



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Date: May 3, 2006
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VanRIMS No.: 02-4000-01
Meeting Date: May 16, 2006

TO: Vancouver City Council

FROM: Director of Civic Theatres, in consultation with Director, Facilities Design and Management

SUBJECT: Queen Elizabeth Theatre/Vancouver Playhouse Theatre - Acoustic Separation - Award of Construction Contracts

RECOMMENDATION

- A. THAT Council approve the increased project budget of \$5,920,000 for the Queen Elizabeth Theatre/ Vancouver Playhouse Theatre Acoustic Separation project, source of funding to be:
- allocation of private funds raised for the Queen Elizabeth Redevelopment project in the amount of \$600,000;
 - reallocation of approved funding of \$60,000 to modify the Vancouver Playhouse loading dock;
 - approved funding of \$3.5 million; and
 - additional funding of \$ 1.76 million from the Civic Theatres Capital Reserve,
- with interim financing as necessary to be provided from the Capital Facilities Fund on terms acceptable to the Director of Finance.
- B. THAT contracts for Queen Elizabeth Theatre/Vancouver Playhouse Theatre Acoustic Separation be awarded to:
- Parkwood Construction Ltd. in the amount of \$4,129,645 plus GST; and
 - Actes Environmental Ltd. for phase two of the abatement work in the amount of \$309,993 plus GST; said contracts to be to the satisfaction of the Director of Legal Services.; and further no legal rights or obligations will be created or arise by Council's adoption of recommendation A and B, unless or until such legal documents are executed and delivered by the Director of Legal Services.

GENERAL MANAGER'S COMMENTS

The General Managers of Corporate Services and Community Services RECOMMEND approval of the foregoing.

COUNCIL POLICY

- Council approval is required for contracts over \$300,000.
- Contracts are to be awarded on the basis of best value for the City.

PURPOSE

The purpose of this report is to request Council's approval for additional funding and reallocation of approved funding from the Civic Theatres Capital Reserve to complete the Queen Elizabeth Theatre/Vancouver Playhouse Acoustic Separation at 649 Cambie Street this summer and award of contracts to the low bidders, Parkwood Construction Ltd. for general construction work and to Actes Environmental Ltd. for asbestos abatement work.

BACKGROUND

In 2001, Civic Theatres received approval in principle to seek funding for major redevelopment of the QET auditorium, acoustic separation of QET/PH and upgrades to the QET plaza. Since planning for the project began, construction cost escalation has increased the estimated project budget to \$35 million.

Since 2001, several projects have leading to the redevelopment plan have been undertaken. Funding for these projects has been provided from the cashflow related to the Civic Theatres Capital Reserve which receives proceeds from the Theatres Ticket Surcharge and from the operation of the QET Parkade. Interim financing is provided from internal sources.

On November 1, 2005, Council approved a series of further projects from this source at a cost estimated at \$4.35 million, as follows:

- \$60,000 to modify the loading dock of the Vancouver Playhouse;
- \$90,000 for consultant fees and expenses related to fund-raising efforts;
- \$100,000 for consultant fees for design and review of the Orpheum/Capital 6 development project;
- \$600,000 for consultant fees for Design Development of Phase 1 & 2 of the Queen Elizabeth Theatre redevelopment; and
- \$3.5 million for final design development, contract documents and construction of the acoustic separation of Vancouver Playhouse (PH) from Queen Elizabeth Theatre (QET).

The importance of the three civic theatres has increased with award of the 2010 Olympics to Vancouver. The theatres will be prime venues for Olympic/Paralympic Arts Festivals during the years of the Cultural Olympiad leading up to the Games themselves. There is urgency to accomplish this work in an orderly fashion before the eyes of the world focus on Vancouver. In addition, on April 5, 2006, the City and the Province of BC launched a cooperative planning

process to create a cultural precinct in downtown Vancouver, principally involving the QET Complex and the adjacent block to the East. Redevelopment of the Queen Elizabeth Theatre Complex is an important component of the plan.

Phase I - Vancouver Playhouse Acoustic Separation

When the Vancouver Playhouse was built in 1962, it was structurally bonded to the back wall of the QET stage. This has become an increasing problem with the modern sound systems used in performances, as sound carries through the concrete structure from one theatre to the other. The separation project will literally cut the two buildings apart leaving an insulating air space between to eliminate sound transference. This separation means that the Playhouse structure will require seismic bracing to meet structural codes. An elevator shaft is proposed to provide this structural bracing as well as access from the main lobby down to the basement reception /rehearsal/dressing room areas and up to the balcony seating. This is the first phase of the larger QET Redevelopment Project which has been carefully planned and scheduled during dark periods from May to October in 2006, 2007 and 2008. Undertaking this project in 2006, allows the complex work to be phased in manageable components and will improve accessibility in the Playhouse during the subsequent QET redevelopment work.

DISCUSSION

From an open request of expressions of interest for prequalification of general contractors, nine contractors were prequalified to submit tenders for the project. However, seven firms decided to withdraw based on their heavy current commitments for work and inability to handle the accelerated schedule requirement for this project. Complete tenders were received as follows:

Parkwood Construction	\$4,129,645
Cormode & Dickson	\$4,132,000

On the basis of best value it is recommended the contract be awarded to Parkwood Construction Ltd., the low bidder, in the amount of \$4,129,645. Parkwood Construction Ltd. met all the requirements of the tender documents.

From a pre-qualified list of asbestos abatement contractors, seven contractors were invited to submit tenders of the abatement portion of the project. However, four firms decided not to submit a bid based on their current commitments and inability to handle the accelerated schedule required for this work. One of the submissions was incomplete. Tenders were received for this work as follows:

Bidder	Phase Two
Actes Environmental Ltd.	\$309,993
IES Environmental	\$480,000
EnviroVac	\$598,000

Tenders for asbestos abatement work were higher than anticipated due a severe shortage of skilled labour at this time. Phase one of the work which must proceed well advance of general construction due to the extremely tight schedule, has been awarded. On the basis of best value it is recommended the contract for phase two be awarded to Actes Environmental, the low bidder, in the amount \$309,993 plus GST. Actes Environmental met all the requirements of the tender documents.

Subject to Council approving the allocation of additional funding as requested, the contract values will be within the amount budgeted for this portion of the project.

All tenderers have been advised of these recommendations

FINANCIAL IMPLICATIONS

The anticipated cost of the acoustical separation of the QET and Playhouse has increased from the \$3.5 million anticipated in November 2005 to \$5.92 million. As a result, it is recommended that the following additional funding be allocated so that the project can proceed:

- o defer the Playhouse Loading Dock project and reallocate \$60,000;
- o allocate \$600,000 from private fund raising for the QET/Playhouse Redevelopment Project; and
- o increase the allocation from the Civic Theatres Capital Reserve by \$1.76 million from the currently approved \$3.5 million.

As with other projects funding through the Theatres Capital Reserve, interim financing will be provided by internal sources on terms acceptable to the Director of Finance.

Interim financing outstanding at January 1, 2006 was \$1.3 million, not including the \$4.3 million approved in October 2005 for the QET Redevelopment Project now in progress. In 2005 revenue to the Capital Reserve was \$1,016,185. With the increase in ticket surcharge that takes effect July 1, annual revenues are expected to be \$1.2 million annually.

The financing requested in this report will increase the total interim financing to approximately \$7.0 million to be repaid from the Civic Theatres Capital Reserve cash flow at terms acceptable to the Director of Finance in approximately 7 years (2013).

This project will cause no increase in operating costs. If the Vancouver Playhouse Acoustic Separation project is completed as proposed, it will facilitate increased bookings in both the QET and the Playhouse in future years.

CONCLUSION

The tender process was carried out according to the City policy and low bid, Parkwood Construction Ltd. and Actes Environmental have met all the requirements of the tender documents.

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