

Date: Dec. 3, 1999

SUBJECT: T99-10 Kensington Community Centre Renovations

RECOMMENDATION

A) THAT the Board award the contract for the renovations to Kensington Community Centre (Tender 99-10) to Zagreb Construction

Ltd.

B) 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.

POLICY

The Board approves all contracts for projects over \$ 200,000.

BACKGROUND

Planning Division staff have been working on this project with a building committee made up of members of the Kensington Community Association, recreation and planning staff members and the architects, David Rodgers Architect. The design was approved by the Board on

April 12, 1999. The design has also been approved by the building committee, and includes:

- an addition of 440 m², which includes a new reception counter, a new pool lounge, three multipurpose rooms, an Association office, and a new elevator .
 - sprinkler system in the new addition.

DISCUSSION

Tenders for this project were publicly advertised and were closed on November 25, 1999 at 3:00 PM. Six bids were received, as follows:

Bidder

Base Bid

1 Zagreb Construction Ltd.	\$ 1,036,000
2 Wood Projects Ltd.	\$ 1,062,631
3 Danwood Construction Ltd.	\$ 1,100,606
4 Seaquest Management Ltd.	\$ 1,125,000
5 TMG Contracting Ltd.	\$ 1,126,222
6 Bynett Construction Ltd.	\$ 1,151,830

The tender required the submission of ten alternate prices, some as credits, some as extras.

Staff recommend the inclusion of \$ 59,400 for upgrading the existing building fire alarm system, emergency and exit lights, and the deletion of \$ 5,000 worth of landscape elements, for a total price of \$ 1,090,400. The

second lowest bidder, Wood Projects Ltd., remains second lowest, with the inclusion of the alternate prices identified above.

Five of the firms that bid on the project are open shops, ie: they may employ union or non-union trades. One of the bidders, Danwood Construction Ltd., is a union shop.

Architect's Recommendation

The architect, David Rodgers Architect, recommends that the bid from *Zagreb Construction Ltd.* be accepted. The architect's recommendation is based on their review of the tenders and of the information and references provided by the bidders.

Law Department Review

The contents of this report have been discussed with staff of the Law Department and they concur with its recommendation.

Project Funding

The approved project budget was \$1,200,000. The revised project budget is now as follows:

Equipment and furniture	\$ 30,000
Consultant's fees	\$ 120,000
Construction	\$1,090,400
Staff time and misc. costs	\$ 32,000
Misc. Ads, Permits & Testing	\$ 30,000
Construction Contingency 8%	\$ 86,000
	\$1,388,400

Subtracting the original budget of \$ 1,200,000 from the proposed budget \$ 1,388,400 leaves a budget overrun of \$ 188,400.

Prior to receiving bids for the project, the Kensington Community Centre Association offered an additional \$62,000 towards the construction of the addition. Further to this amount, the Association has offered to raise an additional \$ 42,000 towards the purchase of furnishings and other project costs for the addition. Future NNR's, if required, will be allocated to cover any additional money required to furnish the new addition to compensate for any of the \$42,000 that the Association cannot raise.

In addition to this amount, \$59,400 will be transferred from the 1999 and 2000 Operations budgets to cover the cost of upgrading the existing fire alarm, and \$25,000 will be transferred from the 1999 General Facility Improvement account to fund the remaining budget shortfall.

To summarize, the overrun of \$ 188,400 will be made up as follows:

Association Term Deposits:	\$ 62,000
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Association fund raising/ NNR in 2000/2001	\$ 42,000
1999 General Facility Improvements Account Transfer	\$ 25,000
1999/2000 Operations Funds Transfer	<u>\$ 59,400</u>
Total	\$ 188,400

Proposed revised contribution sources are as follows:

Infrastructure Grant received by Association	\$ 304,296
Association Funds on hand	\$ 257,704
Association Fund Raising/ NNR	\$ 42,000
Park Board Capital Budget	\$ 25,000
Park Board Operating Budget	<u>\$ 59,400</u>
Total Funds	\$ 1,388,400

SUMMARY

Zagreb Construction Ltd. submitted the lowest qualified bid for the project. The budget, including additional contribution from the Kensington Community Centre Association, contains sufficient funds for the contract price of \$ 1,090,400 plus any additional costs that may arise due to change orders.

Prepared by:

Planning and Operations Division

Board of Parks & Recreation

Vancouver, BC

JMS/vs