



ADMINISTRATIVE REPORT

Report Date: February 13, 2013  
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Meeting Date: February 27, 2013

TO: Standing Committee on City Finance and Services

FROM: General Manager, Real Estate and Facilities Management and Chief Purchasing Official

SUBJECT: Contract Award for the Hastings Park Livestock Building Rehabilitation

**RECOMMENDATION**

- A. THAT Council authorize City staff to negotiate, to the satisfaction of the City's General Manager of Real Estate and Facilities Management, Director of Legal Services, Director of Finance, and Chief Purchasing Official, and enter into a fixed-price construction contract with Heatherbrae Builders Co. Ltd. ("Heatherbrae"), for the rehabilitation (re-roofing and seismic upgrade) of the Hastings Park Livestock Building with a contract value of \$4,350,952 to be funded from the 2012-2014 Capital Plan.
- B. THAT the Director of Legal Services be authorized to execute on behalf of the City the contract contemplated by Recommendation A.
- C. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until such contract is executed by the Director of Legal Services.

**REPORT SUMMARY**

The rehabilitation of the Livestock Building has been identified in the Hastings Park Master Plan and communicated through project community engagement initiatives (stakeholder workshops, public open houses and city website). The Livestock Building is used for the Pacific National Exhibition in August and early September, but is otherwise unoccupied. Based on the Hastings Park Long term Master Plan, in the future, this building will be utilized throughout the year. Construction work on the building is being scheduled and coordinated with PNE staff to ensure that there is no impact on the PNE Operations.

The purpose of this report is to request approval to award the Phases 1 and 2 (re-roofing and seismic upgrade) of the Hastings Park Livestock Building Rehabilitation to Heatherbrae under a CCDC 2-2008 fixed price contract.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

The City's Procurement Policy requires that contracts with values over \$2 million must be approved by Council following review and recommendation by the Bid Committee. Bid Committee has considered and approved Heatherbrae as the winning proponent.

### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

This Bid Committee report recommends entry into the anticipated construction contract with Heatherbrae.

### ***REPORT***

#### ***Background/Context***

The City issued a Request for Proposal (RFP-PS20120271) in June 2012 for Construction Management Services for the roof replacement and seismic upgrade of the Hastings Park Livestock Building to four (4) prequalified bidders and received four (4) proposals in response to the RFP. City staff on the RFP evaluation committee, and subsequently the Bid Committee, considered the proposals received and on that basis recommended that Heatherbrae be awarded a contract for Construction Management Services. The construction manager's responsibility is to not only perform pre-construction services, but to undertake, among other things, cost-estimating and obtaining trade bids for eventual construction, and to potentially act as the eventual contractor for the project.

Heatherbrae was selected as the construction manager and the City and Heatherbrae entered into a construction management agreement dated August 10, 2012 for pre-construction services. The RFP and the construction management agreement included provision for the City and Heatherbrae to potentially enter into a fixed-price construction contract following the completion of the pre-construction services, at the City's discretion.

Following completion of the design stage, the City requested Heatherbrae to obtain its own bids from subtrades for the construction work and to present a recommendation to City Staff for the subtrades or own-forces work. The notice to subtrades was published on the City website and BC Bid on December 20, 2012 and bidding closed January 25, 2013.

City Staff reviewed all results and the recommendation of the Design Team (C.Y. Loh and Associates, Colborne Group) and recommends award of the contract to Heatherbrae, a possibility contemplated by the original RFP dated June 12, 2012.

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## **Strategic Analysis**

The procurement process used for this project was selected after due consideration by Real Estate and Facilities Branch and the Bid Committee as a best practice option in the context of a complex project, with significant financial and operational risk related to heritage considerations and the impact of delays on operation of the PNE.

The selection of Heatherbrae as the Construction Manager followed a competitive RFP bid process to evaluate the ability of the CM role for the Hastings Park Livestock Project. Evaluation criteria included weighting for the quality of the submission, understanding of the scope of work, innovation, direct experience, staff qualifications of the CM, Project Manager and Superintendent, quality control methods, sustainability, health and safety practices, cost and schedule management and overall corporate capability, and price. Selection included interviews, reference checks and a financial review of the firm.

A construction manager's role is to provide, on the owner's behalf, construction advice to the designer, construction methodology advice to the contractor and any other advice as necessary to mitigate risk and ensure cost effective delivery of the project. In its role as Construction Manager, Heatherbrae has provided advice on construction methodology, phasing of construction work, reviewed design and cost estimates, and arranged for, and supervised various tests and inspection services. The Design Team and Construction Manager determined that by combining phases 1 and 2 (re-roofing and seismic upgrade) of the work the City will realize direct construction cost savings, efficiencies in the coordination of the work and a reduced schedule that will allow both roof and seismic portions of the work to be largely completed prior to the 2013 PNE, thereby providing the city with best overall value for this project.

The City has used the Construction Management form of contract successfully with previous projects - Trout Lake Community Centre, Roundhouse Plaza, Hillcrest Park Community Centre and the VanDusen Gardens Visitor Centre,

## ***Financial***

The 2012-14 Capital Plan provided \$6 million for the Hastings Livestock Building restoration project with \$3 million approved in the 2012 Capital Budget and an additional \$3 million approved in the 2013 Capital Budget. Based on the work done at by the Construction Manager and the results of this procurement, Financial Planning and Real Estate and Facilities Management are satisfied with the funding available through the Capital Budgets for this Project (# CNS-00015).

## ***Environmental***

The Livestock Building is not water-tight and the principal goal of the first phase of this project is to correct this situation and deliver dry storage space for the PNE's materials. The building also requires seismic upgrading and this process will be delivered in part during the combined Phases 1 & 2 in 2013. The seismic upgrade of the perimeter walls will be done in conjunction with the building envelope phase to be undertaken under the 2015 -17 Capital Plan.

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Heatherbrae staff has extensive experience with building envelope restoration work, seismic upgrading and managing restoration projects.

***CONCLUSION***

In summary, City staff recommends that the City of Vancouver enter into a fixed-price CCDC 2-2008 Construction Contract for \$4,350,952 with Heatherbrae for Phases 1 and 2 (re-roofing and seismic upgrade) of the Hastings Park Livestock Building Rehabilitation.

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