

Date: October 20, 2005



TO: Board Members – Parks and Recreation
FROM: General Manager – Parks and Recreation
**SUBJECT: SUNSET COMMUNITY CENTRE
AWARD OF CONTRACT**

RECOMMENDATION:

A. THAT the Board award a construction contract to Haebler Construction Ltd. for up to \$9,562,000;

B. THAT no legal rights shall arise hereby and none shall arise until the execution of the contemplated contracts. The Board may rescind this resolution at any time up to the execution of the contemplated contracts;

C. THAT sources of funding for the construction contract be as follows:

• <i>Sunset Account</i>	<i>\$3,092,000</i>
• <i>Federal Provincial Infrastructure Grant</i>	<i>\$4,000,000</i>
• <i>Sunset Community Centre Association Contribution</i>	<i>\$900,000</i>
• <i>Transfer from land acquisition account to Sunset account</i>	<i>\$600,000</i>
• <i>Transfer from Sewage & Utility account to Sunset account</i>	<i>\$80,500</i>
• <i>Transfer from Cathedral Square account to Sunset account</i>	<i>\$29,500</i>
• <i>Transfer from VanDusen Heating account to Sunset account</i>	<i>\$60,000</i>

D. THAT the Memorandum of Understanding between the Sunset Community Centre Association and the Vancouver Park Board, as outlined in this report, be approved in principle with details to be completed to the satisfaction of the General Manager;

E. That the Board gratefully acknowledges the Sunset Community Association contributions of \$900,000 towards the realization of this project.

POLICY

The Board awards construction contracts over \$300,000.

BACKGROUND

The Board approved the design for the new Sunset Community Centre on November 1, 2004. At that time the Board also acknowledged the Sunset Community Centre Associations' contribution of \$500,000 to this project.

The Board was advised that, after a competitive process, a construction manager would be retained who would work with the Architect to undertake value engineering of the design. The construction manager was also contracted to solicit trade bids from a variety of subtrades. Upon the receipt of satisfactory trade bids, with the construction budget of \$8.5 million, the construction manager's role would convert to that of general contractor with a stipulated sum contract. The subtrade bids came in on July 13, 2005, with a total of \$11.3 million or \$2.8 million over the construction budget. Since that time, staff and consultants have looked for a solution that reduces the construction costs and permits realization of a slightly modified design. Even with a number of proposed changes, additional funding is required.

DISCUSSION

Current Status

The past few months have presented a challenge to the architect, construction manager, Community Association and staff to revise the design and identify additional funding to realize this important infrastructure renewal project.

The architect and the construction manager have made significant changes to the detailing and finishing of the project as well as a modest reduction in floor space. The concept of the original design is preserved with a slightly lesser square footage – 29,294 sq. ft. The arts and crafts rooms, the multipurpose room, gymnasium storage, lobby, and corridors all have been reduced in size, but the building is still close to its original proposed size of 30,000 square feet. Further changes affect the extent of glazing, ceiling treatment, the reflecting pond and numerous other design and finishing details. The treatment of the ceilings has yet to be finalized. A number of options have been reviewed and priced but staff believe that a more cost effective solution needs to be identified. The change order process can be used to affect these further changes during the construction period. Should additional funding be required, the project contingency and reductions in other aspects of the contemplated work could be used. Some of these changes may involve the number of LEED points, but staff will continue to work to maintain the LEED gold level.

The Community Association was apprised that the bid was over the budget in July, 2005 and subsequently on October 6, 2005 of the design changes. At their October meeting the Association committed a further \$400,000 to the project.

The development of the Sunset Community Centre at its new location on Main Street converts a significant portion of the nursery into publicly accessible park space. Excluding the building footprint, parking and direct building access, some 1.2 acres of park space is being developed in conjunction with the centre development. Park development is an eligible Development Cost

Levy (DCL) expense and the proposal is to transfer \$600,000 from the \$2.2 million unallocated DCL funds in the land acquisition account. This transfer is not likely to affect any short or medium term potential land purchases in the future, since the Park Board share of the Citywide DCL stands at \$21.0 million, of which \$14.75 million is allocated for the 2006-08 capital leaving an unallocated balance of \$6.0 million.

Aside from the land account transfer, a number of budget transfers are recommended to make up the additional \$170,000 of Park Board funding. In the case of Cathedral Square, the original project has been completed, and in the other cases the projects can be deferred until the 2006-08 Capital Plan is approved. With the additional \$1,370,000, the project funding and budget are as follows:

Funding:	
Park Board	6,770,000
Federal Provincial Infrastructure Grant	4,000,000
Sunset Association Contribution	900,000
Total	\$11,670,000
 Cost:	
Consultants	1,100,000
Construction	9,562,000
Contingency	670,000
Permits, Fees, etc.	338,000
Total	\$11,670,000

Memorandum of Understanding

The Association and staff have come to an agreement in principle on the amount and payment schedule for \$900,000 donation. The highlights are listed below:

- Payment of original contribution (\$500,000) to be in three instalments: at construction commencement, 50% completion, and 100% completion of project.
- Payment of additional contribution (\$400,000) to be within 120 days after the new centre opens for business.
- Remaining project fund (if any) to be split 50-50 between Park Board and Association.

The latter provision reflects the Association’s efforts in securing a \$4 million Federal/Provincial Grant at a level which is \$2 million over the regular program limit.

Upon the Board’s approval of the recommendations in this report the agreement will be finalized and executed.

SUMMARY

This report awards a stipulated sum contract at a cost of \$9,562,000 to build the new Sunset Community Centre.

Prepared by:
Planning and Operations
Board of Parks & Recreation
Vancouver, BC
PR