

NO: **R096**

COUNCIL DATE: **May 25, 2015**

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **May 25, 2015**

FROM: **General Manager, Planning and Development**

FILE: **o800-20 (Main Works Yard)**

SUBJECT: **Award of Contract for the Construction of Structure Work for the Main Operations Centre & Fleet Maintenance Buildings for the Main Works Yard Project**

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## RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Approve the award of a contract in the amount of \$9,866,910.87, excluding GST, to Graham Construction & Engineering LP for the construction of remaining works related to the new Main Operations Centre, all as generally described in this report; and
2. Set the expenditure authorization limit for the construction of remaining works related to the new Main Operations Centre at \$10,853,600.00, excluding GST.

## PURPOSE

The purpose of this report is to obtain approval to award a contract related to the construction of remaining works associated with the completion of the City's Main Works Yard redevelopment.

## BACKGROUND

The redevelopment of the Main Works Yard (the "Project") was approved by Council as part of the Build Surrey Program under the Capital budget in 2013.

The Project is being constructed in phases to minimize its impact on City operations and to allow for a convenient transition between existing and new buildings. Sequential tendering has been used to manage the construction of the Project. This report addresses the award of a contract for remaining works associated with the completion of the City's Main Works Yard. The remaining works mainly include demolition of existing structures and construction of a salt shed expansion, decanting facility, covered storage, fleet parking, materials/waste management areas, and all onsite civil works.

In August 2012, a Request for Expressions of Interest and Statements of Qualification (RFEOI/SOQ 1220-050-2012-032) was issued for Construction Management Services for the

Project. The RFEOI/SOQ was advertised on the City's website and posted on the BC Bid Website. It closed on August 30, 2012.

From the RFEI/SOQ process five proponents were shortlisted and each was requested through a Request for Proposal process (RFP 1220-030-2012-051) to submit a financial proposal including separate pricing for pre-construction services and for general contractor services. All five proponents responded with a proposal. Based on an evaluation of the proposals it was concluded that the proposal from Graham Construction & Engineering LP ("Graham") provided the best overall value to the City.

In October 2012 Graham was awarded the contract for pre-construction services for the Project, which included assisting with the evaluation and value-engineering of the design, scheduling and cost estimating for the Project. Graham has performed these services at a better than satisfactory level and it is now proposed that the contract with Graham be extended to include general contractor services for construction of the Project.

This Project is being tendered in phases to keep the Project on time and to allow for long lead items to be manufactured and delivered on site. During its Regular Meeting on June 17, 2013, Council approved the award of a contract for the construction of Phase 1 of the Project being a staff parking lot. During its Regular Meeting on October 28, 2013, Council approved the award of a contract for the construction of the structure works for the Main Operations Centre building and the Fleet Maintenance building, known as Phase 2 and Phase 3, respectively, of the Project. During its Regular meeting on February 3, 2014, Council approved the award of a contract for the construction of remaining components of work related to the Main Operations Centre building and the Fleet Maintenance building, known as Phase 2 and Phase 3, respectively, of the Project.

Design and subsequent procurement processes for the remaining phases of the Project have been completed.

### **Tender Process**

Graham and the architect, Taylor Kurtz Architecture + Design Inc. in association with Rounthwaite Dick and Hadley Architects Inc., have been working with City staff to obtain quotations for the remaining works associated with the completion of the City's Main Works Yard redevelopment.

Each trade/component related to the remainder of the works (beyond the buildings) will be tendered separately with the intention of selecting the lowest quote for each component of the work, which will then be combined into a "stipulated price" general contract and be assigned to Graham as the general contractor for the Project.

### **Quotations Process**

In April 2013, a Request for Expression of Interest and Statements of Qualifications (RFEOI/SOQ #1220-050-2013-017) was issued to pre-qualify trade contractors for the Project. The RFEOI/SOQ was advertised on the City's website and posted on the BC Bid Website. The RFEI/SOQ closed on April 11, 2013. Through an evaluation process trade contractors were shortlisted. Pre-qualified trades were then invited to submit quotations for the various components of the structure work.

A list of the contractors who submitted a quotation for each component of the work for the remaining phases of the Project is contained in Appendix I attached to this report along with the

price that was submitted by each contractor. In each case, the contractor providing the lowest quotation that fully met the specifications of the related component of work is being recommended for the award of that component of work.

### **General Contract**

The low quotes for each of the components, respectively, of the work are being combined into a "stipulated price" contract that includes an allowance for general conditions and contract management fees. This stipulated price contract amounts to \$9,866,910.87, excluding GST. It is proposed that this contract be awarded to Graham who will assume the risk associated with delivering the work of the contract within the stipulated price.

### **Funding for this Contract**

Funding in support of this contract is available within the Council-approved Capital budget.

### **Project Schedule**

Construction of the Project commenced in June 2013 and is expected to be completed late in 2016.

### **CONCLUSION**

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

- approve the award of a contract in the amount of \$9,866,910.87, excluding GST, to Graham Construction & Engineering LP for the construction of remaining works related to the new Main Operations Centre, all as generally described in this report; and
- set the expenditure authorization limit for the construction of remaining works related to the new Main Operations Centre at \$10,853,600.00, excluding GST.

*Original signed by*  
Jean Lamontagne  
General Manager,  
Planning and Development

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Attachment:

Appendix I: Results from the Request for Quotations Process for the Remaining Phases

**Main Works Yard Project - Remaining Phases  
Results of the Request for Quotations Process  
(Only the lowest three complete and compliant bids are listed)**

1. **Demolition: (5 contractors provided bids – prices exclude GST)**

<b>Clearview Grinding Ltd.</b>	<b>\$334,260.00</b>
D. Litchfield & Co. Ltd.	\$335,384.00
Pacific Blasting & Demolition Ltd.	\$349,000.00

2. **Civil: (2 contractors provided bids – prices exclude GST)**

<b>Triahn Enterprises Ltd.</b>	<b>\$3,374,605.00</b>
RDM Enterprises Ltd.	\$3,410,877.00

3. **Pre-Engineered Buildings : (3 contractors provided bid – prices exclude GST)**

<b>Ferro Building Systems Ltd.</b>	<b>\$929,714.03</b>
JDG Construction Management Ltd.	\$938,590.91
MBG Buildings Inc.	\$975,785.92

4. **Asphalt: (5 contractors provided bids – prices exclude GST)**

<b>Key-West Asphalt Ltd.</b>	<b>\$1,044,450.00</b>
Lafarge Canada Inc. C.O.B. as Columbia Bitulithic	\$1,044,871.10
Grandview Blacktop Ltd.	\$1,062,279.18

5. **Cash Allowances:**

Construction/City Daily Operations Temp Works	\$25,000.00
Soil Remediation Allowance	\$200,000.00
Traffic Control	\$125,280.00
Temporary Site Fencing	\$15,000.00
Concrete Formwork	\$383,600.00
Concrete Reinforcing	\$192,500.00
Concrete Supply	\$211,900.00
Miscellaneous Steel	\$127,600.00
Painting	\$90,000.00
Electrical	\$700,000.00
Landscape	\$200,000.00
Fence & Gates	\$353,409.0
<b>Sub-total Cash Allowances</b>	<b>\$2,624,289.00</b>

**Sub-total (items 1 - 5 above) \$ 8,307,318.03**

General Conditions \$ 1,366,124.00

Contract Management Fees \$ 193,468.84

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**Total Value \$ 9,866,910.87**

**Previously awarded \$41,657,253.12**

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**Total Revised Contract Value (excluding applicable taxes) \$51,524,163.99**