



# A7

## ADMINISTRATIVE REPORT

Report Date: July 8, 2009  
Contact: Garrick Bradshaw  
Contact No.: 604.873.7616  
RTS No.: 8130  
VanRIMS No.: 08-2000-20  
Meeting Date: July 21, 2009

TO: Vancouver City Council

FROM: Director, Facilities Design and Management and the Director, Real Estate Services

SUBJECT: Structural Upgrade - 1122 S.W. Marine Drive - Award of Construction Contract

### ***RECOMMENDATION***

- A. THAT, subject to the conditions set out in Recommendation B, the City be authorized to enter into a contract with PAX Construction for the Structural Upgrade of 1122 S.W. Marine Drive for a sum of \$312,676 (plus applicable taxes), with funding to be provided by the Property Endowment Fund.
- B. THAT all documents required to implement Recommendation A shall be drawn to the satisfaction of the Director of Legal Services, in consultation with the General Manager of Business Planning and Services; provided that no legal rights are hereby created and none shall arise until the relevant documents are executed by the Director of Legal Services on behalf of the City.

### ***GENERAL MANAGER'S COMMENTS***

The General Manager of Business Planning and Services RECOMMENDS 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 Director of Real Estate Services are requesting approval of the award of a construction contract for the Structural Upgrade of the City owned facility at 1122 S.W. Marine Drive.

**BACKGROUND**

The subject property, 1106 to 1122 S.W. Marine Drive, is a PEF asset, being held long term in anticipation of potential rezoning and redevelopment opportunities. The site is improved with two attached buildings, leased to two long standing tenants of the City. General Store-All, a mini storage company, currently occupies 33,610 square feet in the newer warehouse section of the property at 1106 S.W. Marine Drive. The older building, located at 1122 S.W. Marine Drive, was constructed in 1946 and comprises a heavy timber warehouse structure. This building has been occupied long term by Westport Manufacturing, manufacturers of window blinds and draperies.

In July 2004, Council approved a new lease structure whereby Westport was to reduce their space, and General Store-All was to expand into the 13,500 square foot ground floor portion of the older structure (RTS 4357). However, this expansion has not been completed because Westport Manufacturing advised the City of structural concerns with the building. After a preliminary review it was determined that the building's existing floor and roof beams were severely cracked. On May 15, 2007, Council approved a budget of \$540,000 (RTS 6620) for major structural repairs.

In September 2008, the Facilities Design & Management Department followed standard facility development procedures and conducted a preconstruction hazardous assessment survey. Following further analysis, lead dust was discovered in various areas of the building. In consultation with the environmental consultant, it was determined to perform the lead abatement only in areas where the lead dust could pose a hazard as a result of the planned structural upgrades. \$32,000 was spent in the abatement of the lead dust, and the work was completed in April 2009. A further \$20,000 will be allocated for the monitoring of the air during the construction period to ensure that lead dust levels remain safe.

**DISCUSSION**

From an open invitation to General Contractors to submit requests for prequalification, four contractors were pre-qualified to submit tenders for this project. Of the four pre-qualified firms, three firms undertook to submit a completed tender.

The materially compliant bids are summarized as follows:

Bidder	Total Price (exclusive of GST)
PAX Construction	\$ 312,676
Turn-Key	\$ 342,800
n. Wallace & Company	\$ 507,872

On the basis of best value to the City, staff recommend that the contract be awarded to PAX Construction, the lowest compliant bidder, in the amount of \$ 312,676 (plus applicable taxes).

### *FINANCIAL IMPLICATIONS*

Funding for this Project is to be provided from the Property Endowment Fund. The projected revenue from the two tenants once the entire property can be occupied is in excess of \$420,000 per annum and the City collects rent in lieu of taxes in addition to this.

### *BUDGET RISK MANAGEMENT*

As a result of the preconstruction hazardous assessment survey, the exposure to hazardous substances has been significantly minimized. However, the ongoing risk to the budget is from the continuing presence of lead dust on existing roof beams. In conjunction with staff and consultants, a test was conducted on site which replicated the construction process and analyzed the potential for disturbance of lead dust during construction. The risk of contamination of the space was determined to be low. Nevertheless, air monitoring during construction will occur on a daily basis to ensure a record of due diligence around air quality.

This project carries a contingency of approximately 10% within the project budget to cover the cost of any unforeseen or unanticipated costs.

The construction approach being used for this project is Design-Bid-Build. This is the most common approach used by the City to construct facilities. This construction contract will be in a stipulated sum (fixed fee) format and the City will provide project management of the project.

### *CONCLUSION*

Following an open call for prequalification and a public tender process, three compliant bids were received and following analysis, the Director of Facilities Design and Management recommends PAX Construction Ltd. be awarded the contract for the Structural Upgrade of 1122 S.W. Marine Drive at a cost of \$312,676 (plus applicable taxes).

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