



Corporate Report

NO: R061

COUNCIL DATE: April 20, 2009

REGULAR COUNCIL

TO: Mayor & Council DATE: April 20, 2009
FROM: General Manager, Planning and Development FILE: 8000-20
(Newton Gym Addition)
SUBJECT: Newton Recreation Centre Gymnasium and Mat Room Addition – Approval of
Expenditure Authority and Construction Management Process

RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report as information;
2. Set the expenditure authorization limit for the construction of the Newton Recreation Centre gymnasium and mat room addition project at \$4,445,063 (including GST); and
3. Delegate authority to the City Manager to award the trades and material supply contracts for this project up to the construction expenditure authority limit referenced in Recommendation #2, subject to each such award being made to the proponent providing the lowest cost quotation that fully meets the specifications for the related work.

INTENT

The purpose of this report is to obtain Council approval for an expenditure authority for the construction of the Newton Recreation Centre gymnasium and mat room addition and for the delegation of authority to the City Manager to award the trades and material supply contracts associated with this project up to the expenditure limit approved by Council and subject to such awards being made to the proponent providing the lowest quotation in each circumstance that fully meets the specifications for the related work.

DISCUSSION

Council approved the 2007-2011 Five-Year Financial Plan on February 12, 2007. The Plan contained a capital allocation of \$1.0 million for each year (Corporate Report No. F007) for "Partnerships in the Delivery of Recreational Services". This capital funding source, together with funding received through the BC Canada Rural Infrastructure Grant has allowed the City to move forward to the design and construction of a gymnasium and mat room addition to the Newton Recreation Centre.

At the January 19, 2009 Regular Council Meeting, Council approved the Development Permit and Development Variance Permit for the project.

To deliver this project at the lowest cost, staff has decided to use the "stipulated sum" method for constructing the addition. This method reduces the cost and timeframe for construction by using the expertise of a construction management firm, who will be responsible for coordinating trades on a trade-by-trade basis and materials suppliers through separate quotes as opposed to the more normal "lump sum" tender approach. As a result of a Request for Quotations process (RFQ - Ref. No. 1220-40-14-09), Dominion Fairmile Construction Ltd. has been retained as the construction management firm for this project, based on their quotation providing the best value to the City. The budget for construction of this project is \$4,445,063 (including GST). A series of contracts with a variety of trades and materials suppliers will be issued. These contractors will be responsible for providing materials and labour for constructing elements of the project (i.e., concrete/steel works, plumbing, electrical, mechanical, roofing, etc.).

To expedite the construction process, it is recommended that Council delegate authority to the City Manager to award contracts to the trades and materials suppliers for this project. In the absence of such delegated authority, the award of each such contract will need be held waiting for a Council meeting. It is further recommended that the delegation of authority to the City Manager to award the contracts for this project be approved on the condition that each such award be to the proponent providing the lowest quotation that fully meets the specifications for the related contract and that the total of such awards does not exceed the expenditure authorization limit approved by Council for the project.

Although this concern is not expected to occur, if any concern arises as a result of the quotation process that the total cost of the project will exceed the budget for the project, a further report will be provided to Council on the matter.

CONCLUSION

Based on the above discussion, it is recommended that Council:

- Set the expenditure authorization limit for the construction of the Newton Recreation Centre gymnasium and mat room addition project at \$4,445,063 (including GST); and
- Delegate authority to the City Manager to award trades and material supply contracts for this project up to the construction expenditure authority limit referenced in Recommendation #2, subject to each such award being made to the lowest cost quotation that fully meets the specifications for the related work.

Original signed by
Jean Lamontagne
General Manager,
Planning and Development

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