

TO: MAYOR & COUNCILLORS
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: **CI – PROGRESSIVE DESIGN BUILD – JAMES COWAN THEATRE REDEVELOPMENT PROJECT – PHASE II**
PURPOSE: To obtain Council approval to award a Contract Increase (CI) with Ledcor Design-Build (BC) Inc. to complete design and construction of the work for the James Cowan Theatre Redevelopment Project – Phase II.

RECOMMENDATION

THAT a contract increase to Ledcor Design-Build (BC) Inc. for an estimated cost of \$52,309,611 including GST in the amount of \$2,490,934, as outlined in the Council Report titled “CI – Progressive Design Build – James Cowan Theatre Redevelopment Project – Phase II” dated for February 26, 2024, be approved;

THAT a contract increase is approved for an allowance for anticipated contingency and permits for an estimated cost of \$1,307,741 including GST in the amount of \$62,274; and

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

1.0 POLICY SECTION

The City’s Change Order Policy requires Council’s approval for change orders, which individually or when accumulated with prior change orders, increase the total value of the contract by \$1,000,000.

2.0 BACKGROUND

The project includes the redevelopment of the James Cowan Theatre at the Shadbolt Centre at 6450 Deer Lake Avenue. The existing James Cowan Theatre was constructed as a gymnasium in the 1940s and converted into a theatre in 1995. The building is in need of significant upgrades, is past its useful service life, and is not wheelchair accessible.

Council considered options for the renewal of the James Cowan Theatre at a Closed Meeting on July 4, 2022. Council concluded to proceed with the Feasibility Study and Schematic Design including an updated Class D cost estimate for an approximate 365 seat theatre, art studios, café and production offices without a fly-tower and with no additional underground parking.

Following the evaluation of several project delivery models, the Progressive Design-Build model was adopted to enable the delivery of this Project in two (2) phases. Phase I includes due diligence, concept design, schematic design, design development, owner's statement of requirements and permitting. Phase II will include the preparation of construction documents, demolition of the existing building and construction of the new wing.

On January 23, 2023, Council approved a contract award to Ledcor Design-Build (BC) Inc. for \$2,224,920 including GST in the amount of \$105,949 for the James Cowan Theatre Redevelopment Project – Phase I. Subsequently, the award amount was revised to exclude permitting fees at \$1,602,825 including GST in the amount of \$76,325.

Since this award of the contract, there has been one change order in Phase I for the redesign of previous Schematic Design due to costing concerns and to ensure the Design Development will be focused on functionality and building efficiency for a value of \$162,565 including GST in the amount of \$7,742.

3.0 GENERAL INFORMATION

Over the past year Ledcor, Kasian Architecture and Interior Design, and the other design consultants and engineers have been working with staff teams and internal and external user groups to validate the scope, program, concept, schedule, and budget of the project. The proposed wing will be placed in the same footprint and attached to the Shadbolt Centre for the Arts. The facility has been designed to meet the arts and cultural community's space needs for the next 10 years. It is an efficient facility that optimizes functional and critical adjacency relationships that best facilitate the specialized program spaces, leverage flexibility and multifunctionality/purpose of the spaces to host a variety of events and activities, improves visibility and access for customers and the public and optimizes the use of natural light and outdoor spaces in the design to complement the existing building. In addition, it will increase useability options in the Deer Lake Park cultural hub.

In July 2023, Ledcor Design-Build (BC) Inc. submitted the Schematic Design and Class C estimate. Due to the cost increase from escalating market rates for materials and labour, Ledcor Design-Build (BC) Inc. was instructed to work with staff and trades to re-design work to align with budget including finding efficiencies and value engineering practices. The current design focuses on core operating program areas, functional adjacencies, and effectiveness.

In January 2024, Ledcor Design-Build (BC) Inc. submitted the Design Development and Class B estimate with the intention of converting to a CCDC 14 contract and proceeding into Phase II – Construction.

This recommendation is to approve a contract increase to Ledcor Design Build (BC) Inc. to proceed with James Cowan Theatre project – Phase II, in the amount of \$52,309,611 including GST in the amount of \$2,490,934 for the following works:

- Preparation of the Construction Documents and Building Permits and PPA Drawings;
- Demolition of the existing James Cowan Theatre wing while providing for the attached Shadbolt Centre facility to remain operational during the demolition and construction; and protection and retention of the adjacent landscaped/garden area; and
- Building a new 364 seat theatre including retractable seating and balcony/mezzanine; control room, stage lighting and sound equipment, lobby, art studios, food services programs and production spaces. The new wing occupies a total of 38,524 square feet and standing four stories high. The footprint matches the existing facility, with some subtle variation on the envelope location towards the East and North elevations.

This recommendation also requests to approve a contract increase for contingency and permits in the amount of \$1,307,741 including GST in the amount of \$62,274.

The total estimated contract value will be \$55,382,742 including GST in the amount of \$2,637,274.

Contract History	Date	Accumulative Total Change (including GST)
Original Contract Award – Phase I	Jan 2023	\$ 1,602,825
Change Order #1 - Phase I	September 2023	\$ 162,565
Change Order #2 – Phase II Contract Additions	Pending	\$ 52,309,611
Allowance for Anticipated Contingency and Permits Phase II	Pending	\$ 1,307,741
TOTAL		\$ 55,382,742

City staff have reviewed the Class B estimate and believe it appropriately addresses the City’s needs at a fair cost. Ledcor Design Build (BC) Inc. has obtained updated trade input on the majority of trades scopes making up over 85% of the cost estimate value and have validated the numbers against historical data from similar type projects.

The General Manager Lands and Facilities concurs with this recommendation.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The RFP#202-07-22 Progressive Design Build – James Cowan Theatre Redevelopment Project (Attachment 1) was publicly advertised. Upon closing, the City received a total of three submissions.

5.0 FINANCIAL CONSIDERATIONS

Funding for this capital work is included in the 2024 – 2028 Financial Plan under Lands & Facilities – Civic Projects, JCT Theatre Renewal project with a budget of \$55,000,000. This contract increase for Phase II will be accommodated under WBS element DPX.0208 (\$51,064,200). The project will be funded from the Community Benefit Bonus Reserve which has the following commitments:

Cash Balance as at December 31, 2023	\$792M
Projected Costs for Projects Near Completion and/or in-progress*	(\$96M)
Approved RCMP Facility Commitment	(\$223M)
Subtotal	\$473M
James Cowen Theatre (pending)	(\$55M)
Remaining Balance	\$418M

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

Burnaby Lake Recreation Centre and Cameron Recreation Centre construction contracts have not been awarded and will be allocated from the Community Benefit Bonus Reserve once approved by Council. 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.

Respectfully submitted,

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Attachment 1 – RFP#202-07-22

REPORT CONTRIBUTORS

This report was prepared by Scott Lovas, Assistant Manager, Purchasing - Capital, and reviewed by Sophan Lum, Senior Manager, Purchasing - Capital.