

THE CORPORATION OF THE DISTRICT OF BURNABY

MUNICIPAL BUILDING CONSTRUCTION COMMITTEE

HIS WORSHIP, THE MAYOR  
AND ALDERMEN

REPORT OF THE MUNICIPAL BUILDING CONSTRUCTION COMMITTEE

RECOMMENDATIONS:

1. THAT a contract be awarded to the Foundation Company of Canada Ltd. in the amount of \$14,830,137, for the construction of the Metrotown Civic Facilities Joint Project encompassing the Metrotown Resource Library, Public Parking Facility, and Civic Square as outlined in Section 3.0 of the attached report, subject to the adoption of the bylaws appropriating funds from reserves to finance the works.
2. THAT the overall Metrotown Civic Facilities Joint Project construction budget of \$17,449,000 and the financing arrangements as outlined in the attached report be approved.

R E P O R T

At the regular Council Meeting held on 1989 February 13 Council established the Municipal Building Construction Committee for the purpose of advising Council on developments related to the construction of major construction projects. In particular the Committee was to be involved with and report to Council on the contract award and other matters concerning the construction of the Metrotown Civic Facilities Joint Project composed of the Metrotown Resource Library, Public Parking Facility and Civic Square.

On 1989 April 11 the Municipal Building Construction Committee of Council met to consider the attached report submitted by the Major Civic Building Project Coordination Committee related to reporting on the construction tenders for the Metrotown Civic Facilities Joint Project. The Committee approved the recommendations outlined in the report; and directed that the report be forwarded to Council for its consideration.

Respectfully Submitted,

Alderman D.R. Corrigan, Chairman

Alderman F.G. Randall

Alderman J. Young

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THE CORPORATION OF THE DISTRICT OF BURNABY

TO: MUNICIPAL BUILDING CONSTRUCTION COMMITTEE 1989 APRIL 11

FROM: MAJOR CIVIC BUILDING PROJECT COORDINATION COMMITTEE

SUBJECT: CONSTRUCTION CONTRACT FOR  
CIVIC FACILITIES JOINT PROJECT - METROTOWN AREA 14  
- METROTOWN RESOURCE LIBRARY  
- PUBLIC PARKING FACILITY  
- CIVIC SQUARE

PURPOSE: To request approval for the awarding of a contract for the construction of the Metrotown Library, Public Parking Facility and Civic Square.

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RECOMMENDATIONS:

1. THAT a contract be awarded to the Foundation Company of Canada Ltd. in the amount of \$14,830,137, for the construction of the Metrotown Civic Facilities Joint Project encompassing the Metrotown Resource Library, Public Parking Facility, and Civic Square as outlined in Section 3.0 of this report, subject to the adoption of the bylaws appropriating funds from reserves to finance the works.
2. THAT the overall Metrotown Civic Facilities Joint Project construction budget of \$17,449,000 and the financing arrangements as outlined in Section 4.0 be approved.

R E P O R T

1.0 INTRODUCTION

As authorized by Council, a tender call for the Metrotown Civic Facilities Joint Project composed of the Metrotown Resource Library, Public Parking Facility and Civic Square was released on 1989 January 23. The tender call closed on 1989 March 07, at which time six (6) acceptable tenders were received. These tenders, and in particular the low tenders, are discussed in this report. Modifications to the low tender are also discussed and an updated budget is outlined.

2.0 TENDER CALL RESPONSE

2.1 TENDER CALL

The tender call was released on 1989 January 23 with tenders scheduled to close on 1989 February 17. The tender closing was extended to 1989 February 27 and then to 1989 March 07 at the request of the potential bidders.

At closing, a total of 6 tenders were received. The tender submissions by all contractors were complete and accepted by the Purchasing Agent. The submitted tenders are summarized in Appendix "A". All tenders outlined a base price and listed various alternates and break-out prices as stipulated in the tender documents. Only the alternate for curtain wall which has been recommended as a cost savings is relevant to the analysis, although the full documentation is available for view if desired.

The tenders ranged from a low of \$14,975,000 to a high of \$16,296,511. The lowest bidder was Foundation Company of Canada Ltd., followed by Onyx Contractors Ltd. with a price \$19,000 above that of Foundation. The other four tenders were substantially higher, with differences ranging from \$822,000 to \$1,321,511. The Foundation Company indicated a construction period of 65 weeks, 9 weeks shorter than any other bidder and 20 weeks shorter than the second lowest bidder.

2.2 DISCUSSION OF LOW TENDER

The low tender of \$14,975,000 was found to be 9.32% over the previous budget estimate of \$13,698,000. A number of reasons or explanations which are generally attributable to all bidders are outlined as follows:

- a) The estimate provided by the Quantity Surveyor at the end of 1988 November was based on 85% complete drawings and a more general estimate was required to cover the remaining 15% of drawings.
- b) The construction price is broken into 16 trade divisions with four of the divisions accounting for the greater part of the difference; structural steel, gypsum board and steel studs, roofing, and general requirements (general contractor's overhead and profit).
- c) The increase in the general contractor's overhead and profit represents about a 1% increase on the whole project. This is understandable in today's construction market. General contractors are very busy in the current continuing construction boom. The tender issue was initially delayed on this project due to a perceived poor tendering climate.
- d) The remaining three trade divisions accounting for the primary differences are among the busiest in the construction industry. Steel construction costs have continued to increase throughout the course of the project. The gypsum board/steel stud division has experienced a recent 20% increase in material costs with another 6% increase anticipated in the coming year which was factored into the library price.

Over and above the material cost increases, the most noted cause of the overrun in these areas is the current labour shortage. The lower mainland has a relatively small, finely balanced labour base with no sizable labour workforce to draw upon during high construction periods. Shortages in the labour force result in a loss of productivity and, therefore, higher unit rates for labour.

Another factor in this saturated construction market is the lack of bidders to certain trades. The tender closing was extended twice due to poor interest on the part of bidders, in particular, in the structural steel trade where our highest difference was experienced.

In summary, the market conditions are primarily the reason for the difference. It is noted that when the engaged quantity surveyor had an opportunity to reevaluate his pricing on the three above-mentioned trade divisions using the tender documents, his revised prices were still short of the tender price by approximately 6%. This indicates that the subtrades have no shortage of work and, therefore, are pricing projects with a higher profit margin.

Since the tender closing, the Major Civic Building Project Coordination Committee along with the consultant team and Quantity Surveyor have explored, with the low tender general contractor and his subtrades, several options for cost savings without affecting the quality of the project. Additional substantial cost savings have been achieved and are outlined in Section 3.0 of this report.

However, it is concluded that the differential between the pre-tender cost estimate and the lowest tender of 9.3% is satisfactory in today's busy construction market and for a project of this size and complexity. The bidder and his sub-trades recognize that this is a high quality project requiring the best and experienced people. It is also important to note that all indications are that a re-tendering either immediately or within a year would likely result in even higher tenders.

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The overall joint project is a fully-integrated one from programmatic, functional, aesthetic, structural, and servicing viewpoints. Any major splitting of components would require redesign and re-tendering, and result in development and land use inefficiencies. The project architect strongly supports the pursual of the complete integrated project as tendered and this view is also concurred in by the Committee.

### 2.3 DISCUSSION OF LOW BIDDER

The Foundation Company of Canada Ltd. is part of the Bannister Construction Group that provides construction, engineering, and management services across Canada and throughout the world. Since its founding in 1910, Foundation has built numerous landmark projects in Canada including the CN Tower in Toronto and Place Ville Marie in Montreal. Recent British Columbia projects include the Jamatkhana Cultural Centre in Burnaby, Lonsdale Quay in North Vancouver, and the South Delta Baptist Church designed by our project architect, James Cheng. The Major Civic Building Coordination Committee would have no reservations if the low tender of the Foundation Company of Canada was accepted by Council.

The construction superintendent and project manager which Foundation intends to use for this Metrotown project are the same as for the South Delta church project. Mr. Frank Smith has been a superintendent with Foundation for over 20 years and is noted for high-quality projects and for his attention to detail. The project manager, Mr. Mark Thompson, has administrative experience on several major projects including the Alex Fraser Bridge and the Pan Pacific Hotel. Mr. Thompson would be responsible for administrative activities such as scheduling, budgeting, sub-trade contracts, shop drawings, etc.

The project architect is particularly pleased with the calibre of the major sub-trade firms named in the Foundation bid.

The Foundation Company also submitted the shortest construction schedule of 65 weeks which is desirable. Foundation has already shown a willingness to examine various aspects of the contract tender with the project architect in an open fashion to determine where appropriate cost savings could be made.

The Purchasing Agent supports the Committee's recommendation for the acceptance of the Foundation Company tender.

### 3.0 PROPOSED MODIFICATIONS TO THE TENDER

The proposed modifications to the low tender submitted by the Foundation Company are outlined in Appendix "B". The following items are discussed and explained as they affect the final recommended contract to be carried out by Foundation.

3.1 The base tender is \$14,975,000.

#### BASE BID

A possible alternate for curtain wall was placed in the tender package on the basis that it could be a suitable substitute, subject to further examination. The architect is confident that this alternate is appropriate and its inclusion would result in a savings of \$39,216.

The net base tender would therefore be \$14,935,784.

#### 3.2 MODIFI- CATION ITEMS

Every reasonable effort has been made to assure the appropriateness of the tender bid. The potential contractor and the architect have examined the tender in detail and have determined 16 items where savings of \$60,868 could be made. However, with a valid post tender addendum of the mechanical consultant in the amount of \$4,521, the net savings amounts to \$56,347. Care has been taken not to affect the quality of the project.

3.3  
TRANS-  
FERRED  
ITEMS

Two items included in the tender are proposed to be transferred out of the tender. It is proposed that the specifics of parking signs and equipment for which \$76,050 was set aside in the tender be determined separately by the Municipality. The exact method of parking control and charges remains to be addressed and, if a private parking operator were engaged to manage the public parking facility, the private operator may prefer a specific type of parking equipment.

The allowance for insurance in the amount of \$18,250 has been transferred out of the tender on the advice of the Director Finance. The wrap-up insurance to be handled by the Municipality would cost approximately \$55,250, causing a net increase in cost of \$37,000. This added cost is considered prudent to assure greater control over the project insurance with added desirable coverage on both consultants and contractors.

3.4  
OTHER  
RELATED  
ITEMS

Three other items which relate to the tendering process and the continuing project refinement are outlined as follows:

a) Recent instances where water used in firefighting has resulted in severe damage to library materials suggest a need for an upgraded vandal proof sprinkler system with an automatic shut-off when temperatures fall below a certain level. The upgraded sprinkler system would add \$45,000 to the tender. This improved book and materials protection measure is strongly recommended by the Chief Librarian and is concurred in by the Major Civic Building Project Coordination Committee.

b) When this project was proceeding to tender, it was determined that the use and appearance of the public square would be enhanced if the area were prewired to accommodate festival lighting for special occasions similar to Robson Square in Vancouver. This can be achieved most efficiently at the construction stage. The \$10,500 estimate for this item is already included in the tender.

c) The disbursements amount to \$30,000.

3.5  
CONTRACT  
AWARD

Therefore, the final recommended construction contract with Foundation would be in the amount of \$14,830,137.

3.6  
FEDERAL  
SALES TAX  
EXEMPTION

The library related component of this project is considered eligible for exemption from Federal Sales Tax and, therefore, a credit of approximately \$230,000 can be realized. This tax credit must be applied for by the owner, in this case, the Municipality.

3.7  
NET CONS-  
TRUCTION  
COST

Including the sales tax, the net project construction cost is \$14,600,137, which represents a net decrease of \$374,863 from the initial tender of \$14,975,000.

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4.0 JOINT PROJECT BUDGET

The current overall budget for the Metrotown Civic Facilities Joint Project excluding land costs is outlined in Appendix "C".

The difference from the previous budget relates to the following items:

- a) Increase in actual construction contract over previous estimates.
- b) Parking signs and equipment considered separate from the construction contract.
- c) Wrap-up insurance to be handled directly by the Municipality with increased coverage.
- d) Consultant fees to reflect the final construction cost and the independent testing and inspections of materials and structure.
- e) The addition of servicing costs for utilities and acknowledgement of disbursements.

The difference between the current total Joint Project budget and the tender estimates is \$1,227,937 or 7.6%. The Director Finance has advised that this difference would be financed from Capital Reserves (84%) and the Metrotown Open Space Levy (16%).

In summary, the source of the funds for the construction and land of the Joint Project are as follows:

a)	Capital Reserves to be appropriated	\$ 6,526,000 (1)
b)	Capital Reserves Bylaw 8997	\$ 395,000
c)	Capital Reserves Bylaw 9067	\$ 802,000
d)	Capital Reserves Bylaw 8633	\$ 7,000,000
e)	Metrotown Open Space Levy	\$ 1,526,000
f)	Parking Reserve	\$ 400,000
g)	B.C. Lottery Grants (promised) (\$400,000 for library and \$400,000 for civic square)	\$ 800,000
h)	TOTALS FOR CONSTRUCTION	\$ 17,449,000
i)	LAND	\$ 2,400,000
j)	TOTAL CONSTRUCTION AND LAND	\$ 19,849,000

The funds would be disbursed in accordance with the schedule previously approved by Council on 1988 December 12 with the additional \$1,227,937 allocation from Capital Reserves and the Metrotown Open Space Levy Fund being allocated 40% in 1989 and 60% in 1990. A report by the Director Finance is on the same Council agenda as this report to obtain authorization to appropriate the necessary funds by bylaw and/or resolution to meet the cost of the civic facilities.

- (1) GO B.C. Grants applied for: Civic Square for \$933,000; Parking Facilities for \$1,000,000 and Library for \$1,000,000, for a total of \$2,933,000. If approved, this will reduce the draw on Capital Reserves and the Metrotown Open Space Levy Fund.

5.0 TIMING

The timing for consideration of the submitted tenders is proposed as follows:

April 11	Meeting of Municipal Building Construction Committee (M.B.C.C.) to consider recommendations from Major Civic Building Project Coordination Committee (M.C.B.P.C.C.)
April 20	Meeting of Library Board to consider recommendations of M.B.C.C. and M.C.B.P.C.C.
April 24	Presentation to Council of the recommendations of the M.B.C.C. and Library Board.
May 04	Issue Letter of Acceptance if approval granted by Council.
May 06	Tenders expire.

It is our understanding that the low tender would not be maintained past the expiry date.

Under this schedule, it is expected that substantial completion of the library and joint project would be achieved in the Autumn of 1990 with the internal library set-up complete and open to the public by the Spring of 1991.

6.0 CONCLUSIONS

It is recommended that a construction contract as reflected by Section 3.0 of this report be awarded to the Foundation Company of Canada Ltd. for construction of the Joint Project composed of the Metrotown Resource Library, Public Parking Facility, and Civic Square. The updated construction-related joint project budget as outlined in Section 4.0 of this report, is submitted for approval. It is noted that B.C. Lottery grants in the amount of \$800,000 have already been promised for the joint project.

The proposed construction cost of \$14,600,137 including the tax credit is considered a reasonable cost for this municipal project considering its magnitude and complexity and reflecting the current continuing busy construction market. While various cost savings have been achieved, the modifications do not compromise the quality of the project and modifications have not been made which would not be good value in the long run in terms of durability, appearance, and maintenance. Management of the project has also reflected an approach of being "safe and sure" through the employment of independent testing and inspections of structure and materials and wrap-up insurance under municipal direction as well as through the recommendation to provide an upgraded sprinkler system. The Foundation Company of Canada Ltd. is considered a highly reputable firm with experienced and well-thought-of senior personnel allocated to this project.

The Library Board desires the Metrotown Resource Library to proceed to construction as soon as possible. Timing decisions also are needed with respect to the closure of the Central Park Branch Library and the possible extension of leases until the Metrotown Resource Library is operational.


To date, the site has been acquired and is now cleared of buildings, ready for the start of construction. Construction of Kingsborough Street between Willingdon Avenue and McKay Avenue is virtually complete.

Commitments have also been given to the Metrotown core developments that the Municipality would provide a public parking facility to assist in furthering the concept of shared parking and to provide a component of park-and-ride to relieve pressure on the core commercial parking provisions.


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The Metrotown Resource Library will be a major educational and cultural resource for Burnaby and its citizens. The Civic Square is designed to be an attractive urban oasis for Metrotown. The overall Metrotown Civic Facilities - Joint Project promises to enrich the Metrotown urban fabric beyond Metrotown's current predominant retail and residential uses and be a source of civic pride.

The project architect, James K.M. Cheng Architect, supports the recommended contract price and the award of the contract to Foundation Company. The Project Coordination Committee recommends that the low bidder, Foundation Company of Canada Ltd., be awarded the construction contract for the Metrotown Joint Project.

  
E.E. Olson, P.Eng., Chairman  
Major Civic Building Project  
Coordination Committee

  
A. L. Parr, Director  
Planning & Building Inspection

  
D. Gaunt, Director  
Recreation & Cultural Services

KI:lf  
Attachments - Appendices A, B & C

cc: Director Finance  
Purchasing Agent  
Municipal Solicitor  
Chief Building Inspector  
Project Co-Ordinator  
Chief Librarian



APPENDIX "A"

METROTOWN CIVIC FACILITIES - JOINT PROJECT

METROTOWN RESOURCE LIBRARY/PUBLIC PARKING FACILITY/CIVIC SQUARE

S U M M A R Y O F T E N D E R S

GENERAL CONTRACTOR	TENDER	DIFFERENCE FROM LOW TENDER	SUBSTANTIAL PERFORMANCE (CONSTRUCTION PERIOD)	ALTERNATE PRICE SELECTED FOR CURTAIN WALL (SAVINGS)	NET TENDER
FOUNDATION COMPANY OF CANADA LTD. \$ 14,975,000	\$ -	\$ -	65 WEEKS	\$ (39,216)	\$ 14,935,784
ONYX CONTRACTORS LTD.	14,994,000	+ 19,000	85 WEEKS	(39,000)	14,955,000
ELLIS-DON LTD.	15,797,000	+ 822,000	74 WEEKS	NIL	15,797,000
METRO-CAN CONSTRUCTION LTD.	15,989,000	+ 1,014,000	74 WEEKS	(59,216)	15,929,784
P.C.L. CONSTRUCTORS WESTERN INC.	15,992,000	+ 1,017,000	74 WEEKS	(40,000)	15,952,000
STUART OLSON CONSTRUCTION INC.	16,296,511	+ 1,321,511	78 WEEKS	(59,216)	16,237,295

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METROTOWN CIVIC FACILITIES - JOINT PROJECT  
METROTOWN RESOURCE LIBRARY/PUBLIC PARKING FACILITY/CIVIC SQUARE

SUMMARY OF TENDER BY FOUNDATION COMPANY  
WITH RECOMMENDED MODIFICATIONS

	TENDER WITH MODIFICATIONS \$
1. TENDER	\$ 14,975,000
1A. SELECTED ALTERNATE FOR CURTAIN WALL	- 39,216
1B. NET TENDER	14,935,784
2. DETERMINED SAVINGS TO BASE BID	- 56,347
3. TRANSFERRED COSTS	
3A. PARKING SIGNS AND EQUIPMENT	- 76,050
3B. WRAP-UP INSURANCE	- 18,250
4. OTHER ITEMS	
4A. SPRINKLER SYSTEM UPGRADE	+ 45,000
4B. FESTIVAL LIGHTING FOR PUBLIC SQUARE	(10,500 INCLUDED IN TENDER)
5. RECOMMENDED MODIFIED CONTRACT PRICE	\$ 14,830,137
6. CREDIT FOR FEDERAL SALES TAX EXEMPTION (LIBRARY RELATED)	- APPROX. \$ 230,000 (TO BE APPLIED FOR BY OWNER)
7. NET CONSTRUCTION COST	\$ 14,600,137

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METROTOWN CIVIC FACILITIES - JOINT PROJECT

METROTOWN RESOURCE LIBRARY/PUBLIC PARKING FACILITY/CIVIC SQUARE

BUDGET SUMMARY

1.	CONSTRUCTION CONTRACT FOR LIBRARY, PARKING FACILITY AND CIVIC SQUARE (INCLUDES FIXTURE COMPONENT, LANDSCAPING, AND BOULEVARD WORKS)	\$ 14,830,137
	- CREDIT FOR FEDERAL SALES TAX EXEMPTION	- 230,000
	- NET CONSTRUCTION COST	14,600,137
2.	BALANCE OF LIBRARY FURNITURE, FIXTURES & EQUIPMENT	587,000
3.	MISCELLANEOUS ITEMS:	
	- PARKING SIGNS AND EQUIPMENT	76,050
	- WRAP-UP INSURANCE	55,250
	- TELEPHONE SYSTEM	75,000
	SUB TOTAL MISCELLANEOUS	206,300
4.	CONSTRUCTION CONTINGENCY	470,000
5.	CONSULTANT FEES:	
	- JOINT PROJECT	990,000
	- INDEPENDENT TESTING AND INSPECTIONS	40,500
	- DISBURSEMENTS	30,000
	SUB TOTAL CONSULTANTS	1,060,500
6.	BALANCE OF ROADS AND SERVICES (BOULEVARDS IN CONSTRUCTION CONTRACT)	525,000
7.	A) TOTAL JOINT PROJECT BUDGET	\$ 17,448,937
	B) PRE-TENDERING JOINT PROJECT BUDGET	\$ 16,221,000
	C) ADDITIONAL PROPOSED APPROPRIATION FROM CAPITAL RESERVES AND METROTOWN OPEN SPACE LEVY FUND	\$ 1,227,937

