



IN CAMERA COUNCIL REPORT

Report Date: July 8, 2025
Contact: Alexander Ralph
Contact No.: 604-829-2092
RTS No.: 17924
VanRIMS No.: 08-2000-21
Meeting Date: July 8, 2025

TO: Vancouver City Council
FROM: General Manager of Engineering Services and Chief Procurement Officer
SUBJECT: Approval of Change Order to Construction Agreement No. PS20220033-ENG-ITT Construction Services for Granville Bridge Interim Connector and North Loops Reconfiguration

In Camera Rationale

This report is recommended for consideration by Council on the In Camera agenda as it relates to Section 165.2(1) of the *Vancouver Charter*: (k) negotiations and related discussions respecting the proposed provision of an activity, work or facility that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the city if they were held in public.

Recommendations

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of the Engineering Services Department, the City's Director of Legal Services, and the City's Chief Procurement Officer, and to add additional scope to Construction Agreement PS20220033-ENG-ITT Construction Services for Granville Bridge Interim Connector and North Loops Reconfiguration with Pomerleau Inc. The additional scope of the contemplated Change Orders would not extend the overall term of the contract, with an estimated, cumulative value of \$13,992,541.71 plus applicable taxes, to be funded through Approved Multiyear Project Budget for the Granville Bridge Greenway (CER-00230), Granville Bridge North Loop (CER-00274) and the 2023-2026 Active Transportation Improvement Program (CER-00279) and the Sewer UDCL Program (CES-88).
- 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 Change Orders 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 Change Orders are executed by the authorized signatories of the City as set out in these Recommendations.

Purpose and Executive Summary

The Granville Bridge Interim Connector and North Loops Reconfiguration is a combined \$40.8M dollar project with the purpose to demolish part of the bridge superstructure and the North Granville Bridge Loops and install new or enhanced infrastructure to improve traffic and protect pedestrians and cyclists. Additionally, this project will create 4 new serviced properties suitable for development.

Reconfiguration and development of the north loops was explored as a design/build/ develop package in 2018 but proponents advised that there was too much uncertainty and high risk to effectively price the project. To address these risks a strategy to complete the project was approved by Council where the City took on the risk of the unknown elements where the City was best equipped to manage the risks.

The North Loops project was combined with the Granville Bridge Interim Connector project and the City issued an Invitation to Tender No. PS20220033-ENG-ITT Construction Services for Granville Bridge Interim Connector and North Loops Reconfiguration (the “ITT”) in July, 2022 and awarded a contract in October, 2022 to Pomerleau Inc. as a result. The ITT was advertised on BC Bid and the City of Vancouver website and the work was called in accordance with the terms and condition of the City’s Procurement Policy ADMIN-008.

As anticipated through the term of work to date, emergent and additional requirements have been identified that, as a result, required change orders to the contract with Pomerleau Inc. These were generally related to unknown conditions and due to the magnitude of them were brought to Council for approval in December 2023 and June 2024. The project is nearing completion and this report is seeking approval for the final \$1.7M estimate in contemplated change orders to complete this project.

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 had considered and recommended Pomerleau Inc. as the successful tenderer.

The following Council reports/decisions have relevance to this work:

RTS 12873 - 2019-2022 Capital Plan

RTS 7591 - 2010 Granville Loops Policy Plan (amended in 2018)

RTS 15070 - Contract Award for Invitation to Tender No. PS20220033 Construction Services for Granville Bridge Interim Connector and North Loops Reconfiguration (September 2022)

RTS 15974 Change Order to Construction Agreement No. PS20220033-ENG-ITT Construction Services for Granville Bridge Interim Connector and North Loops Reconfiguration – In Camera (December 2023)

RTS 16386 Change Order to Construction Agreement No. PS20220033-ENG-ITT Construction Services for Granville Bridge Interim Connector and North Loops Reconfiguration – In Camera (June 2024)

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

The contract with Pomerleau originally included construction services for two large capital projects, the North Loops Reconfiguration Project and the Granville Connector Project.

North Loops Reconfiguration Project

The City previously marketed the Granville Bridge North Loops properties as a design/build/develop package in 2018. Appendix A illustrates the location, shape and size of the original North Loops properties. These properties were characterized by poor vehicle access, limited development services, and were both awkward shapes for building layout.

The Granville Bridge North Loops market call required that the proponent demolish the North Loops, rebuild Granville Street, construct new off-site infrastructure, manage 3rd Party Utility relocations, and remove/manage on-site contamination. The potential proponents advised that the project was considered to be very high risk and advised that it was too complex to effectively price.

Council then considered, and approved the North Loops Reconfiguration Project (PEF funded) based on the following strategy:

- City would take on the risks of the deep sewer construction, the bridge demolition and 3rd Party obligations;
- City would create and own 4 new, serviced properties suitable for development;
- City would pre-zone the 4 new properties; and
- City would develop or market the 4 new properties.

Staff developed the project budget for the North Loops Reconfiguration Project anticipating the unknown underground and structural conditions of the project site. The project budget included significant contingency and has been updated to reflect actual conditions experienced during construction.

Pomerleau has achieved substantial completion and the new H Road Network was opened to traffic on June 17, 2025.

The 4 new properties (Sites A, B, C and D) are ready for use and created as separate fee simple parcels through the Land Title Office.

Granville Connector Project

Pomerleau has substantially completed their portion of the Granville Connector scope of work, with minor deficiency work in active progress. The City's Electrical Operations crews are responsible for installing and commissioning the new traffic signal controllers and activating the new system. The Granville Connector is scheduled to open in late July, barring any unforeseen issues.

The Granville Street Bridge (the "Bridge") was originally an eight-lane bridge spanning False Creek, and opened in 1954. Originally designed for high-volume freeways that were never built, the Bridge currently presents significant accessibility and safety challenges for today's urban context.

Improving walking and cycling conditions over the Bridge has long been identified as a priority for the City of Vancouver, including in the 2002 *Downtown Transportation Plan*, the 2002 *False*

Creek Crossings Study, and the 2012 *Transportation 2040 Plan*. The Granville Bridge Connector will take advantage of excess road space on the bridge to address a major gap in the city's active transportation network and support achieving the goals outlined in the 2020 *Climate Emergency Action Plan*.

In September 2020, following extensive stakeholder and public engagement, Council endorsed the long-term design concepts for the Granville Bridge Connector, including proceeding with the detailed design and construction of the Granville Bridge Interim Connector as part of the 2019-2022 Capital Plan (RTS 12873). The Granville Bridge Interim Connector is being delivered with the North Loops Reconfiguration project, supporting the 2010 *Granville Loops Policy Plan* (RTS 7591 – amended in 2018). The combined works include:

- Demolition of the bridge superstructure (deck and girders) from Pacific Street to Neon Street
- Demolition of North Granville Bridge loops;
- Installation of a large volume of backfill to replace the demolished bridge superstructure; and
- Installation of new or enhanced roads, storm sewers, sanitary sewers, drinking water mains, traffic signals (4) and roadway lighting on Rolston, Continental, and Neon Streets.
- Installation of new concrete traffic barriers to protect pedestrians and cyclists,
- Installation of 3 new traffic signals and 3 new special crosswalks on the Granville Bridge

Following the ITT process that included the majority of the work described above, Council awarded the contract for the project work to the low compliant tenderer, Pomerleau Inc.

On commencement of the construction work, the City provided Pomerleau Inc. with control of the Granville Bridge for the contracted period (early 2023 to mid 2025). Pomerleau Inc. has committed to act as the Prime Contractor for the work sites for Worksafe BC purposes during this time and must coordinate all other contractors within its designated work areas.

Reasons For Change Orders (CO)

The reasons for the change orders include additional capital works and changes to the scope and effort due to unforeseen underground and structural conditions.

Risk Management

The contract with Pomerleau Inc. was awarded based on an appropriate sharing of risk between the City and Pomerleau Inc. The following elements of risk were retained by the City:

- Unknown underground infrastructure
- Unknown underground contaminated soils
- Unknown underground geotechnical conditions
- Unknown asbestos containing materials
- Schedule delays related to the relocation of third party utilities (FORTIS BC, TELUS, BC Hydro etc.)
- Physical works by CMBC to accommodate project construction (trolley system)
- Design changes required by unknown underground conditions
- Design changes due to industry supply chain limitations

The City is in a better position to manage these risks. Staff have responded to emergent issues in a timely manner to limit the impact on project schedule and to minimize additional payments

due to Pomerleau Inc. and to third party utilities. Pomerleau Inc. has worked transparently and collaboratively with the City to develop and implement least cost solutions.

The following elaborates on the causation of several larger change orders.

Increased quantities based on actual site conditions affecting quantity of unit rate items

There were a number of contract unit rate quantities (removal of contaminated soil, placement of granular fill etc. that were higher than forecast in the tender. These were caused by a number of factors including:

- Unknown underground infrastructure (old building foundations)
- Unknown underground contaminated soils (larger depth and extent)
- Unknown underground geotechnical conditions (low strength existing soil)
- Unknown asbestos containing materials

The additional costs of this effort is estimated at roughly \$630,000.

Additional fixed costs for increased construction duration - e

There were several risks that were realized since the June 2024 review by Council. There were also several cumulative factors that contributed to an increase in construction schedule for Pomerleau Inc. including:

- Revised traffic signal design at West 5th Avenue and Fir Street
- Installation of project signing by Pomerleau Inc.
- 1388 Continental Street exposure and filling of unknown void under redundant stairs
- Granville from Neon to Drake exposure of unstable soil/fill and replacement with competent fill
- 1351 Continental Street emergent replacement of membrane over parkade
- Granville from Neon to Drake emergent replacement of 3 CMBC trolley poles”

The cumulative impact of the above delay factors also pushed base contract construction into the Winter of 2024/2025. Pomerleau Inc. was not able to complete weather sensitive works during much of this period. Pomerleau Inc. has incurred significant additional fixed operating costs which are conservatively estimated at up to \$800,000.

Staff are seeking authority to award additional change orders to Pomerleau Inc. through to the end of the construction contract, in addition to the existing change orders to date. The exact amounts of each change order will be subject to detailed review and negotiation by the City’s Contract Administrator with oversight by the City’s staff. All change orders existing and contemplated are within the approved budgets of the Granville Bridge Interim Connector Project, the North Loops Reconfiguration project, the Sewers UDCL capital program and the Structural Rehabilitation capital program.

A table of the contemplated Change Orders that are subject to Council approval is below:

Change order description	Reason for CO	Funding source	Estimated value
Additional fixed costs for increased construction duration	Delays due to various underground unknowns, emergent conditions, and design changes	GB North Loops Reconfiguration Project Granville Connector Project	\$800,000

Additional works for North Loops Project only	Primarily unknown underground conditions	GB North Loops Reconfiguration Project	\$60,000
Additional works for Granville Connector Project only	Primarily unknown structural conditions	Granville Connector Project	\$110,000
Increase in various unit rate quantities	Adjustment based on actual site conditions affecting quantity of unit rate items	Granville Connector Project GB North Loops Reconfiguration Project	\$630,000
Bicycle friendly expansion joint cover plates changes	Unknown structural conditions	Granville Connector Project	\$50,000
Rolston Street guardrail changes	Design specification change	GB North Loops Reconfiguration Project	\$25,000
Support for City's interim traffic management plan (after Substantial Completion)	Unforeseen schedule delay.	Granville Connector Project	\$40,000
Total value of contemplated CO's			\$1,695,000

The existing change orders to date are summarized in the table in Appendix C. These change orders have been approved in accordance with the delegated commitment authority requirements under the City's Procurement Policy. The additional future contemplated change orders presented in this report require Council approval as the estimated cumulative value of change orders will exceed City staff delegated commitment authority.

Financial Implications

Financial Planning & Analysis (FP&A) has reviewed the cost of the goods and/or service and concurs that budget is available in the Approved Multiyear Project Budget for the Granville Bridge Greenway (CER-00230), Granville Bridge North Loop (CER-00274), the 2023-2026 Active Transportation Improvement Program (CER-00279), and the Sewer UDCL Capital Program (CES-88).

FP&A has reviewed and concurs on the costs shown below:

<u>Impact on Contract Value</u>	
Original Contract Value	\$26,808,198.19
Existing change order value	\$12,297,541.71
Contemplated Change Orders	\$1,695,000.00
Cumulative Cost of existing and Contemplated Change Orders	\$13,992,541.71
Maximum Contract Value including existing and contemplated change orders	\$40,800,739.90

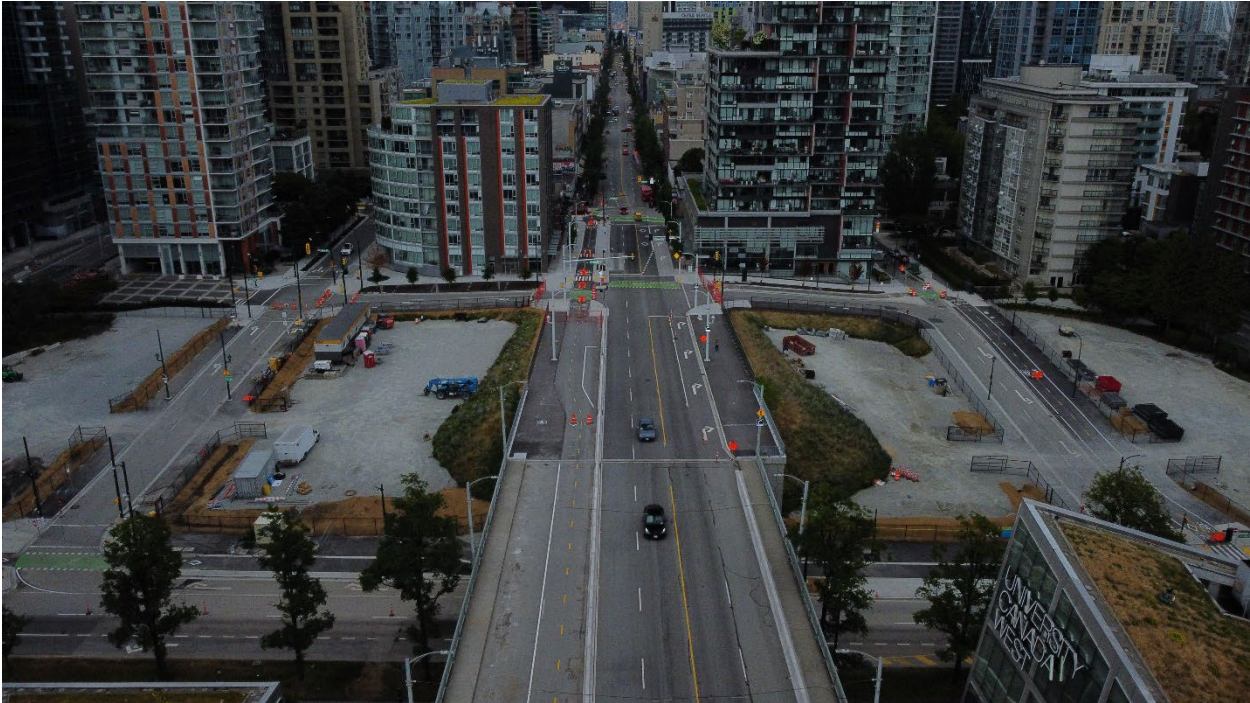
Legal Implications

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.

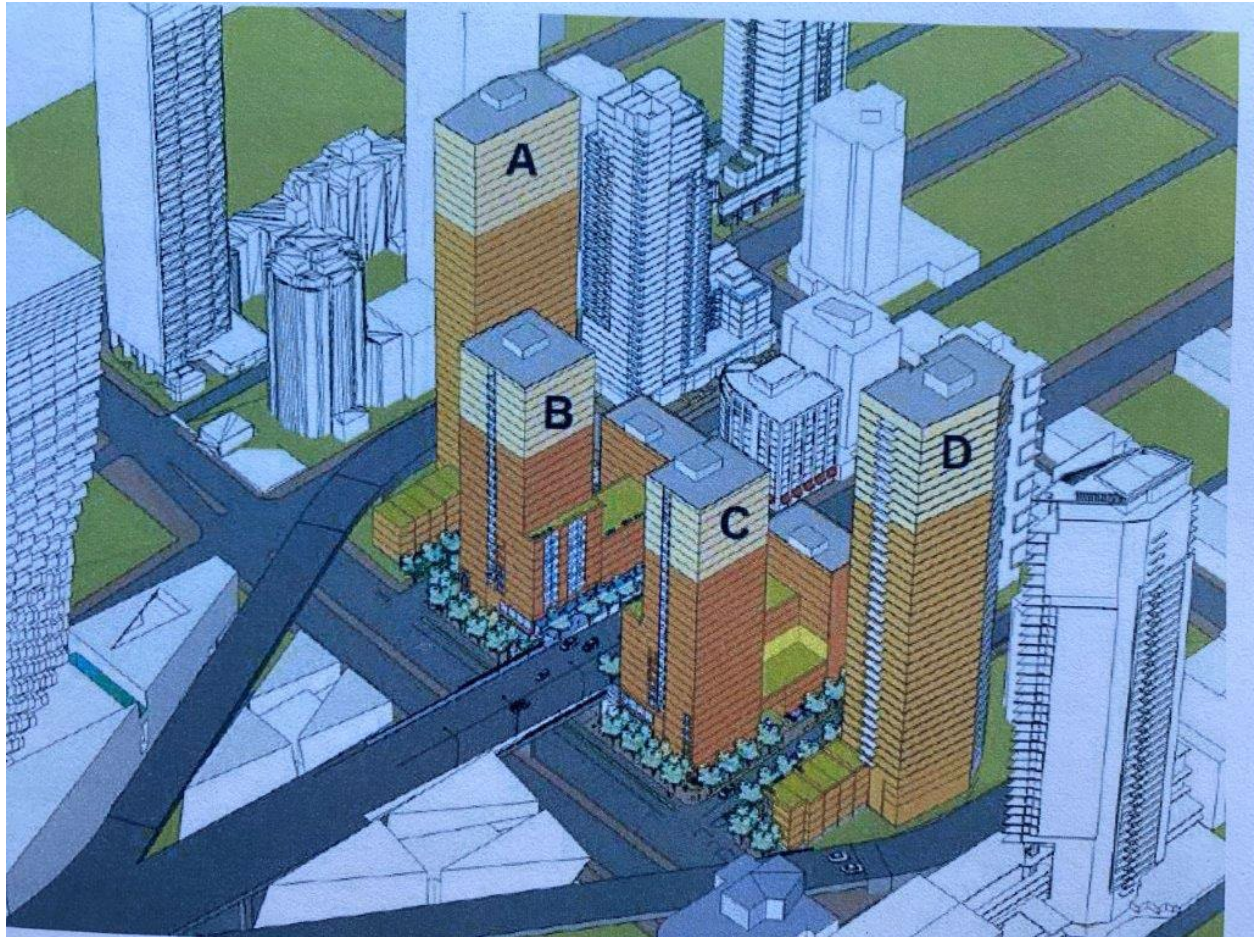
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APPENDIX A
North Loops Reconfiguration Project

Figure showing H Road Network and 4 new properties as of June 17, 2025



Appendix B2
North Loops Reconfiguration Project
Concept Plan for North Loops Redevelopment



Appendix C
Summary of Existing Change Orders with Pomerleau

CO #	External Change Order Description and purpose	Value (\$)
1	Additional Emergency Traffic Control Plans – enhanced risk management on behalf of City	\$5,834.65
2	Revised Water Pipe Fittings – additional material supply costs due to specification change post ITT	\$29,771.13
3	GB East Loop – drilling to delineate contaminated soils etc., supports City risk management	\$28,185.40
4	GB East Loop Underground Structure Removals – additional effort due to unknown underground structures	\$74,779.90
5	Rolston Watermain - additional effort due to unknown underground conditions	\$156,073.06
6	Emergent Electrical Cage Removals and temporary scaffolding – supports the City’s Third Party Utility obligations	\$116,241.49
7	Continental Deep Sewer – Unknown underground pipe removal	\$3,950.22
8	Pacific at Continental Deep Sewer - additional effort due to unknown underground conditions	\$208,144.77
9	Additional Electrical works – additional effort due to design changes	\$104,675.85
10	Granville Bridge Conduit Duct Bank Protection - Safety works funded by the 2019/22 Capital Budget (efficient delivery of related capital project)	\$1,182,902.37
11	Schedule change order only (no cost) – City obligations for Third-Party Utility relocations	\$0.00
12	Provisional Work Items part 1 - (gravity barriers, traffic signing, traffic markings) – this scope was included in original ITT, partial award to authorize long lead time material purchase	\$200,000.00
13	Pacific at Rolston Deep Sewer – additional effort due to unknown underground conditions	\$99,057.29
14	Luminaires and signal arms – supply and delivery by Pomerleau (instead of CMBC)	\$190,322.68
15	Construct a temporary access road for north side properties – additional effort required due to the delay in the City Third Party relocations	\$203,979.64
16	Rolston deep sewer – exposure of DFPS main unknown elevation	\$15,656.71
17	Sewer access chamber - ladder design changes	\$9,143.14
18	West 3 rd Ave electrical design changes	\$15,031.98
19	Interim Connector design changes	\$141,713.30
20	Pacific Street - unknown boulder removal	\$5,957.24
21	Bridge deck concrete removals – unknown structural conditions	\$47,350.50
22	Continental Deep Sewer - unknown underground conditions	\$616,013.93
23	Pacific Street – electrical design changes	\$252,356.82
24	Provisional work items – second change order for remaining value	\$748,809.00
25	West 5 th Avenue at Granville – remove two dead cedar trees	\$8,102.65
26	Rolston Street – Deep sewer – underground unknowns	\$337,329.72
27	West loop access road paving plus test hole support	\$50,244.79
28	CMBC Pole Puller 2023 costs	\$93,097.82
29	Lazy Gourmet – irrigation line replacement	\$5,043.69

30	Concrete removal for MSE wall – unknown underground conditions	\$38,905.69
31	West Loop Temporary Access Road maintenance	\$78,818.72
32	Granville Street Storm main design changes	\$24,299.01
33	Pacific at Granville – storm design changes – unknown conditions	\$50,532.64
34	Neon Street – additional building protection (risk management)	\$204,004.72
35	West Loop interim sidewalk – additional scope (risk management)	\$54,638.58
36	Granville Bridge Conduit Duct Bank Protection – additional effort due to unknown structural conditions (see CO 010 above)	\$38,077.43
37	Continental at Drake Deep Sewers – unknown underground conditions – Part 1 of 2	\$824,699.43
38	Granville at Drake Deep Sewer – unknown u/g conditions	\$98,889.06
39	Continental deep sewer connections – additional scope	\$195,608.75
40	West Loop - oil tank removal & remediation	\$10,970.38
41	Granville Bridge - addl 30 kph signage	\$2,530.00
42	FORTIS BC - support Rolston Phase 1 gas main	\$57,131.84
43	Pier N14 Scaffold rental	\$35,200.00
44	BC Hydro support - new 3rd Avenue power kiosk	\$25,886.37
45	Continental at Drake - deep sewer UU's - Part B	
46	Traffic signals - Wavetronix hardware	\$88,270.88
47	Granville at Neon - remove unknown asbestos	\$22,735.17
48	North Approach - remove unknown asbestos	\$824,669.42
49	Waste management for Continental properties	\$42,309.46
50	North Abutment - replace grounding wire	\$14,773.22
51	Pacific - Electrical underground unknowns	\$145,437.51
52	Continental - remove unknown concrete	\$35,754.84
53	North Approach - remove unknown road structure	\$27,686.81
54	Third Party delays - Pomerleau costs (4 months)	\$1,184,635.20
55	Continental - filling abandoned sewers Part 1	\$80,192.14
56	Fir at 5th - unknown watermain conflict	\$46,992.15
57	North approach - early reopening (6 days)	\$24,000.00
58	CMBC 2024 pole puller costs	\$14,872.00
59	N18 armor fabrication	\$29,962.57
60	FORTIS BC - support Rolston Phase 2 gas main	\$31,112.54
61	Continental - remove unknown sewer access	\$24,342.21
62	Maintain Seymour TMP	\$5,962.90
63	Granville at Drake - traffic signal pole revision	\$13,807.77

64	GB - UCW security fence rental	\$4,128.64
65	Ferreira Collision chain link fence relocation	\$4,076.66
66	Fir Str at 5th Ave - revised traffic signal scope	\$141,077.04
67	1388 Continental - fill unknown void	\$116,531.07
68	N14 Scaffolding modifications	\$4,707.82
69	CMBC pole upgrades at Granville/Neon	\$47,182.73
70	N18 communications duct bank modifications	\$92,650.88
71	Site B - install security fencing	\$49,902.79
72	Site C - install security fencing	\$46,766.25
73	CMBC tear drop removal	\$5,626.54
74	Granville Bridge - addl NB lane line eradication	\$109,482.68
75	Granville - expose/fill unknown voids	\$92,481.03
76	Signage installation - Pomerleau install all	\$256,845.58
77	1351 Continental - addl pedestrian control	\$9,348.74
78	Granville Bridge - refresh NB lane markings	\$15,659.71
79	Pacific - temporary lane markings	\$10,747.22
80	Pacific at Richards - traffic signal pole changes	\$8,485.91
81	Granville - MMCD C14 Fence spec change	\$7,442.54
82	Granville Bridge - emergent sidewalk repair	\$4,017.49
83	600 Drake fencing spec change (all black)	\$2,492.60
84	Pacific Street early bike lane opening	\$4,267.11
85	Granville Bridge - addl ACM removal quantity	\$95,352.87
86	1351 Continental – emergent replacement f driveway membrane	\$35,773.90
87	Continental at Neon - pole design changes	\$48,495.34
88	Pacific - underground unknowns	\$103,944.81
89	Howe Street – additional sidewalk and landscaping	\$21,306.81
90	No cost change order - add 2 days to construction schedule (weather)	\$0.00
91	Granville Bridge grounding for new traffic signal controllers	\$46,203.68
92	BC Hydro civil support works on Rolston Street	\$95,787.32
93	Rolston Street safety railing specification	\$61,232.88
94	Howe onramp – emergent joint repairs	\$50,903.93

95	Granville Street emergent trolley pole replacements	\$73,342.80
96	Continental/Rolston Storm Main Abandonment	\$24,736.15
97	N18 Custom Communications Vault construction	\$29,342.35
98	Continental at Neon Traffic Signal Changes	\$1,189.65
99	NB Granville at Drake Street Transit Priority Temporary TMP	\$16,673.58
100	Granville at Drake Traffic Signal Pole Changes	\$43,965.96
101	Miscellaneous Electrical Scope Changes	\$16,443.61
102	CMBC Pole Additional Plant Removal	\$4,830.04
103	Pacific Street landscaping scope changes	\$4,905.65
104	Site A Security Fencing	\$68,484.13
105	Site A Grading, Landscaping and Knotweed removal	\$38,433.79
106	Site D Security Fencing	\$41,601.61
107	Site D Additional Hazardous Material Testing	\$6,110.38
108	Revised Sign and Paint Plan	\$11,584.21
109	Neon and Continental landscaping changes	\$16,274.61
110	Granville Bridge at Fir offramp – additional WC accessible ramp	\$15,691.25
111	Granville Bridge at North Abutment – additional WC accessible ramp	\$59,036.86
112	Granville at Drake – replace trolley pole on SE corner	\$49,628.17
	Cumulative total value of Change Orders up to CO 112	\$12,297,541.71