

Date: November 19, 2004



TO: Board Members – Parks and Recreation
FROM: General Manager – Parks and Recreation
**SUBJECT: CHAMPLAIN HEIGHTS COMMUNITY CENTRE
ADDITION**

RECOMMENDATION:

- A) *THAT the Board endorse a request to City Council to approve an additional allocation of \$102,742 to the child development centre portion of the Champlain Heights Community Centre project, the source of funds to be the City Wide Development Cost Levy.***
- B) *THAT the Board approve a transfer of up to \$70,634 from the Park Board General Facility Improvement capital account to the Champlain Heights Community Centre project.***
- C) *THAT the Board approve a transfer of \$233,228 from the Malkin Bowl redevelopment account, subject to Council approving this amount in advance of the Park Board 2005 Capital Budget.***
- D) *THAT the Board, subject to Council approving the funding and transfer outlined in recommendations A), B) and C), award a contract for construction to Westpro Constructors Group Ltd. for an amount not to exceed \$1,167,000, with contract details to the satisfaction of the General Manager.***
- E) *THAT no legal rights shall arise hereby, and none shall arise until execution of the contemplated contract. The Board may rescind this resolution at any time up to the execution of the contemplated contract.***
- F) *THAT the Board consider the inclusion of \$233,228 for Malkin Bowl redevelopment as a high priority for the 2006 – 08 Capital plan, subject to the Theatre Under the Stars Society showing progress in its fundraising campaign.***

POLICY

The Board determines projects to be included in its annual budget within the financial parameters

set by City Council.

Award of construction contracts over \$300,000 requires approval of the Board.

BACKGROUND

Council has approved a total of \$445,000 in DCL funds for a childcare centre to be built at Champlain Heights Community Centre. Earlier Council had allocated \$700,000 Community Amenity Contribution to supplement an original capital budget allocation of \$150,000 for the project.

When the \$700,000 Community Amenity contribution for the project was negotiated with the developer, it was on the basis that the developer's DCL contribution for the daycare (\$233,228) be offset against the \$700,000 CAC amount. The actual CAC allocation was therefore \$466,722. However, due to ambiguity in the wording of related correspondence and reports, the \$700,000 was not accordingly adjusted downward in project budgets for the Champlain Centre presented to both the Park Board and Council. This error was identified some time ago and needs to be resolved prior to awarding a contract.

The Champlain Heights Community Association, the operator of the childcare program, has applied to the Ministry of Community, Aboriginal and Women's Services, Child Care Branch for a facilities and equipment grant in the amount of 25% of the \$445,000 to offset capital costs. The application was successful, and will reduce the amount of DCL funding required for this project by \$113,624.

On February 1, 2003, the Board approved the schematic design plans for the addition to the Champlain Heights Community Centre.

On March 1, 2003, it was announced through the news media that the project would receive a \$240,000 Federal/Provincial Infrastructure grant, and redesign to incorporate the additional funding was commenced. Confirmation of the Infrastructure grant was never received, and in June of 2003, it was decided to redesign the community centre portion of the project to meet the limitations of the existing funding.

DISCUSSION

Project Design

After it became apparent that the promised Infrastructure grant would not materialize, the community centre portion of the project was redesigned to reduce floor area and cost. The proposed second floor meeting room and the teen room addition were eliminated, and the size of the multipurpose room was reduced. At the request of the Community Association minor improvements to the fitness centre were introduced, to be entirely funded by the Association.

The project redesign did not result in any reduction in the size or scope of the childcare, at 1743

SF, the minimum size required for licensing purposes.

The revised total area of the addition was reduced from 5,730 SF to 4,200 SF.

Tenders

Five tenders for the Champlain Heights Addition were received on October 14, 2004:

Contractor	Base Bid	Union/ Open shop
Westpro Constructors Group Ltd.	\$ 1,180,000	Open shop
Bynett Construction Services Ltd.	\$ 1,192,000	Open shop
Mi-Dan Construction Ltd.	\$ 1,296,000	Open shop
Smith Bros. & Wilson (B.C.) Ltd.	\$ 1,345,000	Union
LEC Fortress Engineering Corp.	\$ 1,392,800	Open shop

The bids have been reviewed by the architects, who have confirmed that the low base bid of \$1,180,000 from Westpro Constructors Group Ltd. is acceptable. Several separate prices were also submitted as part of the bids. Staff recommend acceptance of Separate Price 4, in the amount of a reduction of \$13,000, reducing the lowest bid to \$1,167,000.

This price exceeds the construction budget of \$815,000 by \$352,000. The cost overage experienced in this tender is indicative of the fact that market inflation has significantly driven up the cost of building in Vancouver at a rate approaching one percent per month in the last eighteen months. The funding for the childcare development centre was last set approximately 2 ½ years ago.

Project Cost of the Child Development Component

The portion of the project cost to be allocated to the Community Centre is \$1,005,634, which exceeds the funding identified by \$135,634.

The Champlain Heights Community Centre will consider a motion to fund \$65,000 of this shortfall, part of which will fund the fitness centre improvements. The final decision on this motion was not available at the time of writing of this report, but will be known when Council/Board consider the report. The remaining \$70,634 can be funded via a transfer from the General Facility Improvement account.

As is stated in this Background section of this report, the budget that was established prior to calling tenders assumed (incorrectly) that the project was to receive \$700,000 in CAC. Since the CAC contribution is to be reduced by \$233,228, that amount needs to be identified from existing Park Board capital funding.

Staff recommends transferring the \$233,228 from the 2005 Malkin Bowl allocation subject to Council's approving this amount in advance of the 2005 budget.

The replacement for the \$233,228 is recommended to be drawn from the Malkin Bowl project,

since project development and fundraising are in an early stage, and the project is not anticipated to be built in 2005. The tentative 2005 Capital budget allocation for Malkin Bowl is \$300,000, but staff recommend that the allocation be reduced by \$233,228 and that the Board give this project high consideration for inclusion the 2006-08 Capital plan, subject to the Society's fundraising campaign showing significant progress.

Funding

If Council approves the additional \$102,742 in DCL funds required for the child development centre, and the Board approves the recommendations contained in this report, the sources and allocation of funding will be as follows:

Sources and Allocation of Funding		
Funding Source	Community Centre	Child Dev't Centre
Park Board capital	\$453,862	
CHCA funding	\$85,000	
City CAC	\$466,772	
City DCL for child development centre		\$445,000
Additional City DCL funding if approved by Council		\$102,742
Grant from the Ministry of Community, Aboriginal and Women's Services, Child Care Branch		\$113,624
Total	\$1,005,634	\$661,366
Grand Total:	\$1,667,000	

Project Budget

If the requested additional funding is approved, the project budget will break down as follows:

Consultants	\$251,350
Permits, Fees and Miscellaneous	\$39,650
Construction	\$1,167,000
Construction Contingency	\$120,000
Equipment and Furnishings	\$44,000
Staff Time	\$45,000
TOTAL	\$1,667,000

Should a portion of the budget for construction contingency be unspent after all required work is complete, the remaining funds will be returned to the funding partners in proportion to their respective funding.

SUMMARY

Council and the Board have approved the allocation of CAC, DCL and Park Board capital funding to design and construct an addition of recreation space and a new child development centre. Council and the Board are requested to allocate additional funding to permit the construction of the childcare as originally programmed, and of a reduced size community centre addition.

The architect for the project , Acton Ostry Architects Inc., has reviewed the tender submitted by Westpro Constructors Group Ltd. and recommends acceptance.

The Champlain Heights Community Association has agreed to operate the child development centre, and a memorandum of understanding regarding the operation of the child care centre will be negotiated between the City, Park Board, and Association.

Prepared by:

Planning and Operations
Board of Parks & Recreation
Vancouver, B.C.
JM/vs