



## ADMINISTRATIVE REPORT

Report Date: August 21, 2018  
Contact: Nick Kassam  
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RTS No.: 12592  
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Meeting Date: September 19, 2018

TO: Standing Committee on City Finance and Services

FROM: General Manager of Real Estate and Facilities Management and Chief Procurement Officer

SUBJECT: Contract Award for Roddan Lodge Construction

### **RECOMMENDATION**

- A. THAT Council authorize City staff to enter into a contract with Smith Bros. & Wilson (B.C.) Ltd. for the construction of the new Roddan Lodge social housing facility located at 124 Dunlevy Avenue for an estimated term of approximately 2.5 years with an estimated contract value of \$44,836,761.00, plus GST over the term.
- B. THAT, subject to approval of Recommendation A, Council approve additional project funding of \$6.7 million; source of funding to be \$5.4 million debenture from 2015-2018 Capital Plan, \$0.4 million Community Facilities debenture from Citywide unallocated closeout surplus and \$0.9 million from Capital Facilities Reserve; and that Council approve \$1.3 million (\$0.4 million from Citywide unallocated closeout surplus and \$0.9 million from Capital Facilities reserve) increase to the 2015-2018 Capital Plan and to the Multi-Year Capital Project Budget. 2018 expenditures will be managed within the overall approved 2018 Annual Capital Expenditure Budget.
- C. THAT the Director of Legal Services, Chief Procurement Officer and General Manager of Real Estate and Facilities Management be authorized to execute on behalf of the City the contract contemplated by Recommendation A.
- D. THAT no legal rights or obligations will be created by Council's adoption of Recommendation A 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 an Invitation to Tender (“ITT”) PS20180883, on May 30, 2018, for the construction of the new Roddan Lodge social housing facility to be located at 124 Dunlevy Avenue to contractors pre-qualified under the previously held Request for Pre-Qualifications no. PS20172447. 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 ADMIN-008. City staff on the ITT evaluation committee and subsequently, Bid Committee have considered the responses received and, on that basis, recommend that the City enter into a contract as described above with Smith Bros. & Wilson (B.C.) Ltd.

## **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

The City’s Procurement Policy ADM-008 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 Smith Bros. & Wilson (B.C.) Ltd. as the successful contractor.

## **REPORT**

### **Background/Context**

The City plans to redevelop Roddan Lodge located at 124 Dunlevy Avenue. The existing six storey building is being deconstructed in advance by another contractor, in order to fast track project completion. The new building will be eleven storeys non-combustible construction with one level of basement. The basement will include parking, bike storage rooms and service rooms. The overall gross floor area is approximately 11,000 m<sup>2</sup>, which comprises ~1,300 m<sup>2</sup> of community services component at the ground floor and ten storeys of ~9,700 m<sup>2</sup> of housing. The community services centre will include a large scale commercial kitchen and dining facility with ~100 seats, showers and laundry facilities. There will be 213 housing units with 175 studios, 19 one bedroom and 19 two-bedroom units.

To procure the construction, a 2-step tender process was completed starting with a Request for Prequalification to, first, shortlist 3 general contractors who have a high level of expertise in similar projects (concrete construction, construction of multi-family housing and construction of LEED Gold certified buildings). An ITT was subsequently issued to identify which of the 3 pre-qualified contractors offered the lowest construction price while meeting the City’s service requirements.

### **Strategic Analysis**

The ITT was issued in accordance with City’s Procurement Policy ADMIN-008.

The City received one compliant bid (including GST) from the following prequalified contractor:

Smith Bros. & Wilson (B.C.) Ltd.	\$44,836,761.00
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The bid was evaluated by representatives from Real Estate and Facilities Management and team members of the Consultant, DYS Architecture, under the stewardship of Supply Chain Management to ascertain if the bid offered good overall value to the City.

The successful contractor submitted the lowest-priced compliant bid. Based on the overall evaluation, the team concluded that the tender submitted by Smith Bros. & Wilson (B.C.) Ltd., best met the City's requirements and provided best overall value to the City.

### ***Financial Implications***

The Roddan Lodge/ Evelyn Saller Centre Redevelopment project currently has an approved budget of \$48.7 million. The current estimate for the project is \$55.4 million, and the variation primarily reflects market cost escalation from the original 2014 estimate approved in 2015-2018 Capital Plan as well as the housing programming revision representing a higher proportion of 1- and 2-bedroom units and increased social services community space for Evelyn Saller.

As the value of the recommended contract exceeds \$2 million, Council approval is required for the award of the contract. This report seeks Council approval of the contract award to Smith Bros. & Wilson (B.C.) Ltd., and Council approval of a \$6.7 million increase to the project budget; source of funding to be \$5.4 million debenture from 2015-2018 Capital Plan, \$0.4 million Community Facilities debenture from Citywide unallocated closeout surplus and \$0.9 million from Capital Facilities Reserve; and that Council approve \$1.3 million (\$0.4 million from Citywide unallocated closeout surplus and \$0.9 million from Capital Facilities reserve) increase to the 2015-2018 Capital Plan and to the Multi-Year Capital Projects Budget (\$0.4 million from Citywide unallocated closeout surplus and \$0.9 million from Capital Facilities reserve). 2018 expenditures will be managed within the overall approved 2018 Annual Capital Expenditure Budget.

Financial Planning & Analysis (FP&A) has reviewed the cost of the goods and/or service and concurs that, subject to Council approval of the increase to the project budget with this report, sufficient funding will be available from the project budget for the Roddan Lodge/ Evelyn Saller Centre Redevelopment project.

### ***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***

In summary, City staff recommends that the City of Vancouver enter into a contract with Smith Bros. & Wilson (B.C.) Ltd., for the construction of Roddan Lodge.

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