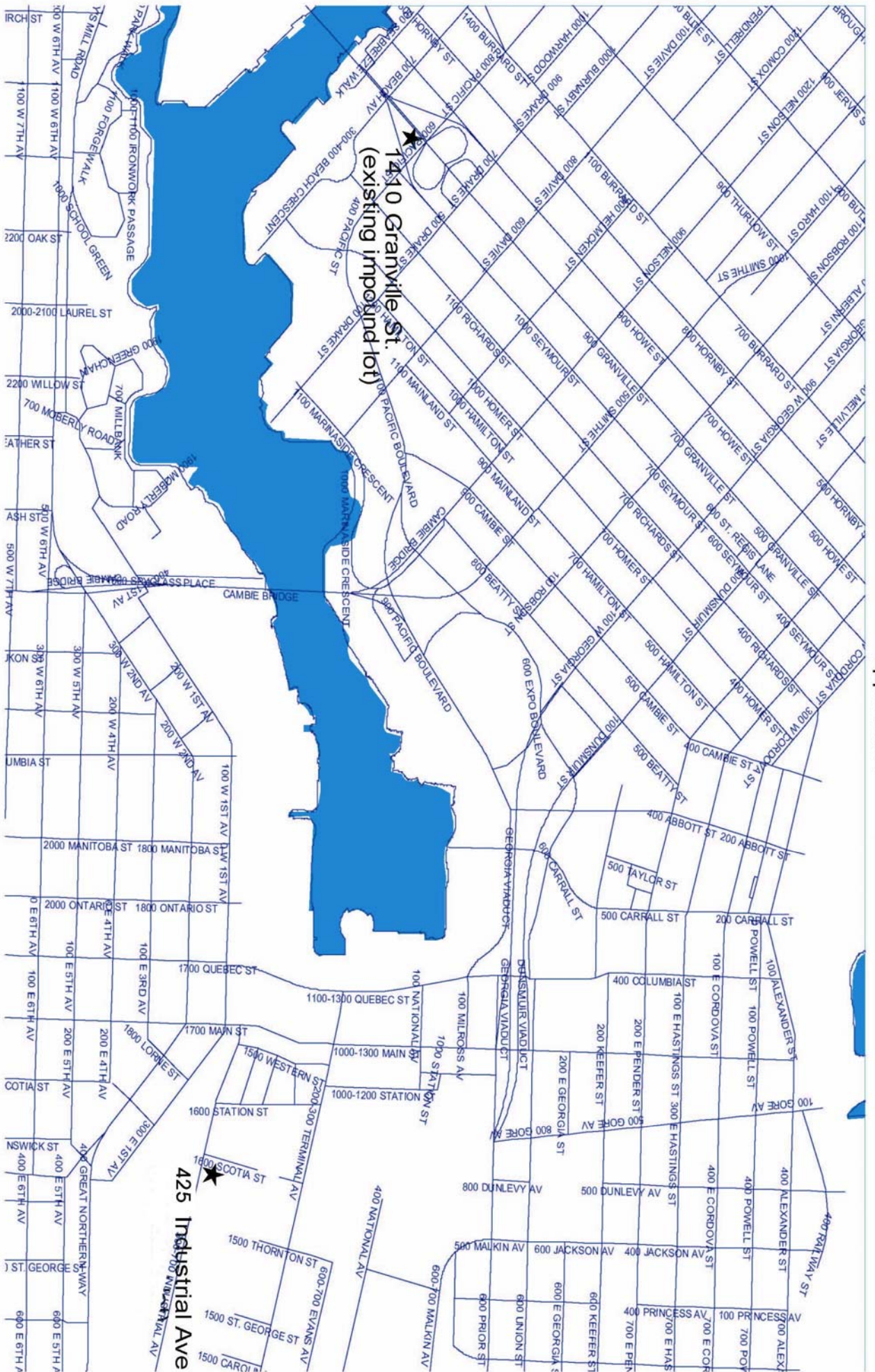
ENVIRONMENTAL IMPLICATIONS

An approval in principle has been issued for the site to allow the use as an impoundment facility. The cost of remediation work to obtain a Certificate of Compliance for the site is included within the Total Construction Cost in Table 1.

CONCLUSION

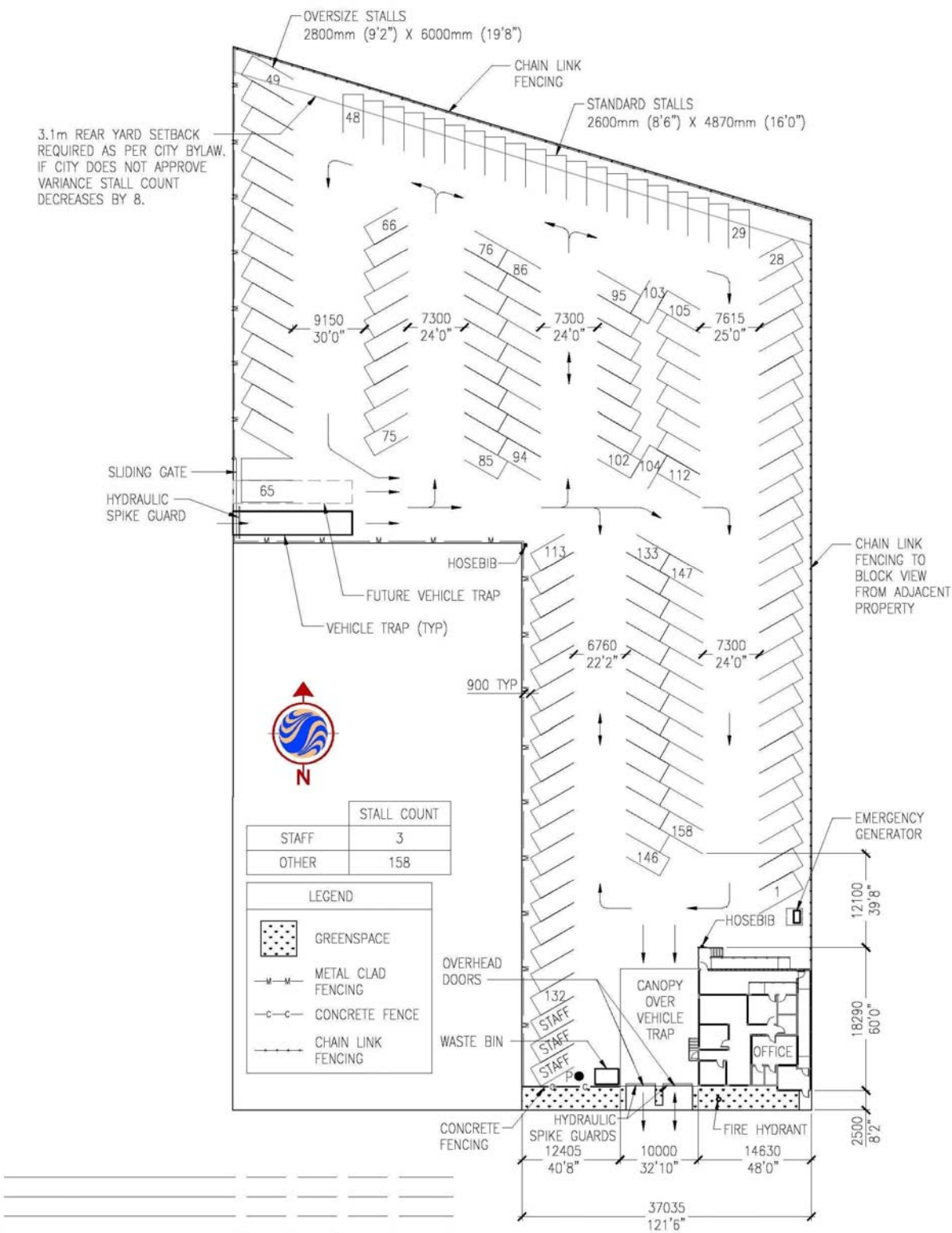
There is a need to relocate the existing By-Law Impoundment facility from 1410 Granville Street to 425 Industrial Avenue due to the incompatibility of the existing site with the increasing residential uses surrounding it. The detailed design and development permit for the site is complete. Staff recommend that the contract for the construction of the By-Law Impoundment Lot be awarded to n. Wallace and Company at a cost of \$3,079,487, excluding GST. Staff also recommend that funding for the overall Impoundment Lot construction costs, estimated at \$4,650,000, be provided from the Capital Financing Fund as a loan to be repaid over a period of 15 to 20 years from Street and Traffic By-Law fine and towing revenues.

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Appendix A

Appendix B



Revision/Issued	Rev	By	Appd.	YY.MM.DD
1 GENERAL REVISION	A	AB	DKK	06.04.20

TOTAL SITE AREA
= 0.665 HECTARES

V:\01145\active\114501107\report\2.08-Report\Phase 2\Drawings for Section 4.0\4.2 Recommended Conceptual Site Layout.dwg
2006-04-21 10:02AM By: abernardino

Client/Project
CITY OF VANCOUVER
CONCEPTUAL DESIGN FOR
NEW BY-LAW IMPOUND LOT

Figure No.
4.2 rev. A

Title
**RECOMMENDED CONCEPTUAL
SITE LAYOUT**

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ORIGINAL SHEET - ANSI B



March 2006
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