

RE: EDMONDS HOUSE FIRE RECONSTRUCTION

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendations of the Director Recreation & Cultural Services be adopted.

* * * * *

TO : MUNICIPAL MANAGER
FROM: DIRECTOR RECREATION & CULTURAL SERVICES
RE : EDMONDS HOUSE FIRE RECONSTRUCTION

1983 APRIL 14

RECOMMENDATIONS:

1. THAT as directed by the Insurance Company Municipal Council authorize the execution of a contract between the Corporation of the District of Burnaby as the owner of the facility and Art's & G. Contracting Ltd. in the amount of \$274,400 for the reconstruction and modification of Edmonds House.
2. THAT Municipal Council authorize the expenditure of the Parks & Recreation Commission's portion of this contract from its 1983 Capital Budget in the estimated amount of \$19,500 prior to approval of the 1983 Annual Budget.

REPORT

SUMMARY

The Insurance Adjusters have now called tenders and received bids for the reconstruction of fire damage and modifications to Edmonds House. They have advised the Corporation that their selected contractor is Art's & G. Contracting Ltd. and requested the Corporation to sign the appropriate contract with that Company.

REPORT

At its meeting of 1983 April 06 the Parks & Recreation Commission received and tabled a report on the above subject pending receipt of further information.

At a special meeting held on 1983 April 13 the Commission received that additional information, raised the original report from the table and approved motions recommending that Council enter into the appropriate contract with the company selected by the Insurance Adjusters.

The additional information requested by the Commission, concerned the fact that following receipt of bids the Adjusters had negotiated a final price with Art's & G. Contracting Ltd. Following receipt of this information the Commission was satisfied that the Corporation should proceed as recommended.

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The building will be put back in the same condition as pre-fire at no cost to the Corporation. In addition the Corporation will receive its proposed modifications including the new kitchen and new office and reception area, by-law improvement work and the full monitored intruder alarm system at an additional cost of \$19,239.40. Funds are available in the Commission's 1983 Capital Budget for this purpose. Approval to spend these funds prior to the approval of the 1983 Annual Budget is required from Municipal Council.

Attached for the information of Municipal Council are the following self-explanatory documents:

- Attachment #1 : Memorandum from the Municipal Manager dated 1983 April 13 containing information requested by the Commission
- Attachment #2 : Letter from the Insurance Adjusters dated 1983 April 13
- Attachment #3 : Letter from the Insurance Adjusters dated 1983 April 05
- Attachment #4 : Summary of the bids received by the Adjusters

DENNIS GAUNT
DIRECTOR RECREATION &
CULTURAL SERVICES

DG:ps

Attach.

cc: Project Coordination Committee
- Mr. E.E. Olson
- Mr. A.L. Parr
- Mr. M.J. Jones
Municipal Solicitor





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ATTACHMENT #1

DIRECTOR RECREATION AND
TO: CULTURAL SERVICES

INTER-OFFICE COMMUNICATION

DATE: 1983 April 13

FROM: MUNICIPAL MANAGER

DEPARTMENT:

OUR FILE # 4-5-70-1

SUBJECT: RECONSTRUCTION OF BURNED OUT EDMONDS HOUSE

YOUR FILE #

When the Parks and Recreation Commission at its meeting of 1983 April 06 considered your report item # 11, Director's Report No. 8 regarding the above, direction was given by the Commission that you obtain my opinion on your recommendation. *

I have quickly reviewed the file on this subject in order to present my opinion in time for the special meeting of the Commission to be held on April 13.

I have also discussed with Mr. Henry Sienema of Fisher-Holfeld and Associates Adjusters Ltd., the content of his letter of 1983 April 05 to Mr. F. Mehling, Assistant Building Inspector on this subject. As a result of my discussion with Mr. Sienema, he has written the attached letter dated April 13, which clearly outlines the role of the owner and of the insurer in this particular matter.

My comments therefore are as follows:

1. The tenders for the fire repair and renovation work were called for by the consultants who worked under the direction of the insurer, guided by District of Burnaby staff only on the actual alterations requested by Burnaby.
2. The tenders were received and evaluated by the insurer.
3. The Corporation was not a party to any arrangements between the lowest bidder and the insurer.
4. The financial accountability and the accountability for selecting the contractor is entirely with the Insurance Company, and not at the discretion of the District of Burnaby. The report to you by the Project Coordination Committee dated 1983 April 05 should be read in that light.
5. The Insurance Company will be supervising the reconstruction work to ensure that the work is performed in accordance with the contract documents.
6. The District is the owner of the building, and since the repairs are to be done for us, it is proper that the District of Burnaby sign the contract with the contractor, and it is only for that reason that the District is involved in the contract. We, of course, are required to pay the additional cost for the alterations that we requested, calculated to be \$19,239.40, which is within our budget of \$86,114.00 for these alterations.

In conclusion, I would concur in the recommendations that you have made in your report item #11, except that I would recommend that only recommendation #1 be modified to read as follows:

* NOTE:

The Director Recreation & Cultural Services' recommendation was as follows:

"THAT the Commission authorize the execution of a contract between the Corporation of the District of Burnaby and Art's & G. Contracting Ltd. in the amount of \$274,400 for the reconstruction and modification of Edmonds House."

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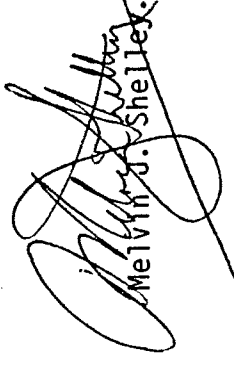
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That as directed by the Insurance Company, the Commission authorize the execution of a contract between the Corporation of the District of Burnaby as the owner of the facility, and Art's and G. Contracting Limited in the amount of \$274,400 for the reconstruction and modification of Edmonds House.

The Insurance Company is obligated by virtue of our insurance policy to replace the building as it was prior to the fire, and therefore we are only technically involved in signing the contract to allow the insurer to fulfill its responsibility. We are not participants in the selection process of the lowest bidder meeting the specifications.



Melvin J. Shellex

cc: Project Coordination Committee

- Mr. E.E. Olson
- Mr. A.L. Parr
- Mr. M.J. Jones

Municipal Solicitor

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ATTACHMENT #2

Fisher-Holfeld and Associates, Adjusters Ltd.

Partners A.L.B. Machan
G.E. Holfeld

April 13th, 1983.

Our File No. V8290-HS

The Corporation of the District of Burnaby,
4949 Canada Way,
Burnaby, B.C.

Attention: Mr. M. J. Shelley,
Municipal Manager

Dear Sirs:

Re: Fire at Edmonds House, Burnaby, B.C.

You will recall that we are Insurance Adjusters representing your Insurers, Zurich Insurance Company, Allstate Insurance Company, and the Insurance Corporation of British Columbia.

Following losses sustained to Edmonds House Elder Citizens' Recreation Centre in December of 1982, we have been dealing with your Project Co-ordination Committee, most specifically Mr. Michael Jones, Building Inspector. We had explained to your Committee that our objective following damages to the structure would be to evaluate and determine the value of losses incurred. We proposed to engage consultant engineers to develop specifications and thereafter we would call for selective tender prices based upon the repair specifications.

Coincident with the fire restoration to be undertaken by the Insurers on your behalf, some modifications to the building were requested to be considered by the User Department, Parks & Recreation. Our consultants prepared specifications for these modifications at the request of your Committee and competitive quotations were also segregated on the tender form from the insurance repairs to be undertaken.

In accordance with our normal practice in the course of an adjustment of insurance losses, tenders for the fire repairs were received by us in our offices. The tenders were examined in conjunction with your Mr. Constable of the Purchasing Department, and Messrs. Jones and Mehling of the Building Department, and Mr. Wray Jones of the Parks Department.

The most competitive quotation was received from Art's & G. Contracting Ltd. Unfortunately, the quotation of Art's & G. was in error as submitted. On March 30th, 1983 the writer was advised of an error in the tender price by Mr. Art Bettiol of Art's & G.

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Ste. 350 · 885 Dunsmuir Street, Vancouver, British Columbia V6C 1N5 Telephone: (604) 669-4614 Telex: 04-508684

Partners: V.T. Fisher, H.N. Spence, J.B. Dalgleish, G.J. Hogan, G.E. Holfeld, A.L.B. Machan, D.J.A. Clark
Offices: Vancouver, Surrey, Langley, Abbotsford, Hanesy, Chilliwack, Hope

ALB
G.E.H.

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On the basis of discussions with our principals the Insurance Companies, and in accordance with normal insurance practice, we thereafter negotiated an increase to Art's & G. quotation and instructed the contractor that we, on behalf of the Insurance Companies, would accept the amended quotation for repairs. Our objective here was to achieve an equitable and economical settlement of this matter for our principals.

Early in our meetings with your Committee we had instructed the Committee to the effect that upon receipt of quotations, a selection of a contractor would be made by us for the purpose of conducting the repairs to the building. We further instructed the Committee that the selection of the contractor would in effect be the prerogative of the Insurance Companies inasmuch as the account for the repairs would be the responsibility of those Insurers. As the representatives of the Insurers, we, as Insurance Adjusters, would be responsible for the selection of the contractor and receipt of the competitive tenders.

We further instructed the Committee however that we would require the Corporation, only as legal owner of the property, to enter into a contract with the contractor selected by us for the purpose of the repairs. Our consultant would be retained to supervise repairs throughout the period of restoration on behalf of the Insurance Companies.

We would ask, based upon instructions in our letter of April 5th, 1983 to your Mr. Frank Mehling, which letter outlined the quantitative aspects of this matter, that the Corporation complete the contract with Art's & G. in order that repairs may be commenced at the earliest opportunity.

We look forward to receipt of a copy of the completed contract documents in our offices.

Yours very truly,

FISHER-HOLFELD & ASSOCIATES

H. Sienema, M.A., A.I.I.C.

HS/bm

FH Fisher-Holfeld and Associates, Adjusters Ltd.

Partners *A.L.B. Machan*
G.E. Holfeld

April 5th, 1983.

Our File No. V8290-HS

Mr. F. Mehling, P. Eng.,
Assistant Building Inspector,
Corporation of the District of Burnaby,
4949 Canada Way,
Burnaby, B.C.

Dear Mr. Mehling:

Re: Edmonds House, Burnaby, B.C.

Further to the writer's conversations with both yourself and Mr. M. Jones of your office on March 31st and April 5th, 1983, we are pleased to advise that we have been able to negotiate a compromise with Art's & G. Contracting Ltd. in respect of the error which was discovered in their tender.

You will recall that the basic bid price received from Art's & G. was in the amount of \$211,431.00. On March 30th, 1983 the contractor advised that he had discovered an error of \$30,125.00 in his quotation. Recognizing that Interland Contractors Ltd. was the next most competitive quotation received at \$254,819.00, we sought to negotiate a compromise with Art's & G. for their contract in order to avoid delays and litigation with respect to the bid bond.

We calculated that allowing to Art's & G., their error would result in a bid price of \$241,556.00. Subtracting this from the bid price of Interland there was a difference of \$13,263.00 to the next most competitive bid. This amount was allowed to Art's & G. as an addition to their base price and was accepted.

We are therefore pleased to recommend to the Corporation that Art's & G. Contracting Ltd. be awarded the tender as follows:

BASE	-	\$ 211,431.00
PLUS ADDITION	-	\$ 13,263.00
BASE TOTAL	-	\$ 224,694.00

Additionally, you will recall that there was discussion of a credit due the Corporation for a decision not to replace the interior brickwork in the building, which suffered fire damage. The amount of credit was agreed between the writer and Mr. Jones as follows:

REPLACEMENT OF BRICK (AS PER ART'S & G.)	\$ 54,706.00
LESS COST OF WALL COVERINGS	\$ 1,720.00
TOTAL	\$ 52,986.00
X 60% ALLOWANCE	X.60
ALLOWANCE	- \$ 31,791.60

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Ste. 350 - 885 Dunsmuir Street, Vancouver, British Columbia V6C 1N5 Telephone: (604) 669-4614 Telex: 04-508684

Partners: *V.T. Fisher, H.N. Spence, J.B. Dalgleish, G.J. Hogan, G.E. Holfeld, A.L.B. Machan, D.J.A. Clark*
Offices: *Vancouver, Surrey, Langley, Abbotsford, Hasty, Chilliwack, Hope*

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11.1 SUPPLEMENTARY
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ATTACHMENT #3

RECEIVED

APR 6 1983

**BUILDING INSPECTOR'S
OFFICE**

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Costs of extra modifications to the building as required by the Corporation were included in the quotation by Art's & G. as follows:

(1) MODIFICATIONS	- \$ 49,706.00
(2) FIRE RATING REQUIREMENTS	- \$ 1,325.00
TOTAL	- \$ 51,031.00

Total of the contract between Art's & G. Contracting Ltd. and the Corporation should thus be as follows:

(1) BASE	- \$224,694.00
(2) PLUS MODIFICATIONS	- \$ 49,706.00
TOTAL	- \$274,400.00

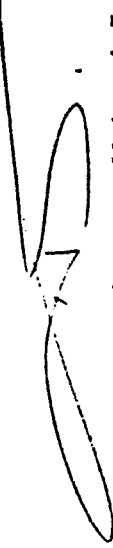
Of the above, the insurance indemnity which would be received by the Corporation would be as follows:

BASE	- \$224,694.00
LESS FIRE RATE REQUIREMENTS	- \$ 1,325.00
SUB TOTAL	- \$223,369.00
PLUS 60% ALLOWANCE	- \$ 31,791.60
TOTAL INSURANCE INDEMNITY	- \$255,160.60

We trust that the foregoing will suffice for your purposes and we look forward to receipt of a copy of the contract documents.

Yours very truly,

FISHER-HOLFELD & ASSOCIATES



H. Sienema, M.A., A.I.I.C.

HS/bm

ITEM SUPPLEMENTARY 11
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TENDER TABULATION - EDMONDS HOUSE - FIRE DAMAGE REPAIRS

1983 MARCH 29

ITEM	11	8	11	8	11	8	11	8	11	8																
1. Art's & G. Contracting Ltd.	\$211,431	\$49,706	\$1,720	\$ 420	\$1,325	\$54,706	\$3,580	\$ 65 per mo.	254,819	50,607	9,680	2,500	600	N/A	4,000	65 per mo.	261,000	48,000	3,200	2,050	1,300	36,000	7,000	1,700 per yr.		
2. Interland Contractors Ltd.	297,500	30,000	15,000	2,500	1,000	50,000	3,580	65 per mo.	297,500	30,000	15,000	2,500	1,000	50,000	3,580	65 per mo.	261,000	48,000	3,200	2,050	1,300	36,000	7,000	1,700 per yr.		
3. Van Bourne Construction Ltd.	309,257	57,610	2,433	2,998	1,529	27,217	3,930	71 per yr.	309,257	57,610	2,433	2,998	1,529	27,217	3,930	71 per yr.	297,500	30,000	15,000	2,500	1,000	50,000	3,580	65 per mo.		
4. Arlen Construction Ltd.																										
5. International Construction Co. Ltd.																										

ATTACHMENT #4

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