



Date: July 15, 2004

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: Killarney Community Swimming Pool

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations D, E and F, the Board authorize the General Manager to execute a contract with Smith Bros. and Wilson (B.C.) Ltd. for the construction of the new Killarney Community Swimming Pool at a price not to exceed \$9,226,709, not including GST, with funding to be derived from the sources as described in this report, and subject to City Council's approving the establishment of a Park Board cost escalation fund.**
- B. THAT the Board approve additional funding for the project as detailed in this report.**
- C. THAT the Board gratefully accept a donation of \$450,000 toward construction of the Killarney Community Swimming Pool from the Killarney Community Centre Society.**
- D. THAT all legal documentation be in a form which is satisfactory to the Director of Legal Services and the General Manager.**
- E. THAT no legal rights or obligations shall arise hereby, and none shall arise or be granted hereafter unless and until all contemplated legal documentation has been executed and delivered by all parties.**
- F. THAT the Board exercise its option to reject all tenders submitted in response to Invitation to Tender T2004-10, and that the General Manager be authorized to formally notify each of the bidders that their respective bids have been rejected, both as of right and as being in excess of the Board's budget for this project.**

POLICY

Contracts over \$300,000 must be awarded by the Board

BACKGROUND

In March of 2002, the Board endorsed the objectives for aquatic renewal as described in the Aquatic Services Review. The Review recommended that the Board rebuild the ageing indoor aquatic facilities by carrying out replacement or renovation of the existing indoor pools. When complete, the renewed aquatics infrastructure will include:

- One large-scale, destination, “city-wide” pool oriented to family recreation and leisure;
- Two “community pools”, providing specialized features such as therapy, longer length or outdoor swimming;
- Four “neighbourhood pools”, modernized versions of existing local indoor pools.

At its meeting of April 7, 2003, the Board appointed Roger Hughes and Partners Architects (the “Consultant”) to provide architectural and engineering services for the new Killarney Community Pool, which includes not only a replacement of the existing tank, but for the first time in Vancouver a major leisure pool.

The Consultant developed the design program and schematic design for the new pool, working with a building committee representing the Killarney Community Centre Society, Killarney Secondary School and staff from Planning and Operations, East Vancouver District, Aquatics, and Killarney Community Centre.

At its meeting of January 12, 2004, the Board reviewed the schematic design for the new pool. The Board was advised that although the proposed pool met the Aquatic Services Review goals, rising costs had created a challenge to complete all desired elements of the project, and that some elements might have to be phased in at a future time. The Board was also informed that the design would endeavour to achieve the objective of reducing water use, energy use, operating cost and negative impact on the environment. The Board approved the schematic design as presented.

At its April 19, 2004 meeting, the Board endorsed a report to Council recommending the funding of escalation costs for selected projects. Council subsequently approved supplementary funding for a number of projects, including \$825,000 for Killarney Community Pool, in the anticipation that the additional funding would allow the inclusion of a number of elements that had been relegated to optional status due in part to the effects of cost escalation. They include a slide, ozone water treatment, high efficiency boiler, a multi-purpose room and interior acoustic treatment.

With the additional \$825,000 in funding, the total project budget was increased to \$9,725,000.

After allowing for non-construction costs such as consulting fees, testing and construction contingency, a construction budget of \$8,230,000 was established.

DISCUSSION

After a request for pre-qualification was publicly advertised, six general contracting firms were pre-qualified to bid on this project, of whom five submitted tenders on June 22, 2004, as follows:

Bidder	Base Bid	Duration	Union/Open Shop
Smith Bros. & Wilson (B.C.) Ltd.	\$ 9,065,500	54 weeks	Union
D.G.S. Construction Company Ltd.	\$ 9,300,000	72 weeks	Open Shop
Westpro Constructors Group Ltd.	\$ 9,612,000	65 weeks	Open Shop
Bird Construction Company	\$ 9,863,000	62 weeks	Open Shop
Dominion Fairmile Construction Ltd.	\$10,068,000	58 weeks	Open Shop

In addition to quoting a base bid, bidders submitted several separate prices for the optional addition or deletion of certain works. Separate price items that may, if desired, be added include a water slide and ozone water treatment equipment; separate price items that may, if desired, be deleted include an air to air heat recovery unit and a high efficiency boiler.

Including the cost of all separately priced items which were expressed as desired in the project scope, the total bid of the lowest bidder, Smith Bros. and Wilson (B.C.) Ltd., is **\$9,385,516**. This exceeds the construction budget of \$8,230,000 by **\$1,155,516**.

As advised by the Director of Legal Services, all bids must be rejected as being in excess of the construction budget. However, the Consultant has recommended negotiating scope reductions with the lowest bidder, Smith Bros. and Wilson (B.C.) Ltd., so as to bring the project cost in line with the budget, once supplementary funding has been taken into account.

Consequently, Park Board staff and the Consultant have negotiated a reduction of **\$158,807** in the price of Smith Bros. and Wilson (B.C.) Ltd. by making certain changes and minor scope reductions.

The three changes offering the largest credits are:

- Changing the type of steel pipe used for piles
- Reducing the acoustic panel area by 33%
- Specifying an alternate supplier of coloured laminated glass panels for change rooms

The Consultant states that the credits offered in exchange for the scope changes are fair and

reasonable, and recommends their acceptance.

The Killarney Community Centre Society has generously offered to donate a total of \$450,000 to the project, an amount that will effectively fund the construction/supply of the water slide, the ozone treatment equipment, and the multi-purpose room. The Society has requested, and staff recommend approval that, should any funds remain at the end of construction, they be spent on furniture, equipment and any items deleted from the project.

In a separate companion report to be considered at the same meeting, staff are recommending that the Board request Council to set up a cost escalation fund for the Park Board. If approved, this fund will provide an additional \$550,000 for the Killarney Community Pool project.

Combining the additional funding of \$1,000,000 with the value of scope reductions of \$158,807 addresses the \$1,155,516 shortfall referred to earlier in the report. The infusion of additional funding has helped ensure that environmentally friendly elements of the project could be retained. The project as approved will include:

- High efficiency boiler
- High efficiency, low maintenance, heat recovery equipment for pool exhaust air
- Low water-use fixtures throughout
- Recycling of construction waste
- Reflective roofing to minimize heat island effect
- High levels of wall and ceiling insulation
- Ozone system, thereby reducing amount of chlorine required to treat pool water
- Operable windows and overhead doors for natural ventilation

Accordingly, it is recommended that a contract be finalized with Smith Bros. & Wilson (B.C.) Ltd., to include the water slide and ozone treatment equipment, as well as the selected reductions in the scope of work. The contract amount will be **\$9,226,709**.

Funding

Incorporating the additional funding as noted above alters the project funding as follows:

• Park Board capital (existing)	\$ 9,725,000
• Park Board capital (additional)	550,000
• Killarney Community Centre Society (donation)	450,000
Total	\$10,725,000

The revised budget, including the proposed additional funding, breaks down as follows:

• Consultants	\$ 787,000
• Construction	9,226,709
• Permits, DCLs, Testing etc.	298,462
• Project contingency	412,829
Total	\$10,725,000

SUMMARY

The Consultant recommends acceptance of the revised contract offer from Smith Bros. and Wilson (B.C.) Ltd., which, in combination with additional funding, provides scope of work cuts to bring the construction cost in line with the budget. Through a combination of additional capital funding approved by City Council, a major donation from the Killarney Community Centre Society, and selective adjustments to the scope of work, staff are able to recommend the authorization of a contract for the construction of the new Killarney Community Pool, and to do so without compromising the principles of environmental responsibility that have guided the design.

Prepared by:

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RR/vs