



To: Richmond City Council **Date:** May 10th, 2002
From: Acting Mayor E. Halsey-Brandt
Chair, General Purposes Committee **File:** 2050-01
Re: **Award of Contract – Richmond Provincial Courthouse Renovations**

The General Purposes Committee, at its meeting held on Monday, May 6th, 2002, considered the attached report, and recommends as follows:

Committee Recommendation (Cllr. McNulty opposed to Part (2))

- (1) That the City enter 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) That the Tendering Procedure for the Richmond Provincial Courthouse Renovations presented in Appendix A (to the report dated April 16th, 2002, from the Director, Engineering), be endorsed with an amendment to delete the requirement that “sub-contracts in excess of \$250,000 to be reported directed to Council”.*

Acting Mayor Evelina Halsey-Brandt, Chair
General Purposes Committee

Attach.

VARIANCE

Please note that staff recommended the following for Part (2):

- (3) the Tendering Procedure for the Richmond Provincial Courthouse Renovations presented in Appendix A (to the report dated April 16th, 2002, from the Director, Engineering)*

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

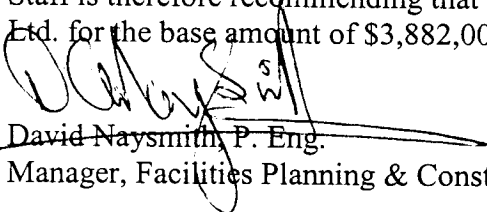
Funding for the renovation of the Interim City Hall to provide Provincial Court facilities is included in the 2001 Capital Plan. Additional funding has also been approved by BCBC/MAG. Adopting the proposed contract administration and award process will not impact the project budget.

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

DN:cmm

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.
- 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 | ACCOUT 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 CSF | \$ 225,000.00 | | | |
| NELSON | PERMITS | \$ 47,603.00 | | | |
| 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 |