

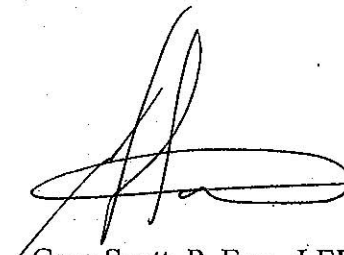


To: Public Works and Transportation Committee **Date:** July 16, 2008
From: Greg Scott, P. Eng., LEED A.P. **File:** 10-6525-08-01/2008-Vol 01
Director, Major Projects
Re: **No. 3 Road Restoration Project – Contract Award for Sections 2 and 3 from Cambie Road to Westminster Highway**


Staff Recommendation

It is recommended that:

- 1) CLco's funding and terms of \$0.65M towards Sections 2, 3 and 4 be accepted and Council authorize staff to execute an agreement with Clco based on the terms outlined in the attachment of this report;
- 2) the recommended scope reductions proposed by staff for Sections 2 and 3 be approved; and
- 3) the City award Contract T.3249 to Imperial Paving Ltd. based on a revised contract value of \$11,511,292 (excluding GST) and Council authorized staff to execute a contract with Imperial Paving on this basis.



Greg Scott, P. Eng., LEED A.P.
Director, Major Projects
(604-276-4372)

FOR ORIGINATING DEPARTMENT USE ONLY					
ROUTED TO:	CONCURRENCE		CONCURRENCE OF GENERAL MANAGER		
Budget.....	Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>	
Transportation	Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>	
Parks	Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>	
REVIEWED BY TAG	YES	NO	REVIEWED BY CAO <small>ACTING</small>	YES	NO
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>

Staff Report

Origin

The restoration of No. 3 Road, Section 4 - Bridgeport Road to Cambie Road (Contract T.3133) is currently under construction by Imperial Paving Ltd., and is scheduled to be complete by mid-summer 2008. This section of No. 3 Road is on time and under budget by approximately \$0.74M.

Tenders have now been received for the next stretch of No. 3 Road to be restored, Sections 2 and 3 - Cambie Road to Westminster Highway (Contract T.3249) with the lowest bid from Imperial Paving Ltd., being \$2.5M over budget for this section of work. Detailed design for Section 1, Westminster Highway to Granville Avenue, has just recently commenced with completion anticipated by end of September 2008. However, the tender for Sections 2 and 3 allows the City to extend the scope of work to include part or all of Section 1.

Staff propose some scope reductions for consideration to overcome the current funding challenges.

To assist in this process, a brief summary of the project funding and budget-expenditures are provided below.

Project Funding

In a report to PWT Committee dated January 14, 2008, Major Projects staff provided a status update on funding required to make up the overall \$24M project budget (as based on the preliminary design cost estimate previously approved by Council in May 2007). For ease of reference, a brief summary of the funding status is tabulated below.

Table 1: No. 3 Road Project Funding

Year	Program	Amount	Funding Source	Amount	Status
2006	MRN Minor Capital Program Funding	\$2,600,000	Richmond	\$1,300,000	Original
			TransLink	\$1,300,000	Original
2007	MRN Minor Capital Program Funding	\$2,600,000	Richmond	\$1,300,000	Original
			TransLink	\$1,300,000	Original
2007	Urban Integration Fund	\$2,000,000	Canada Line	\$2,000,000	Original
2007	Preliminary Design Fee	\$395,000	Richmond	\$395,000	Original
2007	CLco Funding	\$1,460,173	CLco	\$1,300,000*	Negotiations
			CLco	\$160,173	Additional
2008	Bike Lane Funding	\$1,387,639	Richmond	\$1,020,000	Additional
			TransLink - MRN	\$235,286	New Approved
			TransLink - BICCS	\$132,353	New Approved
2008	MRN Minor Capital Program Funding	\$2,800,000	Richmond	\$1,400,000	Original
			TransLink	\$1,400,000	Original
2008	BC Innovation Funding	\$2,037,400	UBCM	\$2,037,400	Additional
2008	MRN Minor Capital Program Funding	\$8,800,000	TransLink	\$4,400,000	New Approved
			Richmond	\$2,900,000*	2009 Capital Submission
2007	Transit-Oriented Development		Richmond	\$1,500,000	Original
	Total	\$24,080,212		\$24,080,212	

* See next page for more detail

The asterisk items in the previous table are two sources of funding that require further clarification, namely:

- Richmond's \$2.9M: As noted in the report to PWT Committee dated January 14, 2008 and adopted through the consent agenda by Council on February 25, 2008, Major Projects staff have submitted a 2009 Capital submission for \$2.9M. The report also noted that award of this funding will reduce funding available for other projects to be included in the 2009 Capital Plan.
- CLco's \$1.3M estimate: The Preliminary Design cost estimate of \$24M included a number of scope and contingency issues that were not resolved so an allocation of \$1.3M was estimated to be CLco's contribution to No. 3 Road as noted in earlier reports. During this project CLco has contributed \$147,000 to assist in advancing the pre-design work and has also contributed \$5,000 toward a commercial signage report for No. 3 Road. CLco and City staff have worked closely to come to an agreement outlined in Attachment 1 of this report. City staff are recommending acceptance of this offer.

Project Budget-Expenditure

Based on Council's approved \$24M budget, staff have prepared a budget-expenditures breakdown according to design and construction phasing for restoring No. 3 Road as tabulated below.

Table 2: No.3 Road Budget-Expenditure

No. 3 Road Restoration Phasing by Section	Budget	Expenditure (Projected)	Under/(Over) Budget
Section 4 - Bridgeport Road to Cambie Road	\$5.2M	\$4.5M*	\$0.7M
Sections 2 and 3 - Cambie Road to Westminster Hwy	\$12.9M	\$15.4M*	(\$2.5M)
Sub-Total	\$18.1M	\$19.9M	(\$1.8M)
Section 1 - Westminster Hwy to Granville Avenue	\$5.9M	\$5.9M**	Design In-Progress
Total	\$24.0M	\$25.8M	(\$1.8M)

* Includes tender bid and all other costs (survey, design, streetlight and traffic signal pole supply, etc.)

** Based on preliminary design construction estimate and all other costs

Analysis

Proposed Scope Reduction for Contract T.3249:

For Contract T.3249 - No. 3 Road Restoration of Sections 2 and 3: Cambie Road to Westminster Highway, the City received two (2) bids from the following contractors:

- Imperial Paving Ltd., \$12,352,791; and
- Tyam Construction Ltd., \$12,970,158

The lowest bid is \$2.5M over budget for Sections 2 and 3, but when combined with the savings expected from Section 4 (Bridgeport Road to Cambie Road), the budget deficit is reduced to about \$1.8M.

Staff have reviewed Contract T.3249 (Sections 2 and 3) for scope reductions that do not compromise the functionality or quality of the original streetscape design intent and are able to reduce the overall scope by about \$0.93M, which results in a remaining deficit of about \$0.87M. The scope reductions proposed for Contract T.3249 include:

- Elimination of sub-surface drains in growing mediums
- Reduction of structural soil cells for street trees

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- Elimination of LED Bench Up-Lighting
- Deferral of electrical power to future festival stage and kiosk - conduits will be installed to ensure that the power service can be provided at a later date

The above scope reductions result in a revised tender value of \$11,511,292 for Imperial Paving Ltd.

Financial Impact

Funding for award of Contract T.3249 to the amount of \$11,511,292 is available as identified in Table 1 of this report for the City to engage the lowest bidder Imperial Paving Ltd.

With the reduced cash contribution from CLCO, the budget deficit will be \$1.52M which City staff propose to address in the final design of Section 1.

Conclusion

The City accepts CLCO's funding of \$0.65M and award Contract T.3249 to Imperial Paving Ltd. for a value of \$11,511,292 (excluding GST) based on a reduced scope of work for Sections 2 and 3. Following completion of detailed design for Section 1, City staff provide an update report on funding and proposed scope of work to be constructed for Section 1.



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DT:bg

Attachment

Attachment 1

The terms for an agreement between CLco and the City for the restoration of No. 3 Road:

- 1) CLco will be responsible for all outstanding and disputed items defined on the deficiency lists documented as follows:
 - RSL Roadworks/Utilities Deficiency List - Turnover #1 (Richmond - North of Capstan Way) - June 13, 2008
 - RSL Roadworks/Utilities Deficiency List - Turnover #2 (Richmond - Cambie to Alderbridge) - June 13, 2008
 - RSL Roadworks/Utilities Deficiency List - Turnover #3 (Richmond - Alderbridge to Westminster Hwy) - June 13, 2008

In addition, the comments on these Deficiency Lists from the City of Richmond in emails dated July 15, 2008 for Turnover #1, and dated July 16, 2008 for Turnover #2 shall be included as part of CLCO's responsibility. These items will be addressed to the satisfaction of the City;

- 2) CLco and the City will inspect a sub area of Section 1 (being defined as the area for which Canada line construction occurred between No. 3 Road from Westminster Hwy to the south end of the guideway) for deficiencies and CLco will be responsible for addressing them to the City's satisfaction;

- 3) The City will not require Clco to complete a full repaving of No. 3 road upon the receipt of this one time cash settlement;

- 4) CLco and Translink will not place any condition on the Urban Integration Fund and the City can use these Funds on No. 3 Road Vision;

- 5) All temporary works will be removed from No.3 Road by CLco at Clco's expense. These works are: signs, street light pole removals (not including bases), traffic control, temporary traffic curbs and controlling devices, signalization (including temporary bases but not permanent bases), fencing, hording and patching any damage associated with the removals; and

- 6) In addition to the above parties responsibilities, CLco will make a cash contribution of \$650K to the City to make the City whole and no further payment will be made to address the reconstruction of No. 3 road.

