

DISCUSSION

Increase in Project Budget

The construction of the Project, located at 17944 Colebrook Road, was approved by Council as part of the City's 2011 capital budget (Corporate Report No F023, dated November 30, 2010). The allocation for the Project in the 2011 Capital budget is \$5.1 million.

The Project is being constructed on a lot at 17944 Colebrook Road at the southerly edge of Cloverdale. The original budget did not include funding for offsite servicing costs of approximately \$1.2 million, including both the provision of an improved access road to the site as well as sanitary sewer and water service extensions that are necessary.

As part of the design of the Project, the Project consultants have determined that with additional capital funding the facility could be designed such that operating costs could be significantly reduced by means of more effective materials and finishes and through the implementation of automated systems. Such an approach will result in lower overall life cycle costs for the City in relation to the building and the related operation.

Consultant fees related to the design of the Project have increased as a result of the expanded scope of and refinements to the Project. Chernoff Thompson Architects was retained to provide architectural and engineering services for the Project. City staff and the consultant team, led by Chernoff Thompson Architects, have collaborated closely to come up with a design that will provide an efficient operation and a quality building that meets the City's current needs and will allow for future expansion as demand for service increases with City growth. An additional allocation for design services of \$260,000, excluding HST, is necessary to reflect the expanded scope of and refinements to the Project.

Given all of the above, an additional allocation of \$2.5 million is necessary to the Project capital budget to support the completion of the Project.

This Project budget as currently approved is \$5.1 million. It is recommended that Council authorize staff to include in the 2012 component of the 2012 to 2016 Capital Financial Plan an additional allocation of \$2.5 million to the Capital budget for the Project, which will increase the total project budget to \$7,600,000.

Construction Contract

A prequalification process was undertaken in relation to establishing a list of contractors who would be invited to bid on the construction of this project. Six contractors were prequalified (under RFEOI/SOQ #1220-050-2010-010) to participate in an Invitation to Tender (ITT #1220-0202011-004) for the Project. Four of those invited to submit bids made a submission as follows:

Contractor	Tender Amount (Excluding HST)
Double V Construction Ltd.	\$4,488,928
Carillion Pacific Construction Inc.	\$4,614,500
Scott Special Projects Ltd.	\$4,664,295
PCL Constructors Westcoast Inc.	\$4,667,500

The tender from Double V Construction Ltd. was the lowest in the amount of \$4,488,928, excluding HST. Double V Construction has successfully completed projects of similar scale and complexity in the past. Staff is satisfied that they have the expertise to construct the subject Project to specifications within an acceptable timeframe. They have no outstanding legal claims against the City.

CONCLUSION

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

- Authorize staff to include in the 2012 component of the 2012 to 2016 Capital Financial Plan an additional allocation of \$2.5 million to the Capital budget for the Surrey Animal Care Centre project, which will increase the total project budget to \$7,600,000;
- Approve the award of a contract to Double V Construction Ltd. as general contractor for the construction of the Surrey Animal Care Centre with a total value of \$4,488,928, excluding HST;
- Set the expenditure authorization limit for the construction of the Surrey Animal Care Centre at \$ 4,700,000, excluding HST; and
- Approve an additional allocation of \$260,000 for a total budget of \$667,915 (excluding HST) in relation to the contract with Chernoff Thompson Architects for design services for the Surrey Animal Care Centre project.

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