

TO: HIS WORSHIP THE MAYOR
AND COUNCILLORS 1994 FEBRUARY 17

FROM: CHAIR AND MEMBERS OF THE
CIVIC DEVELOPMENT COMMITTEE

SUBJECT: DEER LAKE ARTS CENTRE
AWARD OF CONTRACT

PURPOSE: TO OBTAIN COUNCIL APPROVAL FOR THE
AWARDING OF A CONTRACT FOR THE
CONSTRUCTION OF THE DEER LAKE ARTS CENTRE

Recommendations:

1. **THAT** Council award a contract to Regatta Construction, a Division of Bird Construction Company, in the amount of \$ 8,024,836 (inclusive of G.S.T. at 7%) for the construction of the Deer Lake Arts Centre.
2. **THAT** a copy of this report be sent to the Parks and Recreation Commission for information purposes.

REPORT

On 1993 November 09, the Deer Lake Arts Centre proceeded to tender based on the final design and estimate details presented by the consultants. At the close of tender on 1994 January 13, a total of five tenders were received by the City Purchasing Agent. The tenders ranged from \$7,995,040 to \$9,103,032 inclusive of G.S.T at 7%.

<p>: COPY - CITY MANAGER - DIR. ADMIN. & COMM. SERV. - DIRECTOR ENGINEERING - DIRECTOR FINANCE - DIR. PLNG. AND BLDG. - DIR. REC. & CULT. SERV. - CITY SOLICITOR</p>
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The tenders received were as follows:

Contractor's Name	Stipulated Tender Price	G.S.T. at 7%	Total Tender Price
1. Granwest Constructors Ltd.	\$ 7,472,000.00	\$ 523,040.00	\$ 7,995,040.00
2. Regatta Construction	7,499,847.00	524,989.00	8,024,836.00
3. Foundation Building West Inc.	7,657,700.00	536,039.00	8,193,700.00
4. Marabella Pacific Const. West Ltd.	8,464,497.00	592,514.00	9,057,011.00
5. Smith Bros. & Wilson (B.C. Ltd.)	8,507,507.00	595,525.00	9,103,032.00

The tenders include six separate prices for various items which the City may elect to remove from the contract to reduce the overall project budget. Based on a comparison of the Cost Consultants' 1993 May final estimate, the low tender is approximately 4.4 % or \$ 316,602.00 over budget. In this regard, staff is working with the Architects to identify other potential areas of adjustment in order to bring the project back within the previously approved budget of \$ 9,333,000.

The Architects did not recommend accepting the lowest tender but advise that in their opinion "Regatta have the capability of providing Burnaby with the quality of building that has been specified for the Arts Centre." Staff concur with the Architects' advice and recommend that a contract be awarded to Regatta Construction, a Division of Bird Construction Company in the amount of \$8,024,836.

The total project budget previously established and approved for the Deer Lake Arts Centre is \$9.33 million. This amount is comprised of construction costs, design fees, testing, furniture, equipment and miscellaneous items. Partial financing totalling \$520,000 to cover consulting fees was approved by Council under Bylaws No.'s 9426, 9604 and 9810.

Council is in the process of enacting a Capital Reserves Expenditure Bylaw in the amount of \$8,100,000 to permit the awarding of a contract for the construction of the Arts Centre. The balance of financing required for the total project will be submitted to Council in a future report once final project costs have been determined. The project is identified in the 1994 - 1995 portion of the Capital Budget. The final amount drawn from Capital Reserves will depend on the total funds raised by the Burnaby Arts Centre Capital Campaign Fund Raising Committee.

The total contract value stipulated in the tenders includes G.S.T. at 7%. The final cost to the project will be less as the project will receive a 4% G.S.T. rebate and may be eligible for the entire 7% G.S.T. rebate. This possibility is currently being explored with Revenue Canada, however, at this time it is necessary to finance the total G.S.T. amount in the contract.

Subject to Council awarding a contract, staff will undertake discussion with the successful contractor through Hotson Bakker Architects to explore areas of costs savings and other related matters in preparation for the signing of a contract.

**D.R. CORRIGAN, COUNCILLOR,
CHAIR, CIVIC DEVELOPMENT COMMITTEE**

JC:lb

D.G. EVANS, COUNCILLOR

cc: City Manager
Director Administrative and Community Services
Director Engineering
Director Finance
Director Planning and Building
Director Recreation and Cultural Services
City Solicitor
Purchasing Agent

