

REPORT
1996 MAY 27

CITY OF BURNABY

CIVIC DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**RE: AWARD OF CONTRACT FOR THE ARENA PROJECTS
AT BURNABY LAKE SPORTS COMPLEX**

RECOMMENDATIONS:

1. **THAT** Council award a contract in the amount of \$9,045,292 (inclusive of G.S.T. at 7%) to D.G.S. Construction Co. Ltd. for the construction of the Burnaby Lake Multi-Purpose Arena Complex and including renovations and additions to the existing arena and C.G.Brown Pool.
2. **THAT** a copy of this report be sent to the Parks and Recreation Commission for information.

REPORT

On 1996 May 22, the Civic Development Committee approved the *attached* report requesting that a contract be awarded to D.G.S. Construction Co. Ltd. for construction of the proposed arena and renovations to existing facilities at Burnaby Lake Sports Complex. Staff advised that D.G.S. Construction Co. Ltd. submitted the lowest tender. Staff further advised that reference checks indicated that the company has the necessary skills and resources to undertake the project.

Respectfully submitted,

Councillor D.R. Corrigan
Chairman

Councillor D.G. Evans
Member

Councillor D. Johnston
Member

: COPY - CITY MANAGER
- DIRECTOR ENGINEERING
- DIRECTOR FINANCE
- DIR. PLNG. & BLDG.
- DIR. REC. & CULT. SERV.
- CHIEF BUILDING INSPECTOR
- CITY SOLICITOR

TO: CHAIR AND MEMBERS OF THE
CIVIC DEVELOPMENT COMMITTEE

1996 MAY 15

FROM: MAJOR CIVIC BUILDING PROJECT
COORDINATION COMMITTEE

SUBJECT: AWARD OF CONTRACT FOR THE ARENA PROJECTS
AT BURNABY LAKE SPORTS COMPLEX

PURPOSE: To request that Council award a contract to D.G.S. Construction Co. Ltd. for the construction of the proposed arena and renovations to the existing facilities.

Recommendations:

1. THAT a contract in the amount of \$9,045,292 (inclusive of G.S.T. at 7%) be awarded to D.G.S. Construction Co. Ltd. for the construction of the Burnaby Lake Multi-Purpose Arena Complex and including renovations and additions to the existing arena and C.G. Brown Pool.
2. THAT a copy of this report be sent to the Parks and Recreation Commission for information.

REPORT

1.0 Background

In 1995 October, the City proceeded with the pre-qualification of general contractors for the construction of the multi-purpose arena complex. From the nineteen submissions received, nine general contractors were subsequently invited to submit tenders.

At the completion of the detailed design and estimate review, the project was tendered in 1996 April. On 1996 May 09, a total of six tenders were received, with the low base tender submitted by D.G.S. Construction Co. Ltd. in the amount of \$8,330,000 (exclusive of G.S.T.).

2.0 Review of Tender

The tender submitted by D.G.S. Construction Co. Ltd. is comprised of the following items:

1.	Base Tender	\$8,330,000
	<i>(includes proposed multi-purpose arena complex & renovations to the existing Burnaby Lake Arena)</i>	
2.	Separate price for C.G. Brown Pool Addition	<u>\$123,544</u>
		\$8,453,544
	G.S.T. at 7%	<u>\$591,748</u>
	<i>(recoverable at 100%)</i>	
	Total Tender Value	\$9,045,292

2.0 Review of Tender (Cont'd)

During the tendering process, three of the major divisions of work (ie. mechanical, electrical and steel) were tendered through the Bid Depository System in order to achieve competitive pricing from bondable subtrades with the necessary qualifications and experience to undertake the specialized work in these areas.

Taking advantage of a favorable bidding climate, using the Bid Depository System for the key trades, and extra attention in the preparation of the tender documents has resulted in a tight grouping of the tenders (*see Appendix 'A'*). Although the tender total for all three projects combined exceeds the Quantity Surveyor's pre-tender construction estimates by approximately \$690,000, the City is receiving fair market value given the closeness of the tenders.

Based on preliminary discussions with D.G.S. Construction Co. Ltd., it would appear that a substantial portion of this difference can be made up through reducing the project contingency and minor modifications or deletions in the program that do not compromise the size, quality nor functionality of the complex. In many cases, these elements can be re-introduced at a later date if desired. Another significant saving (approximately \$80,000 - \$100,000) offered by the contractor would require that the City take delivery of approximately 17,000 cubic meters of excavated materials from the construction site. Staff are currently exploring this option to determine if a suitable site can be found for the excess material.

At this stage of the project, it is not possible to determine if the total difference can be recaptured or if there will be a need for further minor funding at the end of the construction phase. It is hoped that a significant portion of the remaining project contingency will remain to help offset any shortfall. In this regard, staff will be providing the Civic Development Committee with monthly updates that will closely monitor expenditures as the construction work progresses. Sufficient funding under Bylaws 10060 and 10368 totalling \$10,176,347 (inclusive of G.S.T. at 7%) is currently in place to award a contract for the three projects identified.

3.0 Review of Low Tenderer and Award of Contract

D.G.S. Construction Co. Ltd. was incorporated in 1983 and has successfully completed a number of large projects such as the:

- ▶ Justice Institute of B.C. (New Westminster) \$23.0 mil.
- ▶ Open Learning Agency - Discovery Parks, Burnaby \$14.2 mil.
- ▶ Douglas College Coquitlam Campus \$28.4 mil.
- ▶ Additions to L.A. Mathison Secondary School, Surrey \$15.0 mil.

In addition to completing a number of institutional projects, the company's chief superintendent has also had experience in the construction of arenas and curling facilities. The general contractor's experience in combination with a team of qualified subtrades in key areas will help ensure that a quality product is produced.

4.0 Conclusion

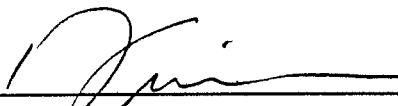
In conclusion, based on the reference checks conducted on the company by staff and the consultants, the Major Civic Building Project Coordination Committee has concluded that the company has the skills and resources to undertake these projects and further recommends that a contract in the amount of \$9,045,292 (inclusive of G.S.T. at 7%) be awarded to D.G.S. Construction Co. Ltd. for the construction of the new multi-purpose arena complex and renovations and additions to Burnaby Lake Arena and C.G. Brown Pool. Subject to Council awarding the contract, staff will undertake the appropriate steps to proceed with the construction phase of the noted facilities.



W.C. SINCLAIR, CHAIR, MAJOR CIVIC BUILDING
PROJECT COORDINATION COMMITTEE



D.G. STENSON, DIRECTOR, PLANNING
AND BUILDING



For D. GAUNT, DIRECTOR, RECREATION AND
CULTURAL SERVICES

JC:lb
b:\arenacon.jc

cc: City Manager
Deputy City Manager, Corporate Labour Relations
Deputy City Manager, Corporate Services
Director, Finance
Chief Building Inspector
City Solicitor
Purchasing Agent

APPENDIX 'A'

TENDERS RECEIVED FOR BURNABY LAKE SPORTS COMPLEX

Name	Base Tender	G.S.T. @ 7%	Tender Total
1. D.G.S. Construction Co. Ltd.	\$8,330,000.00	\$583,100.00	\$8,913,100.00
2. Smith Bros & Wilson (BC) Ltd	\$8,370,000.00	\$585,900.00	\$8,955,900.00
3. Regatta Construction	\$8,376,000.00	\$586,320.00	\$8,962,320.00
4. Westpro Constructors Group Ltd	\$8,406,000.00	\$588,420.00	\$8,994,420.00
5. Nova Construction Ltd.	\$8,696,000.00	\$608,720.00	\$9,304,720.00
6. Dominion Construction & Developments Inc.	\$8,780,000.00	\$614,600.00	\$9,394,600.00

- Note:*
1. *Tender Total includes renovations to the existing Burnaby Lake Arena valued at \$150,000.00.*
 2. *Separate price submitted by D.G.S. Construction Co. Ltd. for C.G. Brown Pool Addition - \$123,544 plus G.S.T. at 7%*

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