



*Revised Date: July 24,1998*

**TO: Board Members - Parks and Recreation**  
**FROM: General Manager - Parks and Recreation**  
**SUBJECT: COAL HARBOUR COMMUNITY CENTRE**

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## **RECOMMENDATION**

**THAT the Board approve the award of a contract by Marathon Developments Inc. to Darwin Construction Ltd. for the construction of the Coal Harbour Community Centre and Parkade, subject to the Park Board's contribution to the contract cost not exceeding \$4,938,701.**

## **POLICY**

Contracts in excess of \$ **200,000** are awarded by the Board.

## **BACKGROUND**

Marathon Developments Inc. (Marathon) has an obligation to the City to provide a community centre, parkade and park within their development lands. From the start, the City was interested in providing a larger community centre than would be required of Marathon, to serve a broader population base, including the Triangle West Area, the Bayshore development lands and the Coal Harbour Area. A cost sharing formula was therefore agreed upon where Marathon would fund 40 % of the cost, and the City would fund 60% of the cost of an 1800 m<sup>2</sup> community centre and 110 space parkade. Marathon would still be required, under the terms of the agreement, to pay 100% of the cost of a park to be located above the community centre and parkade. Once completed, both facilities and land are to be turned over to the Park Board.

The cost sharing formula was later revised to a 31.68/ 68.32 Marathon/City split to reflect the fact that the City wanted to:

- a) include in the development an additional 40 parking spaces for a future non-marketing housing project to be constructed adjacent to the community centre, and
- b) construct an additional 350 m<sup>2</sup> of community centre space for an activity room.

It was agreed that Marathon would tender the project as a complete package, including the community centre, parkade, and park. The purpose of this agreement was to ensure that one contractor be responsible for all aspects of the construction. Subtracting the cost of the park from the lowest tendered price will give the cost for the community centre and parkade.

The Board's partner, Marathon, is acting as the project manager, and is responsible for letting all contracts. The Board's obligation is to pay a percentage of the cost of the development in accordance with the agreement. This report recommends approval to expend the funds required for the construction of the community centre and adjoining parkade, in addition to the funds already approved by the Board for pile work and soils densification work.

## DISCUSSION

On July 15, 1997 Council approved funding of **\$4,640,000** to be applied towards the community centre and parkade, and **\$1,080,000** to fund the additional 40 parking stalls, for a total of **\$5,720,000**, its share of the total project cost. The Bayshore contribution of **\$863,000** brings the total to **\$6,583,000**. The City's share of the construction portion of the project budget as detailed in that Council report is **\$5,469,000**. Since then, adjustments have been made, decreasing other budget items by **\$55,121**, and increasing the construction budget by the same amount to **\$5,524,121**. Of this amount, **\$106,388** has already been approved and awarded for soil densification work. The remaining City portion of the construction budget is therefore **\$5,417,733**, including **\$479,032** for the piling contract.

On July 8, 1998, Marathon received four bids for the construction of the Coal Harbour community centre, parkade and park. The scope of the work includes the piling work valued at **\$479,032**, which has been included by each of the bidders in their tender amounts. The purpose of requesting the bidders to include the cost of pile work in their tenders is to ensure that the pile work is coordinated by the general contractor. The contract for pile work is therefore assigned to this contract.

Tenders were received as follows:

	<b>Name of Bidder</b>	<b>Union Status</b>	<b>Amount Bid</b>	<b>Addendum Received</b>
<b>1</b>	<b>Darwin Construction Ltd.</b>	<b>Open shop</b>	<b>\$ 9,657,000</b>	<b>yes</b>
2	Ledcor Industries Ltd.	Open shop	\$ 10,263,000	yes
3	Smith Bros. & Wilson (B.C.) Ltd.	Closed shop	\$ 10,800,000	yes
4	Van Maren Construction Ltd.	Open shop	\$ 11,433,000	yes

The project cost consultant estimates the portion of the low bid attributable to park to be **\$1,412,200**. This is subtracted from the low tender, because the park cost is borne 100% by Marathon.

The portion of the low bid attributable to the centre and parkade is therefore **\$8,244,800**. *In addition to this sum is \$53,591 for construction bonding and \$25,301 for construction liability for a total of \$8,323,692.* The City's share at 68.32% of this is **\$5,686,746**, which exceeds the budget of **\$5,417,733** by **\$269,013**. Marathon and the Board are in the process of negotiating changes in the scope of work to the centre and parkade to effect the required reduction in *our share of the bid price* to meet the budget.

Marathon has indicated its intention to award a contract to Darwin Construction Ltd. subject to:

- a) Park Board approval, and
- b) Effecting the required cost reductions satisfactory to both Marathon and the Park Board's General Manager.

Although the required cost reductions have yet to be fully resolved, the Board is being asked to approve the award of contract at this time to ensure a timely summer start for the project. The summer start will ensure good weather for the large in-ground portion of the work.

Darwin Construction is expected to start the construction within three weeks , and to complete the project by January 2000.

## **SUMMARY**

Funding for this project is authorized by Council as per the July 15, 1997 approval of the Council report for the Coal Harbour Community Centre which has approved the overall budget for the project.

Prepared by:

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