



REPORT

Report Date: December 2, 2019
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Meeting Date: December 11, 2019

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TO: Standing Committee on City Finance and Services

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

SUBJECT: Contract Award for General Contractor for Smithe and Richards Park Construction

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager, Vancouver Board of Parks and Recreation, City's Director of Legal Services, and the City's Chief Procurement Officer and enter into a contract with Smith Bros. and Wilson (B.C.) Ltd., for the construction of Smithe and Richards Park, for a term of two (2) years with an estimated contract value of \$13,818,141.00 plus GST over term of the contract, to be funded through Park Board's existing Capital Budget (CPP-00074).
- 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 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 new Smithe and Richards Park will be a contemporary park design for downtown Vancouver. The park development project will be managed by the City of Vancouver Park Board and its Architect, DIALOG BC Architecture Engineering Interior Design Planning Inc. The park will be constructed on a 0.8-acre site that Park Board is currently

leasing to EasyPark. This lease will be terminated prior to construction start-up. The park will serve thousands of individuals within a 5-minute walk of the site, including

11,000 residents and 17,000 workers. The park will be a hard-working site that will serve the downtown community and relieve pressure on other nearby parks including Emery Barnes Park, Nelson Park and Yaletown Park. The Vancouver Park Board has already obtained a development permit and building permit for this project.

Through a Request for Proposal (RFP) process, the City engaged Smith Bros. & Wilson (B.C.) Ltd. as the Construction Manager (CM) for the project in April 2019. As part of its deliverables, the CM issued tenders to various trade contractors and provided Class A cost estimates for the ultimate construction of the project. In October 2019, the CM completed the competitive trade bid process and presented a stipulated sum to construct the Smithe and Richards Park based on the received trade tenders and the pricing for the CM's general conditions and expenses that were obtained under a competitive environment as part of the Request for Proposal.

City staff that were on the evaluation committee and, subsequently, the Bid Committee, have considered the bids received and on that basis recommend that the City negotiate and, if such negotiations are successful, convert the CM to the project's General Contractor (GC) by entering into a fixed price contract as described above.

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 Smith Bros. and Wilson (B.C.) Ltd. as the successful proponent.

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 Vancouver Board of Parks and Recreation plans to develop a new 0.8-acre in the downtown core at the intersection of Smithe and Richards Streets. The new park will serve as a place for community recreation, culture and tranquility in the bustling neighbourhood, improve the liveability of the area and the city, and assist the City achieve the Greenest City Action Plan goal to increase access to nature.



The City and the Vancouver Board of Parks and Recreation agreed to deliver this project through a Construction Management at Risk (CM@Risk) procurement model. The procurement process consisted of the following:

1. Request for Proposal (RFP) issued in 2015 to hire the design consultant, DIALOG BC;
2. Request for Pre-Qualification (RFPQ) for Construction Managers issued in 2018 where subsequently the City prequalified 4 Respondents;
3. Request for Proposal (RFP) issued in 2019 to hire the Construction Manager; Smith Bros. & Wilson (B.C.) Ltd. garnered the highest score from a combination of technical and commercial scores and therefore engaged as the CM; and
4. Conversion of the CM to General Contractor by entering into a fixed price contract (contemplated in this report).

As the CM, Smith Bros. & Wilson (B.C.) Ltd. was tasked to:

1. Work with the City's consultant to provide pre-construction management services that include:
 - a. A review of construction drawings and specifications as they relate to the constructability of the project with the goal of reducing construction costs without changing the overall functionality or durability of the park (the process resulted in a savings of approximately \$2.1M);
 - b. The establishment of a construction budget through the preparation of cost estimates for the construction of the project; and
 - c. The procurement of bids from trade contractors.

2. If a stipulated sum contract is agreed to by the City, act as the General Contractor under such stipulated price construction contract.

The pre-construction management services began in April 2019 and concluded on October 2019. At its conclusion, the CM submitted its final construction cost estimates and these were evaluated and approved by City staff.

Strategic Analysis

The CM received all trade contractor bids on behalf of the City. The bids were evaluated through the work of an evaluation team comprised of the CM team that includes its Director, Estimator and Project Manager; and representatives from the Vancouver Board of Parks and Recreation, Development Group under the stewardship of Supply Chain Management to ascertain if the bids offered good overall value to the City.

Based on the overall evaluation, the team concluded that the bids submitted by the CM, best met the City's requirements and provided best overall value to the City.

Implications/Related Issues/Risk

Financial

Finance has reviewed and confirmed that funding is available from the Smithe and Richards Park Multi-Year Project Budget (CPP-00074).

This new park will require additional funding to support the ongoing maintenance. Annual operating costs associated with the future maintenance of this park are currently estimated at \$500,000. Funding for these operating costs will be considered as part of a future Annual Operating Budget process.

Environmental

The new Smithe and Richards Park will support the City's Greenest City Action Plan goal to increase access to nature such as the construction of a Café Pavilion that will provide 30% reduction in energy use by using air-source heating system with heat recovery ventilator plus an insulated envelope construction with high performance windows.

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 negotiate and enter into a fixed price contract with Smith Bros. & Wilson (B.C.) Ltd. for the construction of the Smithe and Richards Park, as noted in this report.