

ITEM 18  
MANAGER'S REPORT NO. 48  
COUNCIL MEETING 86/08/18

RE: CONSTRUCTION CONTRACT FOR BONSOR RECREATION CENTRE

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

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

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1986 AUGUST 13

TO: MUNICIPAL MANAGER  
FROM: DIRECTOR RECREATION AND CULTURAL SERVICES  
RE: CONSTRUCTION CONTRACT FOR BONSOR RECREATION CENTRE

RECOMMENDATIONS:

1. THAT Council approve the awarding and execution of a contract for the construction of Bonsor Recreation Centre main building to the low bidder, Wilson Industries Incorporated, in the amount of \$6,867,646.00 as outlined in this report.
2. THAT Council approve a bylaw be brought down to appropriate \$802,000 from the Capital Reserves to finance the construction of the Bonsor Recreation Centre as outlined in this report.
3. THAT a bylaw be brought down to appropriate \$359,000 from the Metrotown Reserve to finance the construction of the water feature and exterior works at the Bonsor Recreation Centre as outlined in this report.
4. THAT a bylaw be brought down to appropriate \$270,000 from the Parkland Acquisition Levy Reserve to finance the construction of the roof garden and landscaping of the Bonsor Recreation Centre as outlined in this report.

SUMMARY

This report will outline the circumstances under which the bids received for the Bonsor Recreation Centre were in excess of budget. It will outline a combination of bid modifications, reallocation of priorities and added financing and recommend that the Corporation proceed with the construction of the Centre under those conditions.

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The contract will be recommended to be signed in three parts:

1. The main building to proceed immediately;
2. The roof garden and exterior works in approximately one month when financing is in place; and
3. The aquatics extension in approximately three months when financing is in place.

REPORT

INTRODUCTION:

On 1985 July 15, Municipal Council approved the funding from internal borrowing for a \$20.9 million Recreation and Cultural Services development program. Of that, \$7.5 million was allotted to build the new Bonsor Recreation Centre.

Carlberg Jackson Partners were appointed architects and on 1985 December 09, Council received a description of the project (Item 21, Manager's Report No:77). Tenders based upon an approved design were called in July of 1986.

Bids closed on July 22. The low bidder was Wilson Industries Incorporated, a Burnaby firm, which has just successfully concluded the construction of the Forest Grove Elementary School on behalf of the Burnaby School Board.

The low bid for Bonsor was \$8,072,746.00 which together with three desirable separate prices [Items (b), (c) and (e) shown on the tender tabulation attached, labelled Attachment #1] totalled \$8,171,746.00 - approximately \$1,500,000 above estimate.

It will be noted that this does not include the extension of the aquatics component which is shown on the tabulation as Item (a). This is an extension to the existing Bonsor pool similar to the extension recently built at the C.G. Brown Pool. If the price from Wilson Industries is added in at \$522,000, the total contract price becomes \$8,693,746.00 some \$2,000,000 above estimate.

REVIEW OF ALTERNATIVES:

The Parks and Recreation Commission has met with the architect and conducted an exhaustive review of the alternatives open to the Corporation. From this review, the Commission is recommending that we proceed with the project applying the following considerations.

1. Eliminate \$758,100 from the main building contract.
2. Reassign priorities within the Parks and Recreation Commission portion of the Capital Budget to be funded from internal borrowing and apply an additional \$302,000 to the Bonsor main building.

- 3 -

3. Postpone the expansion of Confederation House until a future year and apply the \$500,000 thus released against the construction of the aquatics extension component of the Bonsor Recreation centre.
4. Request Municipal Council to consider the use of the Parkland Acquisition Levy for certain landscaping works in the amount \$270,000.
5. Request Municipal Council to consider the use of the Metrotown Levy for the development of certain portions of the public open space system in the amount of \$359,000.

CUTBACKS TO THE MAIN BUILDING:

Through negotiations with the architect and the contractor, the Commission has been able to identify \$758,100 worth of changes which will still provide us with a serviceable building of acceptable standards.

Most of the cutbacks have been realized as a result of the contractor and the architect seeking out alternate systems (such as lighting systems, wall board systems, etc.) and materials to those bid by the sub-trades in the original bid.

In some cases, standards have been reduced such as reducing from a birch finish to a fir/plywood painted finish. In all cases, the needs of the program and future maintenance have been taken into consideration and the Commission feels assured that we have a building of which we can be proud and which will be serviceable in the future.

There have been no cutbacks in floor space. Space has also been retained for the restaurant and staff will be going out for proposals from the private sector to equip and manage the restaurant.

REVISIONS TO THE COMMISSION'S CAPITAL PROGRAM:

The Commission's Five Year Capital Program from internal borrowing is attached to this report, labelled Attachment #2. The Commission is recommending that the program approved by Council be amended by postponing four projects from 1987, namely, Shellburn Park, Trails, Deer Lake and Phillips Park South.

These funds totalling \$302,000.00, would then be applied to the Bonsor project to ensure its completion at this time. The projects themselves would be reassigned within the next five year plan and within capital budgets available to the Commission. A comprehensive review of this situation would come forward in association with the next five year plan.

If this option is adopted, it is necessary to pass a bylaw to appropriate the funds from the Capital Reserves. Such a bylaw requires the affirmative vote of at least two-thirds of all members of Council and the approval of the Minister of Municipal Affairs.

THE AQUATICS COMPONENT OF THE BONSOR RECREATION CENTRE:

The plans for the Bonsor Centre also include the extension of the existing Bonsor Pool similar to the work recently carried out at the C.G. Brown Pool. The extension was estimated by the architect at \$585,000 and the bid from Wilson Industries was \$522,000.

If this job were to be bid independently, the costs would be significantly higher. However, when done in conjunction with the main building of Bonsor Centre, the contractor has on site all the necessary administration, supervisory staffing and other overhead items which would have to be included separately if the job was bid and constructed in isolation. The additional costs are estimated between 10% and 20%, that is, from \$52,000 to \$104,000 additional funding.

It is also anticipated that through negotiations with the contractor, the bid figure of \$522,000 would be reduced somewhat. Although by no means certain until such negotiations have taken place, it is possible that up to a 10% reduction could be achieved. There could therefore be a maximum potential saving of some \$150,000 in proceeding with the aquatics addition at this time as opposed to postponing it to some future date.

Under these circumstances, the Commission has deemed it appropriate that the Corporation consider a shift in priorities to allow the addition to be constructed at this time.

In reviewing the Five Year Capital Program from internal borrowing (Attachment #2), the main item that is suitable for such priority reallocation would be the Confederation House expansion. If the Confederation priority was shifted to 1988, then the \$500,000 so allocated would be sufficient to cover the costs of the extension of \$522,000 pared down to \$500,000 with every expectation that a further credit could come back into the account once negotiations with the contractor had been concluded. Confederation House expansion would then take a priority in 1988 resulting in the postponement of a number of smaller items which would also be included in the comprehensive review of the five year capital plan referred to above.

In order to make the funds available, it is necessary to pass a bylaw to appropriate the funds from the Capital Works Financing Fund. Such a bylaw requires the affirmative vote of at least two-thirds of all members of Council and the approval of the Minister of Municipal Affairs. Such approvals take between two to three months. The low bidder is prepared to provide written assurance that the current price of \$522,000 will be held for a three month period from the date of 1986 August 18.

This item would be brought back through the Commission and Council once all approvals are in place for authority to include it in the contract at that time.

USE OF THE METROTOWN LEVY:

The design of the Bonsor Recreation Centre has been predicated on its key location in Metrotown. Much more attention has therefore been paid to its external appearance and approaches than is normally paid to a recreation centre elsewhere in Burnaby.

- 5 -

The Corporation is endeavoring to attain a standard in keeping with the standards that it is requiring of private developers in the Metrotown area.

Two of the key features towards this end were a water feature and external hard landscape approaches valued at \$249,000 and \$110,000 respectively for a total of \$359,000. These have been included to provide an aesthetic environment in keeping with the perceived prestige necessary for a major building which represents a municipal presence in Metrotown.

In recent years, the Corporation has collected a levy from new construction in Metrotown which is placed in a fund for future expenditure on public open space and amenities of an aesthetic nature for the enhancement of the Metrotown environment.

The Metrotown levy specifically relates to the acquisition of open space as an amenity for the enhancement of the Metrotown environment. Also, it is our understanding that it was always the intention of members of Council that these funds would be used on enhancement of the Metrotown environment both from the point of view of land acquisition and facility construction.

As these features fall within this category, the Commission requests Council's authority for their funding from the Metrotown levy.

In order to make the funds available, it is necessary to pass a bylaw to appropriate the \$359,000 from the Metrotown Reserve. Such a bylaw requires the affirmative vote of at least two-thirds of all members of Council.

#### USE OF THE PARKLAND ACQUISITION LEVY:

The roof garden (\$192,000) and the soft landscaping (\$78,000) are part of the normal aesthetics of the building surrounds but also form an integral part of the recreation component because in part, they create usable recreation space. On this basis, they would not qualify for the Metrotown Levy. They do however fall within the description of development uses chargeable against the interest earned on the Parkland Acquisition Levy.

Funds are available in that source. The Commission has reviewed the use of these funds against the priority of the Bonsor Recreation Centre and would recommend that this source be used to fund these landscaping components around the Bonsor Recreation Centre.

In order to make the funds available, it is necessary to pass a bylaw to appropriate the \$270,000 from the Parkland Reserve. Such a bylaw requires the affirmative vote of at least two-thirds of all members of Council.

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ARCHITECTURAL FEES:

The difference between the architects' estimates and the low bid has caused extreme concern to the Commission and to the architects. The reasons for the discrepancy appear to be a combination of rapid inflation (8% on building materials between January and July 1986), the fact that there is far more work around after Expo than was initially envisaged and contractors are not submitting extra low bids in order to keep their companies working and finally poor advice which the architect has received from his own technical support sources.

Negotiations have taken place with the architect with respect to architectural fees to be paid under these circumstances.

At the present time, our agreement with the architect calls for a firm price on fees of \$530,400 which are based on an estimated construction cost of \$6,630,000.

Under architectural agreements, an architect could expect a fee payment of 8% of any construction price which is finally approved. In this case, the architect could expect an increased payment of up to \$96,000 above the \$530,400 stipulated if the full project is approved for construction.

Under our negotiated agreement, the architect will not receive any further payments above the \$530,400 and in addition, the architect has agreed to a 5% reduction on this original negotiated fee of \$530,400. This is a reduction of \$26,520 for a firm reduced fee of \$503,880.

MUNICIPAL BUILDING CO-ORDINATING COMMITTEE:

The Municipal Committee under the Chairmanship of the Director Engineering has been involved in the changes made to the contract proposal as outlined in this report.

At a meeting held on 1986 August 13, the Committee approved proceeding with the project as outlined and would so recommend.

CONCLUSION:

The Commission has looked long and hard at the alternatives facing the Corporation including the question of scrapping or postponing the construction of the Centre.

The Bonsor Centre is still the first priority in the Parks and Recreation system and all things considered, the Commission feels that it is appropriate to move forward with its construction at this time given the understanding that priorities have to be shifted and other funds made available.

It should be noted that apart from the request for use of the Metrotown and Park Acquisition levies, the funding is to be achieved through a shifting of Commission priorities and a reallocation of funds and no additional funds are being requested from internal borrowing.

ITEM

18

MANAGER'S REPORT NO.

48

COUNCIL MEETING

86/08/18

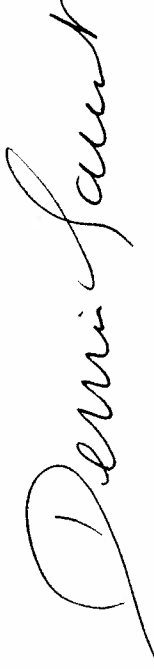
- 7 -

On that basis, the Commission would recommend to Council proceeding with the Bonsor Centre under the circumstances outlined in this report.

In view of the need to have the full contract in place as early as possible to have the construction as advanced as possible before the winter, the recommended financing bylaws have been placed on the same Council agenda as this report.

At a special meeting held on 1986 August 13, the Commission approved motions so recommending to Council.

A summary of the source and application of funds for the total Bonsor project is attached, labelled Attachment #3.



DENNIS GAUNT  
Director Recreation &  
Cultural Services

DG:hh  
Attach.

C.C.  
Members of the Municipal Building  
Co-ordinating Committee  
Director Finance  
Municipal Solicitor  
Purchasing Agent

ITEM (SUPPLEMENTARY) 11  
 DIRECTOR'S REPORT NO. 17  
 COMMISSION MEETING 86 08 06

THE CORPORATION OF THE DISTRICT OF BURBARY

TENDER TABULATION

ADDITIONS TO BONSOR PARK RECREATION COMPLEX

PROJECT NO. 8514

Bidder	Basic Tender	Alternative 1	Alternative 2	A	B	C	D	E
1. Dominion Construction	\$8,349,000.00	\$14,000.00	\$8,200.00	\$522,000.00	\$11,000.00	\$38,000.00	\$125,000.00	\$75,000.00
2. Wilson Industries Inc.	\$8,072,746.00	\$5,000.00	\$20,500.00	\$525,000.00	\$17,000.00	\$30,000.00	\$125,000.00	\$75,000.00
3. Stratford-Hill Construction Ventures	\$8,294,000.00	\$9,000.00	\$9,000.00	\$510,000.00	\$12,000.00	\$31,000.00	\$128,000.00	\$80,000.00
4. Smith Bros. and Wilson Ltd.	\$8,301,038.00	\$9,000.00	\$9,000.00	\$554,000.00	\$42,000.00	\$65,000.00	\$115,000.00	\$83,000.00
5. P.C.L. Constructors Western Inc.	\$8,635,300.00	\$9,000.00	\$9,000.00	\$554,000.00	\$42,000.00	\$65,000.00	\$115,000.00	\$83,000.00
6. Buron Construction Ltd.	\$8,585,291.00	\$3,055.00	\$8,200.00	\$432,711.00	\$25,883.00	\$28,174.00	\$113,913.00	\$71,011.00

Separate Prices

1. Dominion Construction  
 2. Wilson Industries Inc.  
 3. Stratford-Hill Construction Ventures  
 4. Smith Bros. and Wilson Ltd.  
 5. P.C.L. Constructors Western Inc.  
 6. Buron Construction Ltd.

Project: Bonsor Park Recreation Complex  
 where: The Corporation of the District of Burbary  
 Tender Closing: July 22, 1986 @ 3:00 p.m.  
 number of Addenda: Three (3)

JUP ARCHITECTS  
 101 Sixth Street  
 New Westminster, B. C.

- Separate Price A - Pool Addition
- Separate Price B - Additional Parking
- Separate Price C - Gymnasium Equipment
- Separate Price D - Commercial Kitchen
- Separate Price E - Metal Cladding on Existing Pool
- Alternate Price 1 - Insurance
- Alternate Price 2 - Direct Digital Controls

RECEIVED

JUL 23 1986

Building Inspection Dept  
 Planning & Building Ins.  
 Register No.  
 All other items

153

ATTACHMENT #

ITEM 18  
 MANAGER'S REPORT NO. 48  
 COUNCIL MEETING 86/08/18





1986 August 13

155

ATTACHMENT #3

BONSOR RECREATION CENTRE - SOURCE AND APPLICATION OF FUNDS

SOURCE OF FUNDS

1.	Internal borrowing - (bylaw in place)	\$ 7,500,000
2.	Additional proposed internal borrowing from reserves (postponement of other priorities)	\$ 802,000
3.	Metrotown Levy	\$ 359,000
4.	Parkland Acquisition Levy	\$ 270,000
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		\$ 8,931,000

APPLICATION OF FUNDS

5.	Contract - main building (after reduction of \$758,100)	\$ 6,867,646
6.	Aquatics extension (after proposed reduction of \$22,000)	\$ 500,000
7.	Water Feature	\$ 249,000
8.	External Works (hard landscape)	\$ 110,000
9.	Soft Landscape	\$ 78,000
10.	Roof Garden	\$ 192,000
11.	Furnishings & Equipment	\$ 332,000
12.	Fees - Architect	\$ 503,880
	- Special fees & Disbursements	\$ 25,121
		-----
		\$ 529,001
		-----
		\$ 8,880,847

ADDITIONAL PROJECT CONTINGENCY

\$ 40,153