



CITY OF VANCOUVER

A1

ADMINISTRATIVE REPORT

Report Date: October 16, 2007
Author: Nataalka Lubiw
Phone No.: 604.871.6329
RTS No.: 6861
VanRIMS No.: 03-1200-30
Meeting Date: October 30, 2007

TO: Vancouver City Council

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

SUBJECT: Approval to Proceed with Construction Management for Queen Elizabeth
Theatre Redevelopment - Audience Chamber Phase 2

RECOMMENDATION

- A. THAT, subject to approval of Recommendations B, C and D, Council approve the entering into of an agreement between the City and Heatherbrae Builders Co. Ltd. ("Heatherbrae") for pre-construction management services for the Queen Elizabeth Theatre Redevelopment - Audience Chamber Phase 2 to a maximum value of \$70,000 (plus applicable taxes), with funding to be provided by the Queen Elizabeth Theatre Redevelopment Capital Budget;
- B. THAT, subject to approval of Recommendations A, C and D, Council approve the entering into of an agreement between the City and Heatherbrae for construction of the Queen Elizabeth Theatre Redevelopment - Audience Chamber Phase 2 to a maximum value of \$26,000,000 (plus applicable taxes), with funding to be provided by the Queen Elizabeth Theatre Redevelopment Capital Budget, subject to the competitive tendering of subtrade bids by Heatherbrae as construction manager;
- C. THAT, subject to approval of Recommendations A, B and D, Council authorize the Director of Facilities Design & Management to issue Change Orders in respect of the services contracted for pursuant to RECOMMENDATIONS A and B, provided that in no case will the total value of such services exceed the maximum amounts set out in RECOMMENDATIONS A and B, namely \$70,000 and \$26,000,000, respectively; and

- D. THAT, no legal rights or obligations will be created by Council's approval of these RECOMMENDATIONS and no funds are to be expended or services to be performed in respect of the matters contemplated by RECOMMENDATIONS A, B and C unless and until all legal documentation required by the Director of Legal Services has been executed and delivered by the Director of Legal Services on terms and conditions satisfactory to her.

GENERAL MANAGER'S COMMENTS

The General Manager of Corporate Services RECOMMENDS approval of the foregoing.

The General Manager of Community Services RECOMMENDS approval of the foregoing.

COUNCIL POLICY

- Council approval is required for the award of any construction contract with a value over \$300,000.
- Contracts are to be awarded on the basis of best value for the City.

PURPOSE

The Director of Facilities Design and Management and Director of Civic Theatres are requesting approval for the award of a pre-construction management services contract for the Queen Elizabeth Theatre ("QET") Redevelopment - Audience Chamber Phase 2, funding to be provided from the Queen Elizabeth Theatre Redevelopment Capital Budget as previously approved by Council.

The Director of Facilities Design and Management and Director of Civic Theatres are further requesting approval, subject to the competitive tendering of subtrade bids by the construction manager, for the award of a construction contract for the Queen Elizabeth Theatre ("QET") Redevelopment - Audience Chamber Phase 2, funding to be provided from the Queen Elizabeth Theatre Redevelopment Capital Budget as previously approved by Council.

BACKGROUND

The QET Redevelopment project was originally planned and scheduled during dark periods from the start of May to the start of November in 2006, 2007 and 2008 and has been extended through the same period in 2009. The first phase, the Vancouver Playhouse / Queen Elizabeth Theatre Acoustic Separation, was completed between May and November of 2006. The project was successful in achieving its objective of eliminating sound transference between the two adjoining theatres such that rock concerts can for the first time be presented in the QET without interfering with plays or recitals in the Playhouse. The project was completed on time and on budget.

The Audience Chamber Phase 1 work, the second phase of the larger QET Redevelopment project, is currently under construction. This project consists of demolition, architectural, structural, mechanical and electrical work associated with the removal of the existing audience chamber ceiling and systems, the installation of new mechanical and electrical systems, infrastructure for new theatre systems, and architectural and structural renovations, including roof truss upgrading, acoustical interventions, and new catwalks, bulkheads, and upper level finishes. This work has been subject to delays (including labour dispute issues) outside the contractor's control and, although the theatre will be operational for the 2007-2008 season, completion of some parts of the work will be deferred to 2008.

The Audience Chamber Phase 2 work (the "Project") scheduled for construction during the summers of 2008 and 2009, will include balcony, side box, and seating reconfiguration, acoustical interventions, new finishes, and dressing room, washroom, and lobby renovations.

DISCUSSION

The overall QET Redevelopment is on a very tight timeline as it must be completed in time for the 2010 Winter Olympics Arts Festival Project while still maintaining access for theatre users during their winter performance season.

Given the tight timeline and the complex nature of the Project, Facilities, Legal, and Civic Theatres staff recommend adopting the 'construction management at risk' industry standard procurement process, based on the model employed by Park Board for critical path Olympic venues. This process requires prequalified proponents to submit two fixed fees, one for pre-construction services and the second for the general contractor's portion of a stipulated sum construction contract. The construction manager engaged for pre-construction services assists in planning, scheduling, and budgeting the construction work as well as in the competitive tendering of subtrade packages. Once most of the subtrade packages are tendered, the previously submitted general contractor's fixed fee is added to the best subtrade prices as the basis for a standard stipulated sum construction contract. The Project then proceeds, as usual, with the risk borne by the general contractor.

From an open invitation to construction managers / general contractors to submit requests for prequalification dated July 30, 2007, six proponents were prequalified and invited to submit 'construction management at risk' proposals for the Project. At the closing of the ensuing formal RFP process on September 25, 2007, four proposals were received.

In assessing those proposals, the fixed fees submitted for pre-construction services and for the general contractor's portion of a stipulated sum construction contract were totalled. The two proponents with the lowest total fees were interviewed and both were deemed willing and able to do the work. The proponent with the lowest total fixed fee was Heatherbrae.

On the basis of best overall value to the City, staff recommend that the pre-construction management services contract be awarded to Heatherbrae, to a maximum value of \$70,000 (plus applicable taxes), and that, subject to the competitive tendering of subtrade bids by Heatherbrae as construction manager, the construction contract be awarded to Heatherbrae, to a maximum value of \$26,000,000 (plus applicable taxes).

All proponents have been advised of these recommendations.

FINANCIAL IMPLICATIONS

Funding for this Project is to be provided from the Queen Elizabeth Theatre Redevelopment Capital Budget approved by Council on October 31, 2006.

CONCLUSION

Following an open call for prequalification and a subsequent request for proposals, four proposals were received and analyzed by Facilities . The Director of Facilities Design and Management and Director of Civic Theatres recommend that the Director of Legal Services be authorized to enter into a contract with Heatherbrae for pre-construction management services for the Queen Elizabeth Theatre Redevelopment - Audience Chamber Phase 2, to a maximum value of \$70,000 (plus applicable taxes), with funding to be provided by the Queen Elizabeth Theatre Redevelopment Capital Budget as previously approved by Council.

The Director of Facilities Design and Management and Director of Civic Theatres further recommend that Director of Legal Services be authorized, subject to the competitive tendering of subtrade bids by Heatherbrae as construction manager, to enter into a contract with Heatherbrae for construction of the Queen Elizabeth Theatre Redevelopment - Audience Chamber Phase 2, to a maximum value of \$26,000,000 (plus applicable taxes), with funding to be provided from the Queen Elizabeth Theatre Redevelopment Capital Budget as previously approved by Council.

* * * * *