

From: "Mochrie, Paul" <Paul.Mochrie@vancouver.ca>

To: "Direct to Mayor and Council - DL"

Date: 9/12/2023 12:21:35 PM

Subject: Memo to Council - Bid Committee Approval during Summer Recess

Attachments: Council Memo - Bid Committee Approval during Summer Recess - Change Order - Sewer Separation 49th Street (002).pdf

Dear Mayor and Council,

The attached memo relates to a Bid Committee approval on behalf of Council that took place over the summer break. The Procurement policy provides for situations where the Bid Committee can make such an approval to maintain continuity of service, and requires that staff reports and awards to Council on their return. This memo outlines the project and the award of the change order to Construction Agreement No. PS20210388 - Construction Services for Sewer Separation – W49th Avenue with BD Hall Constructors Corp.

- The change order is estimated at \$1,781,898, which brings the cumulative value of change orders on this contract to \$2,488,716.00, surpassing the Council approval threshold of \$2M.
- The W 49th Ave sewer separation project (W 49th Avenue from Tisdall Street to Oak Street) is one of the projects to be delivered as part of the 2019-2026 Utilities DCL Program in the Cambie Corridor.
- Scope for permanent pavement repair was not included in BD Hall's contract, as this was intended to be delivered internally, however, internal crews have confirmed that they do not have the capacity to complete this work within an acceptable timeframe.
- Re-tendering the scope was explored however it would delay the delivery timeframe, and a change order to the existing contract was the best option.

Should Council have any questions regarding this Bid Committee approval on behalf of Council, please contact Patrice Impey.

Best,
Paul

Paul Mochrie (he/him)
City Manager
City of Vancouver
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səlilwətaʔ (Tsleil-Waututh) Nations.

MEMORANDUM

September 13, 2023

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Maria Pontikis, Chief Communications Officer, CEC
Rosemary Hagiwara, Acting City Clerk
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Interim Chief of Staff, Mayor's Office
Frances Connell – City Solicitor
Lon LaClaire, General Manager, Engineering Services
Alexander Ralph, Chief Procurement Officer and Director SCM

FROM: Patrice Impey
General Manager, Finance, Risk and Supply Chain Management

SUBJECT: Extended Authority of Bid Committee During Council Recess -
Change Order Approval on behalf of Council for Construction Agreement
Construction Service for Sewer Separation – W49th Avenue

RTS # N/A

Dear Mayor and Council,

Section 12.6 of the Procurement Policy states: “Where an Award is required to be authorized by Council and is being considered for approval by Bid Committee at a time when Council is not scheduled to meet for another 4 weeks (as measured from the date the matter is brought to Bid Committee) such as for example (but without limitation) during the summer recess.... the Bid Committee is authorized to make the Award on behalf of Council.”

When Bid Committee approves an Award under Section 12.6 of the Procurement Policy, City staff reports the Award to Council. When the subsequent Council meeting agenda is over-subscribed, it is City staff's practice to send a memo regarding the Award to Council and to post the memo publicly for transparency.

On August 15, 2023, the Bid Committee relied upon Section 12.6 of the Procurement Policy to approve a change order to the contract with BD Hall Constructors Corp. The change order relates to Construction Agreement No. PS20210388 - Construction Services for Sewer Separation – W49th Avenue with BD Hall Constructors Corp.

In May 2018, Council approved the Cambie Corridor Plan, which will make the Cambie Corridor the biggest growth area outside of downtown, with over 50,000 new residents anticipated by 2041 and new job space for over 9,000 employees. To accommodate this growth, the City needs to invest in significant water, sewer, and drainage utility infrastructure.

As part of this work, the City created the Cambie Corridor Utilities Servicing Plan and Financial Growth Strategy to address infrastructure upgrades required in the Corridor to accommodate the population and jobs growth enabled by the Plan. The new framework established a long-term capital program and the introduction of a dedicated Citywide Utilities Development Cost Levy (UDCL) to fund growth-related utility infrastructure projects.

The Utilities DCL Program (i.e., list of capital projects) identifies approximately \$1 Billion in total infrastructure costs. The prioritization of upgrade projects included on the list was based on the existing system capacity, anticipated densities in each area, development activity and ability to efficiently deliver the infrastructure. The W 49th Ave sewer separation project is one of the projects identified to be delivered as part of the 2019-2026 Utilities DCL Program in the Cambie Corridor and is located on W 49th Avenue from Tisdall Street to Oak Street.

The permanent pavement repair scope was not included in BD Hall's contract, but must be completed as part of the overall sewer separation project.

Internal delivery of this scope was expected, but internal crews have confirmed that they do not have the capacity to complete this work within an acceptable timeframe. Re-tendering the scope was also explored and presents schedule challenges with work likely not able to be completed through this delivery option until 2024.

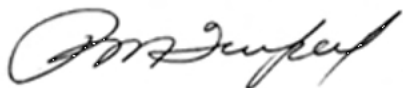
Recent estimates for this work provided by internal crews and using unit rates from other externally delivered projects show that the change order pricing from BD Hall is in line with current market rates and a reduction in costs by going back to the market is unlikely. For this reason, City staff recommended that Bid Committee approve a change order to the current agreement with BD Hall, as it allows this work to take place in 2023.

The original contract value was \$5,063,640 dollars and the pavement repair change order is estimated at \$1,781,898. The cumulative cost of change orders to date plus the contemplated pavement change order total \$2,488,716.00, therefore surpassing the Council approval threshold of \$2M.

As the approval was required during the summer recess at a time where Council was not scheduled to meet for another 4 weeks, as per the delegated authority in the Procurement Policy, Bid Committee approved the contract change order on behalf of Council to allow this work to take place in 2023.

Please let me know if there are any questions related to this approval.

Regards,



Patrice Impey
General Manager, Finance, Risk and Supply Chain Management
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