



LATE DISTRIBUTION FOR CF&S - July 10, 2013

ADMINISTRATIVE REPORT

Report Date: June 28, 2013
Contact: Nick Kassam
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RTS No.: 10208
VanRIMS No.: 08-2000-20
Meeting Date: July 10, 2013

TO: Standing Committee on City Finance and Services

FROM: General Manager, Real Estate and Facilities Management
Director, Supply Chain Management

SUBJECT: Construction Contract Award for Taylor Manor Supportive Housing
Redevelopment

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 early construction services (Demolition, Excavation, Foundation and Framing work) of the Taylor Manor Supportive Housing Redevelopment Project with a contract value of \$2,310,279.00 plus applicable taxes, to be funded from the approved Capital Project Budget for Taylor Manor Redevelopment.
- 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 redevelopment of Taylor Manor was included in the 2012 and 2013 Capital Budgets and is a \$14.5 million project to provide supportive housing services. The work proposed in this contract is for the first phase of work (early construction) to demolish existing structures, excavate the site, construct the foundation and framing works in preparation for redevelopment.

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 the contract with Heatherbrae.

REPORT

Background/Context

Taylor Manor is a City-owned, heritage Class "B" designated, Tudor Revival style building. It was originally constructed in 1915 and previously functioned as a long term care facility. The existing two story wood frame and partial concrete basement structure has remained largely vacant since 2000 with the exception of periodic short-term rentals to the film industry.

The proposed design has the existing heritage building accommodating approximately 17 dwelling units plus other programmatic requirements, and the new addition or annex building will house approximately 39 new units for a combined total of 56 supportive housing units. Typical units would be standard, studio type apartments which include a bathroom and kitchenette.

The project includes the retention of a majority of the existing heritage exterior and interior elements and the addition of a new annex to the west of the existing building creating a large, secure, central courtyard for user activities.

Strategic Analysis

The City issued a Request for Proposals PS20120986 ("RFP") in October 2012 for construction management services for the Taylor Manor Supportive Housing Redevelopment Project. City staff on the RFP evaluation committee, and subsequently the Bid Committee, considered the proposals received and on that basis in March 2013 recommended that Heatherbrae be awarded the contract for construction management services. The RFP was to select a construction manager to provide pre-construction services, including, among other things, cost-estimating and obtaining trade bids for eventual construction and to potentially act as the eventual contractor for the project or parts of the project.

In June 2013, the City requested Heatherbrae to obtain bids from subtrades for the demolition, excavation, foundation, carpentry and framing work and to present a recommendation to City Staff for the subtrades or own-forces work. The Heatherbrae invitation to tender for this work was published on the City website and on BC Bid. Multiple bids for each sub-trade were received and assessed as part of the procurement process.

Heatherbrae, City's Architect (Merrick Architecture, Borowski Sakumoto Fligg Limited) and City staff evaluated all the sub-trade submissions based on the lowest price, best value, experience and past performance and finalized the selection. Thereafter, Heatherbrae submitted a letter to the City with the submissions and its recommendation for award to the lowest qualified bidders. The City accepts the submissions and recommendation letter and approves the awards to the selected sub-trades as Heatherbrae's subcontractors for these early construction works (demolition, excavation, foundation and framing).

As contemplated by the original RFP and based on their performance of pre-construction services, their knowledge of the site and the aggressive timelines for the project, City staff now recommends entry into a contract with Heatherbrae for demolition, excavation, foundation and framing works.

Implications

Financial

The procurement for demolition, excavation, foundation and framing is part of a larger construction project. A total of \$14.5 million was approved in 2012 and 2013 capital budgets for the Taylor Manor Redevelopment Project. The total estimate for the construction work is \$9.57 million. This contract approval consists of various contract work for demolition, excavation, foundation, and framing for a total of \$2,310,279. Remaining outstanding work to be tendered and presented to Council for approval in September 2013.

Real Estate & Facilities Management (REFM) and Corporate Budgets have reviewed the financing for the work and concur that funding is available from the approved capital project budget for Taylor Manor Redevelopment.

Environmental

The abatement of hazardous materials inside the existing building is currently underway. The environmental consultant contracted by the City is involved in the construction administration phase of the project.

An extensive area on the site will be excavated for foundation work. Phase I Environmental Site Assessment (ESA) and Limited Phase II ESA have been completed and an underground storage tank has been removed.

The new annex to be constructed west of the existing building will meet LEED Gold standards.

Community Consultation

The project has been presented to the local community through a Rezoning Application Process, open houses and on the City's website. Construction activity will be coordinated with operations of the adjacent Adanac Park Lodge.

CONCLUSION

City Staff recommend that the City of Vancouver negotiate and enter into a fixed-price construction contract with Heatherbrae Builders Co. Ltd. for the early construction services (demolition, excavation, foundation and framing work) of the Taylor Manor Supportive Housing Redevelopment Project with a contract value of \$2,310,279.00 plus applicable taxes to be funded from the approved capital project budget for Taylor Manor Redevelopment.

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