



ADMINISTRATIVE REPORT

Report Date: February 20, 2018
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Meeting Date: March 14, 2018

TO: Standing Committee on City Finance and Services

FROM: General Manager of Vancouver Board of Parks and Recreation and Chief Procurement Officer

SUBJECT: Contract Award for ITT PS20172495 - Contractor for Langara Golf Course Drainage Master Plan Implementation

RECOMMENDATION

- A. THAT Council authorize City staff to enter into a contract with NMP Golf Construction Inc., for contractor services for drainage system upgrade at Langara Golf Course, for a term of seven (7) months, with the option to extend for an additional three (3) month term the following year, with an estimated contract value of \$3,074,590.75 plus applicable taxes, to be funded through the Park Board Green Fund ("Golf Reserve") as approved in the 2018 Capital Budget.
- B. THAT the Director of Legal Services, Chief Procurement Officer and General Manager of Vancouver Board of Parks and Recreation be authorized to execute on behalf of the City the contract contemplated by Recommendation A.
- C. THAT Council approve a budget adjustment increase of \$600,000 to the Multi-Year Capital Project Budget "Golf Course Improvements", to be funded from the Golf Reserve to address costs associated with this project and as described in this report.
- D. 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 authorized signatories of the City as set out in these Recommendations.

REPORT SUMMARY

The City issued Invitation to Tender (ITT) No. PS20172495 on December 15, 2017, for Contractor for Langara Golf Course Drainage Master Plan Implementation. The ITT was advertised on City of Vancouver website and BC Bid and the work was called in accordance with the terms and condition of the City's Procurement Policy AF-015-01. City staff consultants on the ITT evaluation committee, and, subsequently, the Bid Committee, have considered the responses received, and on that basis recommend that the City enter into a contract as describe above with NMP Golf Construction Inc.

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 NMP Golf Construction Inc., as the successful proponent.

REPORT

Background/Context

The Vancouver Board of Parks and Recreation requires renovations to its Langara Golf Course (GC), a traditional-style course located on the south slope of Vancouver. The course was built in 1926 and is the oldest public golf course in British Columbia, purchased from Canadian Pacific Railway in 1973. The course has undergone several renovations of varying scales over the years with the most significant involving a redesign by Canadian architect Thomas McBroom in 1994.

A new clubhouse, pro-shop and course renovations were provided here in the late 1990's and accounts of the renovation indicate that the designer recommended that the upper layers of the existing subgrade be removed and replaced with a sand based soil. However, due to budget constraints, the decision was made to screen the existing soil instead of replacing it with imported material. Within a few years drainage issues arose. Langara has since earned the reputation of being one of the most unplayable golf courses in the winter months in the Lower Mainland. An annual drop in rounds during shoulder and winter seasons indicates many golfers choose to play other golf courses during the wet season. Conversely, Langara is one of the busiest public courses in BC during the dry months of June through September and is accessible by public transit, being located close the Canada Line (Skytrain). Rounds in July and August of 2017 were the highest in the last 5 years since a peak in 2013.

Langara GC hosts golfers from all over the Lower Mainland. A large demographic of golfers are new Canadians and the course is a welcome environment where all languages are spoken. Signage and communication is provided in Chinese, Cantonese and Korean to make all guests feel welcome on the property.

The clubhouse is a community hub and hosts more than 100 events a year many of which are non-golf related community events including celebrations of life, weddings, seniors social outings, community political events and pub/game nights for the students at Langara College. The clubhouse is used frequently as a gathering place for the neighbouring community and is

a favorite for avid walkers and joggers that use the golf course 2.7km perimeter walking path for their daily exercise.

The course itself is a diverse natural area, and is certified by the Audubon Cooperative Sanctuary program. The property is host to over 100 species of birds and healthy communities of small animals including coyotes, skunks, racoons and rabbits. As well the course hosts a thriving bat colony that controls the insect population on the course and surrounding neighbourhood. The 2 large ponds on the property provide an urban sanctuary for many species of waterfowl.

The 120 acres parcel has been an important contributor to the Greenest City Action Plan by housing over 3000 newly planted trees which include various bird friendly species, an apple orchard and a bee pollinator garden. Fresh vegetables are grown in the onsite garden and served in the clubhouse restaurant.

Golf is the highest gross revenue producer in the Park Board's Commercial Operations portfolio, with an annual total of \$10.0M in 2017. Langara gross revenues accounted for 25% of this total.

DISCUSSION

In May of 2001 the Park Board approved the creation of the Golf Capital Reserve Fund to ensure that sufficient funds are in place in the future for any golf related capital projects including: building and structural maintenance, course improvements to facilitate play and clubhouse improvements to enhance customer service. In 2006 Global Golf Advisors were hired to develop a golf marketing plan. The plan recommended that the contribution to the reserve be increased to accommodate the capital projects that would be required in the future. The drainage issues at Langara were noted at this time as one of the high priority projects.

As of December 31, 2017, the balance of the fund was just over \$5M. It is intended that the full cost of the Langara drainage remediation will be drawn from the golf capital reserve as per the reserve's original intent to provide funding for golf course improvements. As long as the budgeted annual contributions to the reserve continue, there will be sufficient funding for the work required in the next 5-10 years of the golf capital plan.

The scope of work for this project includes the installation of a slit drainage system with specialty equipment. This installation method provides maximum drainage improvements in a short time frame to ensure minimum course closure. The proposed construction window is between April 1 2018, and October 31 2018, with an optional window between April 1 2019, and June 30 2019, should unforeseen events such as unsuitable weather conditions prevent completion in 2018.

The purpose of the ITT was to identify suppliers with a demonstrated capability to provide construction services over the term of the contract, with competitive pricing and ability to meet the Park Board's service requirements.

Strategic Analysis

The ITT was issued in the accordance with City's Procurement Policy AF-015-01.

The City received responses from three (3) interested contractors as follows:

<u>Contractor</u>	<u>Tender Price</u>
NMP Golf Construction Inc.	\$3,074,590.75
Western Watershed Designs Inc.	\$2,928,133.80
Wilco Civil Inc.	\$5,617,917.00

The bid review and supplier evaluation were performed by Vancouver Park Board Staff and Supply Chain Management with oversight from Legal Services. Consultation for service requirements and vendor review was also done by the City's Consultant. The evaluation team determined that the tender submitted by NMP Golf Construction Inc. is compliant with the ITT specifications and provides best overall value to the City. NMP Golf Construction Inc. submitted the second lowest-priced tender of \$3,074,590.75 excluding applicable taxes.

The lowest-priced tender submitted by Western Watershed Design Inc. (WWDI) was set aside for not meeting the mandatory minimum qualifications outlined in Schedule D of the ITT.

Some of the criteria considered in the overall evaluation process included:

- Certified records of successfully constructing subsurface drainage improvement at golf courses, and at least five years of experience in completing similar projects
- Have equipment and operators experienced in constructing subsurface drainage works at golf courses
- Completed construction of subsurface drainage works of these types (slit drainage) for at least five separate golf courses over the last ten years
- Completed construction subsurface drainage works of these types at a similar scale (>\$500,000.00) for at least two (2) separate golf courses over the last ten years

Based on the overall evaluation, the team concluded that the tender, proposal submitted by NMP Golf Construction Inc. best met the City's requirements and provided best overall value to the City.

Financial Implications

The reduction to a nine hole course during construction will have an impact on Langara's revenues for the year 2018. The 2018 budget for the course's revenues is \$1.9 million from green fees, with a further \$0.5 million of ancillary revenues associated with the clubhouse operation (food, beverage, etc.) for a total revenue budget of approximately \$2.4 million. The impact of the closure has been estimated by staff at approximately \$1.7 million. Park Board Staff have estimated the impact on future revenues resulting from the improved course drainage at approximately \$0.4 million increase annually; this represents a roughly 4 year payback period to recover the foregone revenues during construction.

Financial Planning & Analysis (FP&A) has reviewed the cost of the goods and/or service and concurs that funding is available from Golf Reserve.

In addition to the costs associated with this contract award, other associated project costs will be incurred by the Park Board. Oversight for the project will be contracted out to Kelly Ami Inc. as specified by the original design contract. The cost of providing this contract management is quoted at \$266,000. In addition, the Park Board will incur costs associated with bringing the newly drained areas back to regular course condition, such as reseeding, watering, and other maintenance activities. The estimated cost of this work is \$244,000.

A budget adjustment to increase the overall Multi-Year Project Budget for "Golf Course Improvements" is required in order to fund these additional costs. The adjustment will be funded by the Golf Reserve.

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

Staff recommend that the City of Vancouver enter into a contract with NMP Golf Construction Inc. for the construction of drainage improvements at Langara Golf Course as described in this report and as set out in the ITT - PS20172495 documents. The project will ensure many playable years ahead for this central, accessible and revenue producing facility.

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