



ADMINISTRATIVE REPORT

Report Date: August 29, 2019
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Meeting Date: September 11, 2019

TO: Standing Committee on Policy and Strategic Priorities

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

SUBJECT: Contract Award for Base Building Upgrades and Tenant Improvements for 2780 East Broadway

RECOMMENDATION

- A. THAT Council authorize City staff to enter into a contract with Jacob Bros. Construction Inc., for construction services to complete base building upgrades and tenant improvements for 2780 East Broadway, for a term of approximately one (1) year, with an estimated contract value of \$10,166,500.00 plus GST over the term of the project to be funded through the 2019 Property Endowment Fund Capital budget.
- B. 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 above.
- 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 an Invitation to Tender ("ITT"), PS20190004, on June 25, 2019, for construction services for base building upgrades and tenant improvements for 2780 East Broadway, Vancouver. 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 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 Jacob Bros. Construction Inc.

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 Jacob Bros. Construction Inc. as the successful tenderer.

There is no applicable Council Authority or previous decisions relevant to this report.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

The City's Department of Real Estate and Facilities Management requires construction services to complete base building upgrades and tenant improvements for 2780 East Broadway.

The City of Vancouver is undertaking renovations of the second floor at 2780 East Broadway, of up to approximately 38,000 square feet of office and social service space to provide for a future social service hub serving several tenants with the intent of sharing resources in the form of common space for program and business benefits.

The work was divided into two phases:

Phase 1, which was completed recently, involved demolition, hazmat remediation, design responsibility and implementation of the fire protection system to ensure life safety of existing tenants in the building as an interim measure in preparation for Phase 2. Also included was an electrical site survey to determine as-built conditions and scope prior to electrical demolition.

Phase 2, as contemplated in the ITT and where approval is being sought, will involve construction for the base building, tenant improvements on the second level, seismic upgrading for both levels and parking lot re-configuration and re-surfacing.

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

Strategic Analysis

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

TENDERER	TENDER PRICE* (including GST)
Jacob Bros. Construction Inc.	\$10,326,750.00**
Pro-Can Construction Group Corp.	\$11,038,356.00
Magil Construction Pacific Inc.	\$11,148,900.00
Klondike Contracting Corporation	\$11,255,081.84
Traugott Building Contractors Inc.	\$11,819,659.69
Boston Construction Corp.	\$18,360,118.54

Notes:

**Tender Price includes only base scope prices.*

***The Tender Price of \$10,326,750 for Jacob Bros. Construction Inc. is comprised of the base scope price of \$9,835,000.00 plus 5% GST. The contract price of \$10,166,500.00 (excluding GST) to award to Jacob Bros. Construction Inc. includes the base scope price of \$9,835,000.00 plus \$331,500.00 total separate price items.*

The Tender responses were evaluated by representatives from Real Estate and Facilities Management, and team members of the Consultant, Chernoff Thompson Architects, under the stewardship of Supply Chain Management, to ascertain if the bid offered good overall value to the City.

The successful Tenderer submitted the lowest-priced compliant Tender. Based on the overall evaluation, the team concluded that the tender submitted by Jacob Bros. Construction Inc. best met the City’s requirements and provided best overall value to the City.

Implications

Financial

The cost of the contract is \$10,166,500 (including disbursements) plus applicable taxes, and is funded from the 2019 Property Endowment Fund Capital Budget.

Legal

The City’s Procurement Policy requires that all contracts that have been awarded by Bid Committee and 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 Jacob Bros. Construction Inc., for construction services, to complete base building upgrades and tenant improvements for 2780 East Broadway, as noted in this report.