



July 4, 2019

MEMO TO : Park Board Commissioners

FROM : Malcolm Bromley
General Manager, Vancouver Board of Parks and Recreation

SUBJECT : **New Downtown Park at Smithe & Richards Update – Board Briefing Memo**

Dear Commissioners,

The purpose of this memo is to update the Board about the progress and schedule for the new downtown park at Smithe and Richards Streets.

The Park Board approved the [park concept design](#) on May 30, 2016, following a successful public engagement that involved a park design focus group and over 1000 participants in a final engagement survey. Full details of the engagement process and other background material are available on the project [webpage](#). The "[In-Depth](#)" section of the web page provides full project background including the genesis and original rationale for the park as part of a new high density mixed-use neighbourhood "Downtown South" as approved by City Council in 1991.

With Board approval, staff advanced the project through design development, including two rounds of Urban Design Panel review and a year-long Development and Building Permit process. Additionally, staff reviewed potential operating costs which are estimated at \$500K annually - review of operating costs is ongoing. The park construction project was issued to pre-qualified contractors on July 27, 2018, and bids were received on September 20, 2018.

The lowest bid was \$14.7M, not including a construction contingency, which exceeded the project budget of \$10.5M. An analysis identified several factors which contributed to the high bids: steel tariffs; ongoing and high cost escalations in the construction industry; design detail complexity; and inaccuracy in the consultant's Class 'A' cost estimate. In consultation with Supply Chain Management, who oversaw the procurement process, staff collapsed the tender and explored alternate models to deliver the project at a reduced cost.

The preferred option was to utilize a 'Construction Manager at Risk' (CMAR) procurement model. The CMAR approach retains a construction manager from a respected contractor – this individual works closely with the design team to reduce costs. A construction manager's value resides in their understanding of 'real-world' pricing and efficient construction methods, an invaluable aspect of the design process.

The CMAR RFP was issued to prequalified contractors on January 25, 2019, and the contract for construction management was awarded to Smith Bros. and Wilson Ltd. (SBW) in late March 2019. SBW is working directly with the existing park design consultant (DIALOG) to guide design revisions necessary to reduce project costs while maintaining the design integrity. Concurrently, SBW is reaching out to sub-contractors and suppliers to obtain real market pricing to ensure accurate construction cost estimates. Prior to starting construction and upon completion of the design and procurement phase, the CMAR contract will be converted to a standard construction agreement.



The aspiration of this value engineering process is for the 'spirit' of the design to remain intact, limiting design modifications to building materials, timelines, and construction methods. If necessary, some design elements may need to be reconsidered to align the project with budgetary constraints. Estimated costs have been reduced through the value engineering process, however, additional funds will be necessary from Downtown South DCL and CAC funds not currently assigned to the 2019-2022 Capital Plan. Drastic design changes to reduce costs may trigger permit amendments, necessitate new public engagement, and require new approvals by the Park Board – this will significantly delay delivery of this much needed downtown park.

Currently, the target timeline for this project is as follows:

- Apr - Jun 2019: Construction manager and DIALOG revise design to reduce costs;
- July 2019: Staff seek additional funding from Council;
- Jul - Sep 2019: Construction manager tendering to sub-trades;
- Nov 2019: Easy Park removes infrastructure from park site;
- Nov 2019: CMAR contract converted to construction contract (Board & Council approvals required);
- Nov 2019: Issue RFP for vendors to operate out of café space;
- Dec 2019: Construction begins, subject to Board and Council approvals;
- Jan 2020: Board approval of café operator; and
- Jun 2021: Construction complete.

In the meantime, the site will continue to be leased to Easy Park and operated as a parking lot with revenues benefitting the Park Board. This will cease once construction begins in late 2019. Staff will continue to update the Board as the project progresses.

Regards,

A handwritten signature in black ink, appearing to read "Malcolm Bromley". The signature is written in a cursive, flowing style.

Malcolm Bromley
General Manager - Vancouver Board of Parks and Recreation

jm/ag/tm/dh

Copy to: PB Senior Leadership Team
PB Park Development
PB Communications