

TO: MAYOR & COUNCILLORS

FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER

SUBJECT: **CA – BURNABY LAKE RECREATION COMPLEX (BLRC) PROJECT – PHASE II**

PURPOSE: To obtain Council approval to award Contract Awards (CA) to Ventana Construction (Design Build) Corporation to complete the design and construction of the work for the Burnaby Lake Recreation Complex (BLRC) project – Phase II.

RECOMMENDATION

THAT a contract award to Ventana Construction (Design Build) Corporation for a total cost of \$156,439,423 including GST in the amount of \$7,449,497 as outlined in the report titled “CA – Burnaby Lake Recreation Complex (BLRC) Project - Phase II” dated for April 29, 2024, be approved;

THAT the allowance for anticipated contingency for a budget cost of \$12,505,577 including GST in the amount of \$595,505 be approved; and

THAT final payment will be based on the actual quantity of services delivered and unit prices as tendered.

1.0 POLICY SECTION

The City’s Procurement Policy requires that contracts for goods, services and construction with values over \$1,000,000 be approved by Council following a competitive procurement process.

2.0 BACKGROUND

In Spring of 2019, the City undertook a feasibility and needs assessment study to replace the aging Burnaby Lake Arena and C.G Brown Pool. This study provided key insights for a recreation facility that could meet the needs of the growing Burnaby population and attract participants from other municipalities. The design of the facility followed and was completed in 2022. In November of that year, the City awarded a construction management contract for this project (phase 1) to Ventana Construction Corporation for \$84,000,000, including GST of \$4,000,000.

In August 2023, following costing exercises and value engineering to explore cost savings opportunities, staff reported that the design could not be constructed for the approved budget and recommended to abandon the project and redesign the facility to still meet the needs of the growing population at a more affordable price. As a result, Council authorized staff to migrate to a Design-Build project to expedite a redesign and restart construction as quickly as possible.

On December 11, 2023, the Council approved the staff-recommended design Option 1 with a cost estimate of \$240,900,000 excluding GST (Resolution No. 2023-523). The approved concept satisfies all identified recreation needs and meets provincial requirements to host swimming competitions and includes the following key features:

- 50 m. pool with 10 lanes;
- Diving tower and boards;
- Combined leisure and 6 lane 25 m. pool;
- NHL sized arena (ice/dry floor);
- Combined surface and underground parking;
- At grade pedestrian crossing to connect to the Christine Sinclair Community Centre site;
- Allowance for green energy for pool heating; and
- Space allocation for a future outdoor pool (covered or partially covered), if required.

Over the last few months, staff have been working with the Design-Build team in advancing the design to finalize the project cost while ensuring that the new BLRC maintains the features and program elements presented in December 2023. The design aligns with the City’s vision of providing a destination recreation facility capable of drawing regional participation in leisure and competitive sports activities, being welcoming to all, and meeting a wide variety of recreation needs of residents and visitors.

3.0 GENERAL INFORMATION

The upcoming BLRC design and scope ensure that programming elements and amenities meet current and projected future community needs while optimizing efficiencies in both form and function.

Since August 2023, the Design-Build team has worked closely with City staff to reimagine the facility's design. Their primary objective is to integrate all program elements from the previous Burnaby Lake Aquatic and Arena (BLAA) while simultaneously reducing the project's budget.

The Design-Build team has worked closely with City staff to redesign the facility to support all sports and recreational activities, optimize cost efficiencies and prioritize energy efficiency & environmental sustainability.

3.1 Natatorium

The natatorium includes a 50m pool with 10 lanes, 2 bulkheads and a movable floor that allows for flexible configurations. This pool is specifically designed for provincial-level swimming competitions and there are diving towers/boards available year-round.

The combined leisure and 6-lane 25m. pool has a barrier free entry, water and spray toys, and a lazy river. The lane section of the pool is prime location for swimming lessons and for those who prefer to swim laps in warmer water. A family hot tub, steam room and sauna enhance the overall experience in the wellness area.

3.2 Arena

The arena features a fully accessible NHL-sized ice rink that will meet sledge hockey and other accessibility requirements. Visitors can comfortably watch the action in ample spectator seating. Convenient amenities such as a skate shop, change rooms and referee rooms ensure a smooth user experience.

3.3 Additional Features

Beyond the core areas, the complex offers several additional features. Multi-use pathways accommodate various modes of transportation such as walking, cycling, and rolling. Safety is a priority throughout the facility, with features such as a covered pedestrian crossing across Kensington Avenue. The complex provides underground parking as well as close proximity to the bus. Multipurpose rooms cater to diverse needs and inclusive washrooms ensure privacy and safety for all visitors. Administrative offices will efficiently manage facility operations and storage facilities will support equipment and supplies. The Burnaby Sports Hall of Fame will celebrate local sports achievements, and public art installations will enhance the overall aesthetic and cultural value.

3.4 Sustainability Features

A number of energy options were investigated including a geo-exchange field and lake water heat-exchange. In order to balance sustainability and cost, the facility features waste heat recovery from the ice rink to heat the natatorium and other areas of the building. High efficiency air source heat pumps are used to satisfy the remainder of the facility’s energy demand.

3.5 Summary & Next Steps

The comprehensive redesign will create a recreational and competitive sports hub that caters to evolving needs and attracts the regional community. The design and build process will continue to be guided by feedback gained in the 2019 community engagement surveys and public events. Staff will continue to work closely with key stakeholders throughout the design phase to gather feedback and ensure core recreation and sport needs are met as well as the inclusion of the new Burnaby Sports Hall of Fame.

Staff will be working on mitigating potential impacts on user group activities and on the community programs throughout the design and construction stages. Once these impacts are identified, solutions will be explored in collaboration with the user groups.

Upon Contract Award approval from Council, construction activities are scheduled to start this summer. The Design-Build delivery approach allows to expedite construction (demolition, site works) while the design details are being finalized on the building. A report will be brought forward in the next months to the Executive Committee of Council to begin the process of determining a permanent name for the new facility.

The total estimated contract value will be \$240,900,000 excluding GST, as presented to Council in December 2023, for a total of \$252,945,000 including GST in the amount of \$12,045,000.

Contract History	Date	Accumulative Total Change (including GST)
Original Contract Award – Phase I	Oct 2022	\$84,000,000
Change Order 1 – Phase II Contract	Pending	\$156,439,423
Allowance for Anticipated Contingency Phase II	Pending	\$12,505,577
TOTAL		\$ 252,945,000

It is our opinion that the project design has achieved this goal and that the proposed budget provides good value to the City.

The General Manager of Lands and Facilities concurs with this recommendation.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The RFP #126-05-22 Construction Management and Construction Burnaby Lake Aquatic and Arena (Attachment 1) was publicly advertised. Upon closing, the City received a total of four submissions.

5.0 FINANCIAL CONSIDERATIONS

Funding for this capital work is included in the 2024-2028 Financial Plan under Lands & Facilities – Civic Projects, Burnaby Lake Recreation Centre with a budget of \$223M. Of this budget, there are currently \$74M in outstanding commitments and \$1M in expenditures, leaving an uncommitted balance of \$148M as of period 3, 2024. To accommodate the final design for this contract award, a reallocation of \$13M will be made from the Cameron Community Centre & Library project, which is currently out to tender and will require further review.

This contract award for Phase II will be accommodated under WBS element: BAX.0017 (\$161 million excluding GST). The project will be funded from Community Benefit Bonus Reserve which has the following commitments:

Cash Balance as at December 31, 2023	\$785M
Received Community Benefit Contributions (Year to date)	\$66M
Projected 2024 Investment Income	\$21M
Updated Cash Balance as of Period 3 (March 23, 2024)	\$872M
Projected Costs for Projects Near Completion and/or in-progress*	(\$108M)
Approved RCMP Facility Commitment	(\$223M)
Approved James Cowen Theatre Commitment	(\$55M)
Approved Burnaby Lake Recreation Centre – Phase I (remainder of \$84 million commitment & year to date expenditures)	(\$75M)
Subtotal	\$411M
Pending Burnaby Lake Recreation Centre – Phase II	(\$161M)
Remaining Balance	\$250M

*Project Examples: Firehall 4 & 8, Rowan Childcare, Covered Sports Boxes, etc.

Cameron Recreation Centre construction contract award will come forward to Council in the near future. Potential future density bonus contributions will be affected by the Provincial Legislation on Development Financing and therefore have not been projected at this time in the above table. Staff are continuing to review the impacts and implications of the Community Benefit Bonus Program.

Respectfully submitted,
 Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Attachment 1 – RFP#126-05-22

REPORT CONTRIBUTORS

This report was prepared by Sonny Dherari, Senior Buyer, and reviewed by Sophan Lum, Senior Manager Purchasing - Capital