

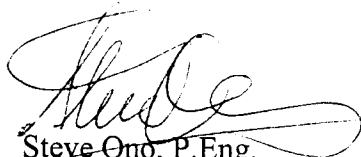


To: General Purposes Committee **Date:** April 16, 2002
From: Steve Ono, P.Eng. **File:** 2050-01
 Director, Engineering 2001-9027
Re: Award of Contract - Richmond Provincial Courthouse Renovations

Staff Recommendation

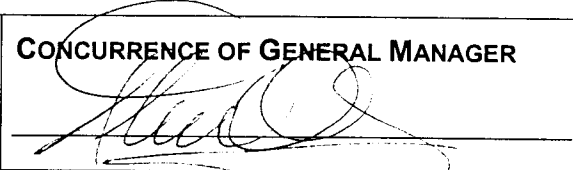
It is recommended that:

1. The City of Richmond enters into a negotiated contract with Makum Construction Ltd. for renovations at the 7577 Elmbridge Way Provincial Courthouse facilities for the base amount of \$3,882,000 plus GST.
2. The Tendering Procedure for the Richmond Provincial Courthouse Renovations presented in Appendix A to this report be endorsed.



Steve Ono, P.Eng.
 Director, Engineering

Att.

FOR ORIGINATING DIVISION USE ONLY		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Budgets	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	

Staff Report

Origin

Funds totalling \$4,750,000 for renovations at 7577 Elmbridge Way for a new Provincial Courthouse are approved in the 2001 Capital Budget, and Council authority to proceed with the Courthouse renovation was given at the September 11, 2001, "Closed" meeting of Council. Since that time, protracted negotiations with British Columbia Buildings Corporation (BCBC) have delayed construction of the courthouse.

The purpose of this report is to obtain Council approval to adopt a "fast track" solution for delivery of this project based on a negotiated contract with Makum Construction Ltd. and an exemption from Purchasing & Publicly Tendered Contracts Policy No. 3102 which would allow "written quotations" rather than "formal written quotations" for award of contracts up to \$250,000 in value, in order to achieve the Ministry of Attorney General's (MAG) desired occupancy date of December 2002.

Background

Over the past 2 years staff has negotiated with representatives from the Attorney General's Office and British Columbia Building Corporation (BCBC) to renovate the Interim City Hall into a Provincial Court facility. Significant milestones to date are:

- January 2001 – Kasian Kennedy appointed by Council as Project Architects.
- February 2001 - Council adopted the lease financing principals and a renovation budget of \$4.75 million.
- March 2001 – Makum Construction Ltd. wins bid for appointment as Construction Managers.
- August 2001 - The Attorney General of British Columbia gave final approval for 5 Courtrooms.
- October 2001 - BCBC informed staff to cease all design work pending a review by the Ministry of the Attorney General.
- November 2001 - BCBC/MAG review completed and three courtrooms added.
- February 2002 – Revised project brief agreed by BCBC/MAG with December 2002 occupancy. In order to accommodate the increased scope of work, BCBC/MAG will contribute \$735,000 in addition to the City's \$4,750,000 for a new total budget of \$5,485,000.

For the City to meet these new obligations and the required occupancy date of December 2002, staff is proposing a fast track approach to the tendering process as a means of expediting construction.

Analysis

The original intent for this project was to utilize a conventional construction approach such as design, tender and contract the complete project as a stipulated lump sum general contract, or alternatively tender and contract individual sub contracts directly with the City through Construction Management.

However, the new scope of work and compressed schedule precludes assembling complete contract documentation for tender in the conventional manner and entails the consultants reworking designs and Makum "tendering" as we go to meet the occupancy date requested by BCBC.

Therefore the approach proposed by staff is for Makum Construction Ltd. to competitively tender the various components of the project with the City involved in the selection of trade contractors for tender, and bids received by City Purchasing in accordance with the City Purchasing Policy. Makum Construction Ltd., and not the City, would then enter into the approved sub contract agreements. The final value of the negotiated contract awarded to Makum Construction Ltd. would then be based on the cumulative total of all sub contracts.

To fully exploit the timesavings made possible by this approach, staff requests that Council approve the above process and that a base contract of \$3,882,000 be awarded to Makum Construction Ltd. with the City's project contribution not to exceed the approved budget of \$4.75 million. The proposed administration and tendering process is outlined in Appendix A.

To apprise Council of the results of the sub contract tendering, staff will present monthly progress reports in memo format, based on the attached project schedule of sub contracts (Appendix B).

Financial Impact

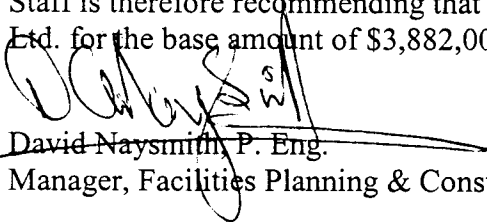
Funding for the renovation of the Interim City Hall to provide Provincial Court facilities is included in the 2001 Capital Plan. Additional funding has also been approved by BCBC/MAG. Adopting the proposed contract administration and award process will not impact the project budget.

In order to mitigate financial risk to the City, BCBC have confirmed that the total revised project budget of \$5,485,000 is not to be exceeded. In order to maintain this cap, they have agreed to implement a reduced scope of work if the cumulative total of sub trade contracts approaches the budget cap.

Conclusion

In order for the City to meet its obligations in the lease agreement while delivering the increased scope of work requested by BCBC for the Courthouse by December 2002, it is necessary to fully "fast track" the tendering process.

Staff is therefore recommending that a negotiated contract be awarded to Makum Construction Ltd. for the base amount of \$3,882,000.


David Naysmith, P. Eng.
Manager, Facilities Planning & Construction

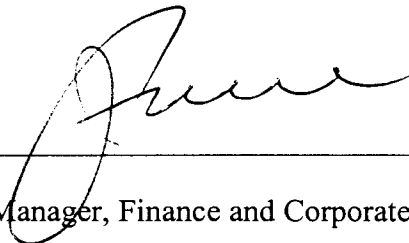
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APPENDIX A

Proposed "Fast Track" Tendering Procedure - Richmond Provincial Courthouse

- Makum Construction Ltd. tenders individual sub-contracts to a minimum of three pre-qualified trades approved by staff to ensure a competitive process pursuant to Policy No. 3102.
- Bids are received by Fax at City of Richmond Purchasing Dept., Staff and Makum Construction evaluate and recommend acceptance if within the provisional budget estimates.
- Sub-contracts in excess of \$250,000 to be reported direct to Council.
- Trade contracts are established between Makum Construction Ltd. and the Sub Contractors.
- Equipment with lengthy delivery time can be ordered promptly.
- Makum Construction "Own Forces" work managed to approximately 10 % of Contract value.
- Once all sub-contracts are awarded, a single stipulated price contract will be formalized between the City and Makum Construction Ltd. with the required liability bonding and warranty protection.

Procedure Approved


General Manager, Finance and Corporate Services

APPENDIX B

**CITY OF RICHMOND
COURTS PROJECT
FINANCIAL REPORT #1
FOR PERIOD ENDING MARCH 31, 2002**

MANAGER	DESCRIPTION	BUDGET	CONTRACT	VARIANCE	CONTRACTOR
MAKAM					
NELSON	OWN FORCES	\$ -	\$ -	\$ -	MAKAM
NELSON	GENERAL CONDITIONS	\$ 137,000.00	\$ -	\$ -	MAKAM
NELSON	CONSTRUCTION MANAGEMENT F	\$ 100,000.00	\$ 100,000.00	\$ -	MAKAM
NELSON	CM DISBURSEMENTS	\$ 5,000.00	\$ -	\$ -	MAKAM
NELSON	TESTING & INSPECTIONS	\$ 5,000.00	\$ -	\$ -	MAKAM
		\$ 247,000.00	\$ 100,000.00	\$ -	
CONSULTANTS					
NELSON	PRIME CONSULTANTS	\$ 335,070.00	\$ 335,070.00	\$ -	KASIAN KENNEDY ARCHITECTS
NELSON	DISBURSEMENTS	\$ 47,602.00	\$ 47,602.00	\$ -	KASIAN KENNEDY ARCHITECTS
NELSON	GEOTECH CONSULTANT	\$ 18,400.00	\$ 18,400.00	\$ -	COOK PICKERING DOYLE
NELSON	ACCOUST CONSULTANT	\$ 16,900.00	\$ 16,900.00	\$ -	BARRON KENNEDY LYSON
NELSON	CODE CONSULTANT	\$ 18,200.00	\$ 18,200.00	\$ -	LOCKE MCKINNON
NELSON	QUANTITY SURVEYOR	\$ 7,800.00	\$ -	\$ -	BTY
		\$ 443,972.00	\$ 436,172.00	\$ -	
TRADES					
MAKAM	DEMOLITION/CLEAN-UP	\$ 90,000.00	\$ -	\$ -	
MAKAM	CONCRETE DEMO	\$ 60,000.00	\$ -	\$ -	
MAKAM	LANDSCAPING	\$ 5,000.00	\$ -	\$ -	
MAKAM	EXCAVATION/PRELOAD	\$ 45,000.00	\$ -	\$ -	
MAKAM	CHAIN LINK	\$ 5,000.00	\$ -	\$ -	
MAKAM	ASPHALT PAVING	\$ 5,000.00	\$ -	\$ -	
MAKAM	FORMWORK	\$ 45,000.00	\$ -	\$ -	
MAKAM	REINF STEEL	\$ 25,000.00	\$ -	\$ -	
MAKAM	CONCRET/EPOXY/DOWEL	\$ 95,000.00	\$ -	\$ -	
MAKAM	MASONRY	\$ 200,000.00	\$ -	\$ -	
MAKAM	METAL FAB	\$ 36,000.00	\$ -	\$ -	
MAKAM	ROUGH CARPENTRY	\$ 135,000.00	\$ -	\$ -	
MAKAM	FINISH CARPENTRY	\$ 65,000.00	\$ -	\$ -	
MAKAM	MILLWORK	\$ 485,000.00	\$ -	\$ -	
MAKAM	ROOFING/SHEET METAL	\$ 33,000.00	\$ -	\$ -	
MAKAM	FLASHING/FIRESTOPS	\$ 15,000.00	\$ -	\$ -	
MAKAM	DOORS/FRAMES/SCREENS	\$ 132,000.00	\$ -	\$ -	
MAKAM	O/H DOORS	\$ 40,000.00	\$ -	\$ -	
MAKAM	ALUM WINDOWS	\$ 50,000.00	\$ -	\$ -	
MAKAM	FINISH HDWARE	\$ 110,000.00	\$ -	\$ -	
MAKAM	GWB/SSTUDS/ACoust	\$ 322,000.00	\$ -	\$ -	
MAKAM	CERAMIC TILE/SLATE	\$ 30,000.00	\$ -	\$ -	
MAKAM	RESIL FLOOR/CARPET	\$ 110,000.00	\$ -	\$ -	
MAKAM	PAINTING & WALL COVERING	\$ 85,000.00	\$ -	\$ -	
MAKAM	WHITE/TACKBOARD	\$ 2,000.00	\$ -	\$ -	
MAKAM	TOILET PARTITION	\$ 5,000.00	\$ -	\$ -	
MAKAM	LOCKER/BENCHES	\$ 5,000.00	\$ -	\$ -	
MAKAM	AWNINGS	\$ 12,000.00	\$ -	\$ -	
MAKAM	MAILBOXES	\$ 8,000.00	\$ -	\$ -	
MAKAM	WASHROOM ACCESSORIES	\$ 12,000.00	\$ -	\$ -	
MAKAM	SIGNAGE	\$ 15,000.00	\$ -	\$ -	
MAKAM	FIBRE BENCHES	\$ 10,000.00	\$ -	\$ -	
MAKAM	FIXED SEATING	\$ 90,000.00	\$ -	\$ -	
MAKAM	ELEVATORS	\$ 100,000.00	\$ -	\$ -	
MAKAM	DRAPE & TRACK	\$ 20,000.00	\$ -	\$ -	
MAKAM	MECHANICAL	\$ 513,000.00	\$ -	\$ -	
MAKAM	MECHANICAL CIVIL	\$ 10,000.00	\$ -	\$ -	
MAKAM	ELEC/SECUR/CCTV	\$ 410,000.00	\$ -	\$ -	
MAKAM	SOUND	\$ 195,000.00	\$ -	\$ -	
MAKAM	ELEC CIVIL	\$ 5,000.00	\$ -	\$ -	
		\$ 3,635,000.00	\$ -	\$ -	
CONTINGENEY					
NELSON	6% CONST/DESIGN	\$ 251,595.00	\$ -	\$ -	
NELSON	3% MARKET	\$ 124,150.00	\$ -	\$ -	
NELSON	5% CONSULT COORD	\$ 216,375.00	\$ -	\$ -	
		\$ 592,120.00	\$ -	\$ -	
OTHER					
NELSON	HYDRO/TEL	\$ 35,000.00	\$ -	\$ -	
NELSON	SITWORKS	\$ 95,000.00	\$ -	\$ -	
NELSON	MIN C\$F	\$ 225,000.00	\$ -	\$ -	
NELSON	PERMITS	\$ 47,803.00	\$ -	\$ -	
NELSON	3% GST	\$ 164,305.00	\$ -	\$ -	
		\$ 566,908.00	\$ -	\$ -	
		\$ 5,485,000.00			

APPENDIX C

Funding and Construction Cost Estimates

Approved Funding Source	Amount
2001 Capital Bylaw Reserve #7252 Project 45922	\$4,750,000
Additional Funding BCBC/ MAG	\$735,000
Total	\$5,485,000

Description	Estimated Project Budget
Construction	\$3,882,000
Consultants Design and Supervision	\$443,972
City Costs – (Permits, Licenses GST etc)	\$211,908
Design, Market and Construction Contingency	\$592,120
Site, Utilities, and Ground floor Improvements	\$355,000
Total	\$5,485,000