



ADMINISTRATIVE REPORT

Report Date: February 13, 2019
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Meeting Date: March 13, 2019

TO: Standing Committee on City Finance and Services

FROM: General Manager of the Engineering Services and Chief Procurement Officer

SUBJECT: Contract Award for Construction Services for Pile Driving

RECOMMENDATION

- A. THAT Council authorize City staff to enter into a contract with Surespan Construction Ltd., for pile driving of timber piles as part of the new parks for the East Fraser Lands development with an estimated contract value of \$4,564,274.89, plus applicable taxes over the initial three-year term, to be funded from the available approved multi-year EFL Shoreline Protection capital project budget.
- B. THAT the Director of Legal Services, Chief Procurement Officer and General Manager of the Engineering Services Department 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 authorized signatories of the City as set out in these Recommendations.

REPORT SUMMARY

The City issued Invitation to Tender PS20181077 Construction Services for Pile Driving - East Fraser Lands in December, 2018 for pile driving services ("ITT"). The ITT was advertised on the 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 ADMIN-008. City staff 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 described above with Surespan Construction Ltd.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy ADMIN-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 Surespan Construction Ltd., as the successful tenderer.

REPORT

Background/Context

The City's Engineering Services Department requires a contractor for pile driving services.

A new Foreshore Park is being developed as part of the East Fraser Lands development area in southeast Vancouver. Prior to the commencement of construction of the Foreshore Park, pre-work is required for ground improvement of the dike area along the Fraser River shoreline, to improve the seismic conditions on site. The ground improvement will be achieved by pile driving approximately 2,000 timber piles in the area.

The purpose of the timber pile ground improvement is to:

- Densify the ground to reduce the occurrence of liquefaction in a seismic event, protecting the new park from damage;
- Increase the strength of the ground using the lateral resistance of the timber piles.

The overall concept for EFL is a combination of land raising, dikes, and flood walls, integrated into the foreshore park and development parcels. The following provincial and local guidelines have been considered in the design:

- Dike Design and Construction Guide, Best Management Practices for British Columbia – Ministry of Water, Land, and Air Protection, July 2003.
- Riprap Design and Construction Guide – Ministry of Environment, Lands, and Parks, March 2000.
- Environmental Guidelines for Vegetation Management on Flood Protection Works to Protect Public Safety and the Environment – Ministry of Environment, Lands, and Parks, and Department of Fisheries and Oceans Canada, March 1999.
- Seismic Design Guidelines for Dikes 2nd Edition – Ministry of Forests, Lands, and Natural Resource Operations, 2014.

Piles must be Treated Douglas Fir as per the guidelines. Other materials such as concrete or stone piles cannot provide the densification and retaining features of this timber pile design. Steel piles can provide these requirements, however high material costs excluded it as an option early on in the design development. During raw materials processing, the Greenhouse Gas emissions are relatively low for wood compared with concrete and steel, which are made from substances that must be mined and heated to extremely high temperatures.

The purpose of the ITT was to identify suppliers with a demonstrated capability to supply the City's estimated demand over the term of the contract with competitive pricing and meets the City's service requirements.

Strategic Analysis

The ITT was issued in the accordance with City's Procurement Policy ADMIN-008. The City received responses from:

<u>Contractor</u>	<u>Tender Price</u>
Surespan Construction Ltd.	\$4,564,274.89
Vancouver Pile Driving Ltd.	\$5,333,904.00
TerraCana Foundation Solutions Inc.	\$5,651,390.00
Fraser River Pile & Dredge (GP) Inc.	\$5,838,725.00
JJM Construction Ltd.	\$6,164,550.00

The bid review and supplier evaluation were performed by Engineering Services 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 Surespan Construction Ltd. is compliant with the ITT specifications and provides best overall value to the City. Surespan Construction Ltd. submitted the lowest, qualified bid of \$4,564,274.89 excluding applicable taxes.

Surespan Construction Ltd. is qualified to perform the work required for the Project as set out in the tender package based on satisfactory completion of large civil construction projects, and references provided and checked. References were checked by the City's Consultant and Supply Chain Management and financial information was reviewed by Supply Chain Management.

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

This contract needs to be awarded by March 18th or the tender must be re-issued due to the 90 day expiration on bids received. This will cause a (one) 1 year delay to the delivery of subsequent phases of the flood management works and the park delivery.

Financial Implications

Finance has reviewed and confirmed that funding is available from the approved multi-year EFL Shoreline Protection capital project budget. As a result of the ITT, the City is able to achieve cost certainty for the proposed contract term.

A funding application was submitted to the National Disaster Mitigation Program (NDMP) in Oct 2017 for the ground stabilization and flood wall works at EFL. The City is working with the Province on the contractual language in the agreement which would see the award of \$1.43M of funding.

CONCLUSION

In summary, City staff recommends that the City of Vancouver enter into contract, with Surespan Construction Ltd., for Invitation to Tender PS20181077 Construction Services for Pile Driving - East Fraser Lands.