



City of Richmond

Report to Committee

To: Parks, Recreation and Cultural Services Committee  
 From: Robert Gonzalez, P.Eng. Director, Engineering  
 Re: Award of Contract T.2779, Britannia Heritage Shipyards Historic Zone Redevelopment

*to Parks, Rec & Cultural - Feb 28, 2006*  
 Date: February 13, 2006  
 File: 03-1000-20-T.2779.

Staff Recommendation

That the contract T.2779 be awarded to Parkwood Construction Ltd. for the amount of \$880,954.00.

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"/>
Recreation & Cultural Services .....		Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
REVIEWED BY TAG		YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
			<i>DW</i>		
		YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
			<i>JE</i>		

## Staff Report

### Origin

The Britannia Heritage Shipyard Historic Zone Development Plan dated October 2004, and adopted by Council in October 2004, outlines the development strategies of the eastern zone of the Britannia Heritage Shipyard site to locate and restore the Chinese Bunkhouse circa 1920, the 2 Murchison Houses circa 1880 to 1890, and the 2 Stilt Houses circa 1888-90 to 1912.

### Background

A pre-tender estimate prepared by the consultants September 2005 indicated that the desired scope of work for Phase 1 and 2 could be achieved within the approved budgets for 2004, 2005 and 2006. Given the escalation of current market construction costs, the tender was structured to include separate prices for the 3 elements, the relocated parking lot, restoration of the exterior walls of the 4 houses and part of the extended boardwalks.

### Analysis

Tender T.2779 was publicly tendered by the Purchasing Department with 4 bids received as follows:

<u>Contractor</u>	<u>Total Tender Price excl. GST</u>
Parkwood Construction Ltd	\$ 968,954.00
Mutual Construction (2000) Ltd.	\$ 998,650.00
Wilco Landscape Contractors Ltd.	\$1,088,000.00
Grand Construction Ltd.	\$1,290,000.00

The low bid from Parkwood Construction Ltd. exceeds the construction budget allowance by the amount of \$174,426.00 (\$968,954.00 - \$794,528.00 Construction Budget).

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

1. New parking lot	\$ 71,180.00
2. Four houses, exterior restoration	\$ 48,000.00
3. Boardwalk, north side of houses	\$ <u>40,000.00</u>
Subtotal	\$159,180.00

If these separate prices above were excluded from the Award of Tender, the proposed Construction Contract value would be (\$968,954.00 - \$159,180.00 =) \$809,774.00 and could be awarded using \$15,246.00 from the project contingency of \$197,972.00 representing 16.5% of the total project budget (Appendix A).

## Discussion and Options

Three options to proceed are identified:

### Option 1. Increase budget to award the total tendered scope of work (Not recommended)

In order for the project to proceed as designed an additional \$174,426.00 would be required in order to award the full contract scope of work. Given that funding is limited, this option is not recommended.

### Option 2. Award tender less separate prices (Not Recommended)

There is sufficient funding available in the capital budget to undertake the work less the separate prices. Deleting all three separate prices would result in a construction contract award of \$809,774.00 reducing the budget contingency to \$182,726.00 (15.2% of the total project budget).

### Option 3. Award tender incl. Separate Price 1. New Parking Lot (Recommended)

Staff have reviewed the impact of postponing the development of the new parking lot (separate price number 1 - \$71,180.00). Due to restrictions created to the total site development, sequence of future works and landscaping, it would benefit the overall development of the site to complete the parking lot at this time.

It is therefore recommended to proceed with this component resulting in a construction contract of \$880,954.00. Although the remaining contingency of \$111,546.00 (9.3% of total project budget) would be less than the standard practice recommendation, it is considered reasonable.

The restoration of the exterior walls of the buildings and completion of the boardwalks could be added to the contract providing adequate contingency funds are available at the end of the project or would be brought forward as an additional project in a future phase of the Britannia development once capital funding becomes available (Appendix B).

This option has been discussed with Britannia Heritage Shipyards Advisory Board and they are in concurrence.

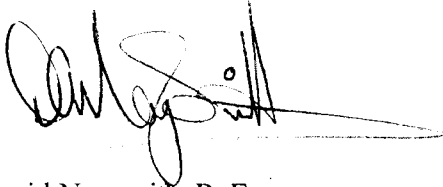
### **Financial Impact**

The funds to complete the recommended scope have been approved in the 2004, 2005 and 2006 capital budgets totalling \$1,200,000.00.

**Conclusion**

It would be beneficial for long term planning and development of the Britannia Historic Zone to complete the new parking lot as part of this construction phase. By reducing the tender value by two of the separate prices, the funding available still includes a reasonable contingency of 9.3% of the total project budget (Appendix A).

It is recommended to award the contract T.2779 to Parkwood Construction Ltd. for the amount of \$880,954.00.

A handwritten signature in black ink, appearing to read 'David Naysmith', with a long horizontal flourish extending to the right.

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

## APPENDIX A

### Funding Sources

Capital Funding	Britannia Heritage Shipyard Historic Zone
2004	\$ 250,000.00
2005	\$ 400,000.00
2006	\$ 550,000.00
<b>Totals</b>	<b>\$ 1,200,000.00</b>

### Budget Breakdown

	Budget	Actual (proposed construction award)
Consulting Costs		\$ 130,807.00
Geotechnical: soils report and investigation		\$ 9,193.00
<b>Sub-total (committed to date)</b>	<b>\$ 140,000.00</b>	<b>\$ 140,000.00</b>
Construction	Phase 1 \$ 448,448.00 Phase 2 \$ <u>346,080.00</u>	Tender \$ 968,954.00 Sep.prices 2&3 (\$ 88,000.00)
Total	\$ 794,528.00	\$ 880,954.00
Permits and approvals	\$ 7,500.00	\$ 7,500.00
City Overhead (5%)	\$ 60,000.00	\$ 60,000.00
Contingency (% total project budget)	\$ 197,972.00 (16.5%)	\$ 111,546.00 (9.3%)
<b>TOTAL PROJECT COST</b>	<b>\$1,200,000.00</b>	<b>\$1,200,000.00</b>

## APPENDIX B

### Summary of Scope of Work for Historic Zone Development

#### Phase 1

- clear and grub entire site
- foundations for the four houses and Chinese Bunkhouse
- relocate the buildings onto their new foundations
- excavate and construct new pond
- extend boardwalk along Fraser River bulkhead and construct new boardwalks around buildings (north section to be deferred to Phase 3)
- site servicing
- weather protections for the five buildings: Chinese Bunkhouse, Murchison Houses I & II, Stilt Houses I & II

#### Phase 2

- construct parking lot, driveways, related storm sewer and lighting
- heritage restoration of the exteriors of the four houses (deferred to Phase 3)
- completion of pond complete with power, pump, planting

#### Phase 3

- complete the heritage restoration of Murchison Houses I & II
- heritage restoration to exterior and interior of Chinese Bunkhouse including access road
- signage and wayfinding

#### Phase 4

- heritage restoration of the Cannery Office
- open area development including pathways, fencing, etc
- planting of the orchard and general landscaping
- interpretive displays to Stilt Houses and Bunkhouse