



March 1, 2018

TO: Park Board Chair and Commissioners
FROM: General Manager – Vancouver Board of Parks and Recreation
SUBJECT: Langara Golf Course Drainage Improvement Project – Construction Contract

RECOMMENDATION

- A. THAT the Vancouver Park Board enter into a contract with NMP Golf Construction Inc., for drainage upgrades to Langara Golf Course, with an estimated contract value of \$3,074,590.75 plus applicable taxes to be funded through the Park Board Green Fund (“Golf Reserve”, the “Reserve”) as approved in the 2018 Capital Budget;
- B. FURTHER THAT the Director of Legal Services, Chief Purchasing Official, and Park Board General Manager be authorized to execute on behalf of the Park Board the contract contemplated by Recommendation A; and
- C. FURTHER THAT a request be made of Council to approve a budget adjustment increase of \$600,000 to the Multi-Year Capital Project Budget “Golf Course Improvements”, to be funded from the Golf Reserve to address costs associated with this project and as described in this report; and
- D. THAT no legal rights or obligations will be created by the Park Board’s adoption of Recommendations A and B above, until the contract is executed by the authorized signatories of the City and Park Board as set out in these Recommendations.

REPORT SUMMARY

An Invitation to Tender (ITT – PS20172495) was issued in December 2017 for the installation of extensive drainage improvements at the fairways and roughs of all eighteen holes of Langara Golf Course. The ITT was advertised on the City of Vancouver website and on BC Bid, and the work was called in accordance with the terms and condition of the City’s [Procurement Policy AF-015-01](#). The ITT evaluation committee and subsequently the Bid Committee have considered the responses received, and on that basis recommend that the Park Board enter into a contract as described above with NMP Golf Construction Inc. The contract will be presented to City Council for approval on March 13, 2018.

BOARD AUTHORITY / PREVIOUS DECISIONS

As per the [Vancouver Charter](#), the Park Board has exclusive jurisdiction and control over park land use in the City of Vancouver, including any structures, programs and activities, fees, and improvements that occur within designated parks.

The City’s Procurement Policy requires that contracts with values greater than \$2,000,000 must be approved by the Park Board and City Council, with Bid Committee and Chief Purchasing Official concurrence.

BACKGROUND

Langara Golf Course, a traditional-style course located on the south slope of Vancouver, is owned and operated by the Vancouver Board of Parks and Recreation. The course was built in 1926 by the Canadian Pacific Railway (CPR) company under the supervision of the renowned golf course architect Vernon Macan and is the oldest public golf course in British Columbia. The Park Board purchased the golf course from CPR in 1973. The course has undergone renovations of varying scales over the years with the most significant involving a redesign by Canadian architect Thomas McBroom in 1994.

Construction of a new clubhouse and pro-shop, as well as a course renovation, were all completed in the late 1990s. Accounts of the course renovation indicate that the design consultant recommended that the upper layers of the existing subgrade be removed and replaced with a sand based soil. However, due to budget constraints, the decision was made to screen and reuse the existing soil instead of replacing it with imported material as recommended. Within a few years, drainage issues began to appear. Langara has since earned the reputation of being one of the most unplayable golf courses in the winter months in the Lower Mainland. An annual drop in rounds during the shoulder and winter seasons indicates many golfers choose to play other golf courses during the wetter portions of the year. Conversely, Langara is one of the busiest public courses in BC during the dry months of June through September. Rounds in July and August of 2017 were the highest in the last 5 years since a peak in 2013. With the clubhouse located within 500 meters of the Langara-49th Avenue Station on the Canada Line (Skytrain), Langara is the only Park Board golf course that is readily accessible by public transit.

Langara hosts golfers from all over the Lower Mainland. A large demographic of golfers are new Canadians and the course is a welcoming environment where all languages are spoken. Signage and communication is provided in Chinese, Cantonese, and Korean to make all guests feel welcome on the property. The challenge offered by the large rolling greens and narrow fairways, combined with the easy walkability of the course makes it very appealing to players of all levels and ages, with women and youth well represented.

The clubhouse is a community hub and hosts more than 100 events a year, many of which are non-golf related community events including celebrations of life, weddings, seniors social outings, community political events, and pub/game nights for the students at Langara College. The clubhouse is used frequently as a gathering place for the neighbouring community and is a favorite for avid walkers and joggers that use the golf course 2.7km perimeter walking path for their daily exercise.

The golf course itself is a diverse natural area and is certified by the Audubon Cooperative Sanctuary program. The property is host to over 100 species of birds and healthy communities of small animals including coyotes, skunks, racoons, and rabbits. As well, the course hosts a thriving bat colony that controls the insect population on the course and surrounding neighbourhood. The 2 large ponds on the property provide an urban sanctuary for many species of waterfowl.

The 120 acre parcel has been an important contributor to the Greenest Cities Action Plan by housing over 3000 newly planted trees, which include various bird friendly species, an apple orchard, and a bee pollinator garden. Fresh vegetables are grown in the onsite garden and served in the clubhouse restaurant.

Golf is the highest gross revenue producer in the Park Board's Commercial Operations portfolio, with an annual total of \$10.0M in 2017. Langara's gross revenues accounted for 25% of this total.

DISCUSSION

In May of 2001, the Park Board approved the creation of the Golf Reserve Fund to ensure that sufficient funds are available in the future for any golf related capital projects including: building and structural maintenance, course improvements to facilitate play, and clubhouse improvements to enhance customer service. An annual contribution total was established at that time and the fund was administrated by the GM of the Park Board. In 2006, Global Golf Advisors were hired to develop a golf marketing plan. The plan recommended that the contribution to the Reserve be increased to accommodate the capital projects that would be required in the future. The drainage issues at Langara were identified at this time as one of the high priority future projects to receive funding from the Reserve.

As of December 31, 2017, the balance of the fund is in excess of \$5M. It is intended that the full cost of the Langara drainage remediation will be drawn from the Golf Reserve, in keeping with the Reserve's original intent to provide funding for golf course improvements. At the end of the project the Golf Reserve will carry a balance of over \$1M and, as long as the budgeted annual contributions to the Reserve continue, there will be sufficient funding for the work anticipated to be undertaken during the next 5–10 years of the golf capital plan.

The scope of work for this project includes the installation of a system of parallel slit trench drainage pipes, swale collector drainage pipes, and surface inlets installed in long swales, at intersections of swales and in low wet areas of the golf course. The installation of the slit trench drainage requires specialized equipment and very few firms in Canada have the equipment, experience, and expertise necessary to complete the work. This type of drainage is commonly installed to improve drainage conditions at existing courses as it can be implemented with minimal disturbance and has a relatively short recovery period.

The proposed construction window is between April 1, 2018 and October 31, 2018, with an optional window between April 1, 2019 and June 30, 2019, should unforeseen events such as unsuitable weather conditions prevent completion in 2018. The intent is to provide nine playable holes at all times during construction. Achievement of this goal will require careful planning and very high levels of coordination between the construction project and day-to-day operations.

The purpose of the ITT was to identify suppliers with a demonstrated capability to provide construction services over the term of the contract, with competitive pricing and ability to meet the Park Board's service requirements.

STRATEGIC ANALYSIS

The ITT was issued in the accordance with the Park Board's Procurement Policy. Bids were received from Western Watershed Designs Inc. (\$2,928,133.80), NMP Golf Construction Inc. (\$3,074,590.75), and Wilco Civil Inc. (\$5,617,917.00). The tenders were evaluated based on compliance to tender requirements and prices offered. Compliance checks and evaluations were conducted by Supply Chain Management, and the project team (includes Business Unit team and Consultant team) reviewed the bids. The recommended tenderer submitted the second lowest-priced compliant tender.

The lowest-priced tender was submitted by Western Watershed Design Inc. (WWDI), but the tender was rejected for not meeting the qualifications outlined in Schedule D of the ITT. Based on the information provided in their submission, the company has not completed any golf course drainage projects of a similar type or scale in the last 10 years. The two golf course projects that may have been completed by WWDI occurred in 1997 and 2001, well outside the ten year window outlined in the requirements of ITT. Legal Services reviewed the ITT and the submission from the lowest-priced tender and concurs with the disqualification.

FINANCIAL IMPLICATIONS

The reduction to a nine-hole course during construction will have an impact on Langara's revenues for the year 2018. The 2018 budget for the course's revenues is \$1.9 million from green fees, with a further \$0.5 million of ancillary revenues associated with the clubhouse operation (food, beverage, etc.) for a total revenue budget of approximately \$2.4 million. The impact of the closure has been estimated by staff at approximately \$1.7 million. Park Board staff have estimated the impact on future revenues resulting from the improved course drainage at approximately \$0.4 million increase annually; this represents a roughly 4 year payback period to recover the foregone revenues during construction.

Financial Planning & Analysis (FP&A) has reviewed the cost of the goods and/or services and concurs that the funds are available from the Golf Reserve Fund as of December 31, 2017.

In addition to the costs associated with this contract award, other associated project costs will be incurred by the Park Board. Oversight for the project will be contracted out to Kelly Ami Inc. as specified by the original design contract. The cost of providing this contract management is quoted at \$266,000. In addition, the Park Board will incur costs associated with bringing the newly drained areas back to regular course condition, such as reseeded, watering, and other maintenance activities. The estimated cost of this work is \$244,000. A budget adjustment to increase the overall Multi-Year Project Budget for "Golf Course Improvements" is required in order to fund these additional costs. The adjustment will be funded by the Golf Reserve.

LEGAL

The City's Procurement Policy requires that all contracts will be on terms and conditions approved by the Director of Legal Services, with any material deviation from the approved terms and conditions of any document requiring the prior approval of the Director of Legal Services.

CONCLUSION

Staff recommend that the Vancouver Park Board enter into a contract with NMP Golf Construction Inc. for the construction of drainage improvements at Langara Golf Course as described in this report and as set out in the ITT – PS20172549 documents. The project will ensure this central, accessible, and revenue producing facility is playable and will continue to provide a high quality golf experience for many years to come.

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