

TO: CHIEF ADMINISTRATIVE OFFICER **DATE:** 2021 December 08

FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER & CHIEF FINANCIAL OFFICER **FILE:** 5820-20
Reference: Tender #145-06/19

**SUBJECT: CONTRACT INCREASE
SOUTH BURNABY ICE ARENA PROJECT**

PURPOSE: To obtain Council approval to award a contract increase for additional construction services for the South Burnaby Ice Arena project.

RECOMMENDATION:

1. **THAT** Council approve a contract increase to Pomerleau Inc. for an estimated cost of \$1,450,459.22 including GST in the amount of \$69,069.49. Final payment will be based on the actual quantity of goods and services delivered and unit prices as submitted.

REPORT

On 2019 July 29, Council awarded a contract to Pomerleau Inc. for construction services for the South Burnaby Ice Arena project, in the amount of \$50,046,559.49 including GST in the amount of \$2,383,169.50.

Since the award of this contract, there has been one change order for a total value of \$654,282.25 including GST in the amount of \$31,156.30.

This contract increase of \$1,450,459.22 including GST in the amount of \$69,069.49 is for the following:

- Additional works required for offsite BC Hydro civil works, other utilities and street work that were not included in the general contractor's original tender. The work was included in the project budget and to be completed directly by BC Hydro. The scope of additional work includes offsite BC Hydro requirements, offsite civil work including new sidewalks, street lighting, bicycle pathway and other utilities (e.g. Telus requirements). The additional work has been negotiated at a fair market value;
- Additional works required based on electrical and mechanical addenda which were not included at the time of tender and modifications required as per building permit approval requirements. The additional work has been negotiated at a fair market value;

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- Additional works required based on unforeseen geotechnical changes. The additional work has been negotiated at a fair market value;
- Additional works required for building the South retaining wall grading and fencing on the School District No. 41 property (between the arena site and Byrne Creek Secondary School). This work was not included in the tender drawings. The additional work has been negotiated at a fair market value; and
- Additional works required based on the design requirements and needs of the new facility. The additional work has been negotiated at a fair market value.

The total estimated contract value will be \$52,151,300.96 including GST in the amount of \$2,483,395.28.

Contract History	Date	Accumulative Total Change (including GST)
Original Contract Award	2019 July	\$ 50,046,559.49
Change Order #3	2020 January	\$ 654,282.25
Change Orders #1,2,5,6,7, 8 to 20, 22 to 27, 29 to 36, 38 to 42, 45 to 55, 58 to 61, 63 to 68, 70 to 93, 95, 99 to 102,105 & 107	Pending	\$ 1,450,459.22
TOTAL		\$ 52,151,300.96

City staff have reviewed the proposed change orders and believe it appropriately addresses the City's needs at a fair cost. The Director Planning & Building concurs with this recommendation.

Funding will be provided for this capital work within the 2022 – 2026 Financial Plan under WBS element: DPX.0116 (\$1,381,400).



Noreen Kassam, CPA, CGA
 DEPUTY CHIEF ADMINISTRATIVE OFFICER
 & CHIEF FINANCIAL OFFICER

NK:GC:SC / jk:md

Copied to: Director Planning & Building
 Assistant Director Civic Building Projects