

NO: R185

COUNCIL DATE: **July 25, 2016**

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 11, 2016**

FROM: **General Manager, Planning and Development** FILE: **0760-20 (Surrey South Operations Centre)**

SUBJECT: **Award of Contract for the Construction of Structure Works & Elevator for Surrey South Operations Centre**

RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report as information; and
2. Approve the award of a contract to Graham Construction and Engineering LP for the construction of structure works and elevator related to the new Surrey South Operations Centre in the amount of \$1,941,400.00, excluding GST.

PURPOSE

The purpose of this report is to obtain approval to award a contract related to the construction of structure works and elevator that are part of the City of Surrey South Operations Centre development project to Graham Construction and Engineering LP.

BACKGROUND

The South Surrey Operations Centre (the "Project") was included in the 2012 Capital Program Budget (Corporate Report No. F004; 2012). The Project will accommodate both Engineering Operations and Parks Operations field staff and will include office space, and indoor and outdoor storage space, similar to the Hemlock Works Yard in North Surrey. The proposed facility will result in cost efficiencies in the delivery of Engineering and Parks services to South Surrey through a reduction in travel time for equipment and City workers to work sites.

In September 2015, a Request for Expressions of Interest and Statements of Qualification (RFEOI/SOQ 1220-050-2015-019) 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 September 30, 2015.

Following the RFEI/SOQ process, six proponents were shortlisted and requested to submit a financial proposal including pricing, separately, for pre-construction services and for general contractor services. All five proponents responded. Based on an evaluation of the proposals it was concluded that the

proposal from Graham Construction and Engineering LP ("Graham") provided the best overall value to the City.

In April 2016 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 satisfactory level and it is now proposed that the contract with Graham be extended to include general contractor services for this portion of the Project.

Tender Process and Results

Since May 2016 Graham and the architect (Carscadden Stokes McDonald Architects Inc.) have been working with City staff to obtain quotations for the work related to the structure works and elevator, which is the subject of this report.

The work of each trade is being tendered separately with the intention of selecting the lowest quote for each element of the work and combining them under one stipulated price contract that would then be assigned to Graham as the general contractor for construction of the Project.

In May 2016, a prequalification process was issued by Graham to prequalify trade contractors for the subject works. The prequalification was publicly advertised with a closing date of June 3, 2016. Upon completion of the evaluation process by Graham, the shortlisted trade contractors were invited to submit quotations for structure works and elevator.

A list of the trade contractors who submitted a quotation for each component of the subject works of the Project is contained in Appendix "I", along with the respective price that they submitted. In each case, the bidder providing the lowest quotation that fully meets the specifications of the related work is being awarded that element of work.

The successful quote for element of the work is being combined into a stipulated price contract that includes an allowance for general conditions and contract management fees. This stipulated price contract amounts to \$1,941,400.00, excluding GST. This contract is proposed to be awarded to Graham. Graham will assume the risk associated with delivering the work of the contract within the stipulated price.

Additional contracts will be awarded at a later date in relation to the remaining scopes of the Project. The same process will be followed in relation to selecting trades and in combining the related quotes into a contract that will be awarded as a stipulated price contract to Graham.

Funding

Funding for this contract is available within the approved Capital budget.

Project Schedule

Construction of the Project will commence September 2016 and is expected to be completed summer of 2017.

CONCLUSION

Based on the above discussion it is recommended that Council approve the award of a contract to Graham Construction and Engineering LP for the construction of structure works and elevator related

to the new Surrey South Operations Centre in the amount of \$1,941,400.00, excluding GST, as generally described in this report.

Original signed by
Jean Lamontagne
General Manager,
Planning and Development

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Attachments:

Appendix "I" – Results of the Request for Quotations Process

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