



City of Richmond

Report to Committee

To: Parks, Recreation and Cultural Services Committee
Date: March 9, 2004
To Parks, Rec & Culture - Mar 23, 2004

From: Kate Sparrow
 Director, Recreation & Cultural Services
 Robert Gonzalez, P.Eng.
 Director, Engineering
File: 1000-20-T.1559

Re: **Award of Contract T.1559, Britannia Heritage Shipyards
 Seine Net Loft, Japanese Duplex, Cannery Office**

Staff Recommendation

- It is recommended that Tender T.1559 for the repair/renovation of the Seine Net Loft substructure and new foundations for the Japanese Duplex and Cannery Office be awarded to Grand Construction for the sum of \$254,000.00 plus GST.

K. Sparrow

R. Gonzalez

Kate Sparrow
 Director, Recreation & Cultural Services
 (4129)

Robert Gonzalez, P. Eng
 Director, Engineering
 (4150)

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ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Budgets	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<i>[Signature]</i>

Staff Report

Origin

The Britannia Heritage Shipyard Business Plan, adopted by Council in 2001, outlines as priorities the renovations and upgrade to the Seine Net Loft and permanent foundations for the Japanese Duplex and Cannery Office. These items were identified as part of the 2001, 2002 and 2003 Capital Programs approved by Council (Appendix A).

Background

A pre-tender estimate prepared by the Quantity Survey indicated that the desired scope of work for the Seine Net Loft building renovations would exceed the approved budget. However there would be sufficient funding to complete the necessary marine foundation repairs for the Seine Net Loft and new foundations for the Japanese Duplex and Cannery Office.

The tender therefore, was structured to include separate prices for the substructure work for the Seine Net Loft, the foundations for the Japanese Duplex and for the Cannery Office.

Analysis

Tender T.1559 was publicly tendered by the Purchasing Department with 7 bids received as follows:

<u>Contractor</u>	<u>Total Tender Price incl. GST</u>
Grand Construction Ltd.	\$ 709,000.00
Kedco Constructors Ltd.	\$ 744,545.59
Parkwood Construction Ltd.	\$ 779,229.64
Bynett Construction Services Ltd.	\$ 788,999.81
Heatherbrae Builders Co. Ltd.	\$ 852,790.00
Makam Construction Ltd.	\$ 858,140.00
RTE Developments Ltd.	\$ 880,567.20

The low bid from Grand Construction Ltd. exceeds the construction budget allowance in the amount of \$367,500. (\$709,000 – \$341,500 Construction Budget).

The separate prices submitted by the low bidder, Grand Construction Ltd, were:

Seine Net Loft, marine substructure work	\$ 179,000 +GST
Japanese Duplex - foundations	\$ 60,000 +GST
Cannery Office - foundations	<u>\$ 15,000 +GST</u>
Subtotal	\$ 254,000 +GST

Consequently, it was determined that stabilization of the sub-structures and foundations only would be considered in awarding of the tender. Grand Construction has agreed to hold these separate prices until the end of March 2004.

Options

Four options were identified and discussed with the Britannia Heritage Shipyard Advisory Board at meetings on January 28th, February 18th and March 8th 2004.

Option 1. Increase budget to meet the desired scope of work

As indicated an additional \$367,500 plus 5% contract contingency of \$35,450 (total \$402,950) would be required in order to award the full contract scope of work. Analysis by the cost consultants suggests under-estimating the required scope of work and inflation since the original 2001 submission would account for this difference. The contractor Grand construction has also indicated a willingness to maintain his current pricing for the Seine Net Loft structure should this decision be made later in the year.

Option 2. Proceed with partial upgrade (Recommended)

There is sufficient funding available in the capital budget to undertake the Seine Net Loft substructure and foundation work for the Japanese Duplex and the Cannery Office. By proceeding with these components, all three buildings would be stabilized for future upgrading their respective superstructures. Additional funding of \$402,950 would be required in future capital programs to complete the upgrading of the Seine Net Loft structure.

The structural engineers have rendered an opinion that with these essential substructure improvements, the life span of the Seine Net Loft would be increased to 10 to 25 years, given a regular maintenance program. In its current condition it is stated that the building would have a 5-year life span with further restrictions in load and access. Contingency funding at the end of this program would then be identified to supplement the scope of work in the east heritage area.

Option 3 Revise business Plan and Scope of work

This option would propose to cancel work planned for the Seine Net Loft other than the access bridge and re allocate the funding towards the foundations and complete restoration of the Japanese duplex and Cannery office. This would require re-tendering the contract and is not recommended because of the favourable costs received for the all of the foundation work. Contingency funding at the end of this program would then be identified to supplement the scope of work in the east heritage area.

Option 4. Do not award tender T.1559

This option abandons the upgrades altogether at this time. It would allow the Britannia Heritage Advisory Board to complete its current development study for the east heritage district of the site, set new priorities for development, and recommend revisions to the Britannia Heritage Shipyard Business Plan to Council prior to scheduling into the 5-Year Capital plan. The balance of funds available totalling \$341,500 would thus be retained in the Britannia Heritage Shipyards capital.

Discussion

Britannia Heritage Shipyard Advisory Board, having now considered all of the options, passed a motion at their meeting of February 18, 2004 and again at their meeting of March 8, 2004 indicating their support in proceeding with the proposed contract with Grand Construction to complete the substructure marine work on the Seine Net Loft and the foundations for the

Cannery Office and the Japanese Duplex. They would also recommend that the remaining funds be used to supplement the scope of work in the east heritage precinct.

The Britannia Heritage Shipyard Advisory Board is in the process of completing the development plan for the east heritage precinct. The priorities of this new plan and estimated costs to implement may result in recommended changes to the priorities to the current Britannia Heritage Shipyard Business Plan.

Financial Impact

The funds to complete the recommended scope of the recommendation have been approved in the 2001, 2002 and 2003 capital budgets.

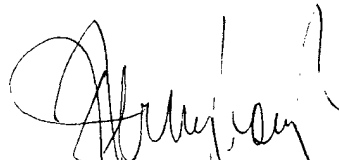
Conclusion

It would be beneficial for long term planning to structurally stabilize the foundations for the Seine Net Loft, the Japanese Duplex, and the Cannery Office for future rehabilitation works.

It is recommended to award the contract T.1559 to Grand Construction Ltd. for the amount of \$254,000.00 plus GST.



for
David Naysmith, P. Eng.
Manager, Facilities Planning & Construction
(3312)



Jane Fernyhough
Manager of Heritage and Cultural Services
(4288)

MB:cmm

APPENDIX A

Funding Sources

Capital Funding	Seine Net Loft	Japanese Duplex	Cannery Office	Total
2001		\$25,000		
2002	\$150,000		\$23,000	
2003	\$259,032			
Totals	\$409,032	\$25,000	\$23,000	\$457,032

Cost Breakdown

	Budget
Consultants:	
Seine Net Loft (architectural & engineering)	\$ 49,000.00
Japanese Duplex & Cannery Office	\$ 10,100.00
Geotechnical: soils report	\$ 7,500.00
testing during construction	\$ 2,800.00
Seine Net Loft: clean-up	\$ 8,017.25
inspection for bug treatment & repairs of envelope	\$ 4,637.71
Sub-total (committed to date)	\$ 82,054.96
Construction (remaining in budget)	\$ 340,535.88
GST (3% of \$422,590.84)	\$ 12,677.73
City Overhead (5%)	\$ 21,763.43
Contingency (included in construction above)	
TOTAL PROJECT COST	\$ 457,032.00

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