



ADMINISTRATIVE REPORT

Report Date: May 29, 2016
Contact: Nick Kassam
Contact No.: 604.829.2097
RTS No.: 11458
VanRIMS No.: 08-2000-20
Meeting Date: June 29, 2016

TO: Standing Committee on Policy and Strategic Priorities

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

SUBJECT: Contract Award for the Vancouver City Hall East Wing Annex Deconstruction and Renovations to Site

RECOMMENDATION

- A. THAT Council approve an increase in the multi-year capital project budget for the Vancouver City Hall East Wing Annex Deconstruction and Renovations Project from \$2,900,000 to \$4,200,000; source of funding to be:
- \$250,000 reallocation from the multi-year project budget for 2016 Capital Maintenance for Administrative Facilities;
 - \$250,000 reallocation from the multi-year project budget for 2016 Capital Maintenance for Service Yards; and
 - \$800,000 from the 2015-2018 Capital Plan for Emerging Priorities.
- B. THAT subject to approval of Recommendation A, Council authorize City staff to enter into a contract with Heatherbrae Builders Co. Ltd. for the Vancouver City Hall East Wing Annex Deconstruction and Renovations Project, with an estimated contract value of \$3,457,300.00, plus applicable taxes. The estimated contract value is for the base bid items only and does not contain provisional items. Funding to be provided from the multi-year capital project budget for the Vancouver City Hall East Wing Annex Deconstruction and Renovations Project.
- C. THAT the Director of Legal Services, Chief Purchasing Official and General Manager of the Real Estate and Facilities Management be authorized to execute, on behalf of the City, the contract contemplated by Recommendation B.

- D. FURTHER THAT no legal rights or obligations will be created by Council's adoption of Recommendations B and C above unless and until such contract is executed by the authorized signatories of the City as set out in these Recommendations.

REPORT SUMMARY

The City issued Invitation to Tender PS20160726 Vancouver City Hall East Wing Annex Deconstruction and Renovations (the "ITT") in May 2016 for the deconstruction of the Vancouver City Hall East Wing Annex and associated building and site renovations. The ITT was advertised on the City of Vancouver website and BC Bid, and the work was called in accordance with the terms and conditions of the City's Procurement Policy AF-015-01. City staff on the ITT evaluation committee and, subsequently, the Bid Committee has considered the responses received and, on that basis, recommend that the City enter into a contract, as described above, with Heatherbrae Builders Co. Ltd.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy AF-015-01 requires that contracts with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered and recommended Heatherbrae Builders Co. Ltd. as the successful tenderer.

REPORT

Background/Context

The East Wing Annex deconstruction and renovations work includes separating the various building systems and services from City Hall, maintaining portions of the existing building podium, new plaza paving, infilling stair and elevator openings, installing a new cooling plant for portions of City Hall, and associated landscaping.

The project has several environmental benefits:

- energy efficiency and reduced carbon through the new efficient cooling system for portions of City Hall;
- reduced waste going to the landfill through an aggressive diversion of deconstructed materials; and
- urban agriculture on the new podium.

The purpose of the ITT was to invite prequalified contractors with a demonstrated capability to complete the City's requirements for the deconstruction and renovations work.

Strategic Analysis

Request for Pre-Qualifications ("RFPQ") PS20160277 Contractor Prequalification for City Hall East Wing Annex Deconstruction and Renovations was issued in March, 2016 to request qualified firms to submit responses indicating their interest in and presenting their qualifications for the Vancouver City Hall East Wing Annex Deconstruction and Renovations Project.

The result of that pre-qualification was a shortlist of four (4) contractors who participated in the ITT that was issued in accordance with City's Procurement Policy AF-015-01. The City received a response from two (2) interested contractors as follows:

| <u>Contractor</u> | <u>Tender Price*</u> |
|-------------------------------|----------------------|
| Heatherbrae Builders Co. Ltd. | \$3,679,000.00 |
| Parkwood Construction Ltd. | \$4,238,890.03 |

*contains provisional items that are not being awarded

A review of the tenders was performed by Real Estate and Facilities Management and Supply Chain Management staff. The evaluation team determined that the tender submitted by Heatherbrae Builders Co. Ltd. is compliant with the ITT requirements and offers the best overall value to the City. Heatherbrae Builders Co. Ltd. submitted the lowest, qualified tender at a price of \$3,679,000.00, including provisional items and excluding GST.

Heatherbrae Builders Co. Ltd. is qualified to perform the work required for the project based on its satisfactory completion of multiple deconstruction and renovation contracts. In addition, references were checked by the project team and Supply Chain Management as part of the prequalification process.

Financial Implications

The East Wing Annex Deconstruction and Renovations Project currently has a multi-year capital budget of \$2,900,000. As the tender price is higher than the estimate included in the project budget, staff recommend increasing the project budget by \$1,300,000, for a revised total project budget of \$4,200,000. The additional funding will be provided from the following sources:

- \$250,000 reallocation from the 2016 Capital Maintenance program for Administrative Facilities;
- \$250,000 reallocation from the 2016 Capital Maintenance program for Service Yards; and
- \$800,000 from the 2015-2018 Capital Plan (Emerging Priorities).

Expenditures for this project will be managed within REFM's overall 2016 Annual Capital Expenditure Budget.

Finance has reviewed and confirmed that sufficient funding is available from the capital budget for the East Wing Annex Deconstruction and Renovations Project, subject to Council approval of the increase to the project multi-year budget per Recommendation A. As a result of the ITT, the City is able to achieve cost certainty for the proposed contract.

Legal

The City's Procurement Policy requires that all contracts that have been awarded by Bid Committee plus Council will be signed by the Director of Legal Services.

CONCLUSION

City staff recommends that the City enter into a contract with Heatherbrae Builders Co. Ltd. for the Vancouver City Hall East Wing Annex Deconstruction and Renovations Project.

* * * * *