

FOR INFORMATION

November 25, 2009

To: The Board of Governors of Exhibition Place

From: Dianne Young, CEO

Subject: **Conference Centre October 2009 Construction Update**

Summary:

This is a construction update report from with actions related to the Conference Centre since the Board meeting of September 2009. Attached to this report is a status report from the MHPM Project Manager and detailed breakdown of the projected estimates for this project which is confidential as it involves the security of property belonging to the City of Toronto or one of its agencies, boards, and commissions and it is recommended that this information not be disclosed in order to protect the economic interests and competitive and legal position of the Board.

Financial Impact:

It is proposed that the financial items noted in this report be funded as set out in this report and the Confidential Attachment I.

Decision History:

Board of Governors, November 3, 2006	Approval of business terms for an exclusive food services agreement between the Board and Centreplate and the National Hotel Corporation (the "FSP") related to the provision of food and beverage services within the proposed Conference Centre in the renovated Automotive Building.
Board of Governors, December 15, 2006	Approval of the terms and conditions of the full LOI between the Board and the FSP for food services within the renovated Conference Centre and the financial proposal for the proposed Conference Centre which included a loan from the National Hotel Corporation for part of the construction costs.
City Council, March 5 & 6, 2007	Approval of LOI between the Board and the FSP for exclusive food services in the proposed Conference Centre. In addition, approval of a recommendation which deleted the need for financing from the National Hotel Corporation and replaced this financing with a City loan of \$21.2M.
Board of Governors, May 4, 2007	Approval of the engagement of NORR as the design architect on the Conference Centre project at a total fee of \$968,000 (excluding GST) for Phases I & II and the project schedule.
Board of Governors November 7, 2007	Approved of the increase in the overall Conference Centre capital budget from \$29.0M to \$46.88M with request to City Council to increase its loan to the Board from \$21.2M to \$35.6M with an increase in the interest rate from 4.75 to 5.0 percent and an increase in the amortization period from 20 to

	25 years; and request for the depletion of the full Exhibition Place Capital Reserve.
City Council, December 10, 11, 12, 13 & 14, 2007	Approval of the Board's recommendation as noted above and in addition, increase the term of the loan from twenty to twenty-five years and establish an obligatory reserve fund, called the "Exhibition Place Conference Centre Reserve Fund" to provide a source of funding for any shortfalls in loan payments to the City from Exhibition Place for a new conference centre and direct revenues from the Direct Energy Centre and the Conference Centre naming rights agreements into the fund along with any 2007 operating surplus for Exhibition Place.
Board of Governors, December 7, 2007	NORR Management Group presented a detailed power-point presentation with respect to the proposed design of the Conference Centre, which was unanimously received for information by the Board.
Board of Governors, January 25, 2008	Update of financial details, budget requirements and provide the explanation of the increase on costs for construction and professional services; also attaching to the update was the City Council Decision of December 2007 and supporting report of the Deputy City Manager and CFO. Report deferred to next meeting of the Board on March 6, 2008.
Board of Governors March 6, 2008	Update financial details, budget requirements and explain the increase costs for construction and professional services. Approval of amendment to the NORR Architectural fees; also attaching to the update was the City Council Decision of December 2007 and supporting report of the Deputy City Manager and CFO.
Board of Governors March 19, 2008	Award of main construction contract to Vanbots Construction Corporation at a cost of \$33,450,000, excluding GST.
Board of Governors May 2, 2008	Board extended the term of the agreement with MHPM Project Managers Inc. by 7.5 months at a total cost of \$115,000 to be drawn down from the project contingency.
Board of Governors September 19, 2008	Board approval of A. Buchanan Floor Coverings Ltd for the supply and installation of the carpet
Board of Governors December 2008	Board approval of Allstream to provide the AV system
Board of Governors April 17, 2009	Board approval of Renaissance Business Interiors Ltd. for the supply and delivery of conference room chairs.
Board of Governors May 29, 2009	Board approval of Davidson Furniture Specialties Ltd. for the supply and delivery of ballroom room chairs.
Board of Governors July 10, 2009	Board approved amendment to NORR agreement
Board of Governors July 10, 2009	Official AV Supplier agreement & purchase agreement for supply and delivery of meeting tables, ballroom tables and digital signage

Issue Background:

The Board requested frequent reports on the state of the construction of the Conference Centre and any issues related to the construction. Attached to this report as a confidential attachment is a detailed breakdown of the costs of the Conference Centre project broken down by Base Construction and state-of-good-repair Restoration Construction. Also attached is the MHPM Status Report to the end of October for the information of the Board.

Comments:

The building was substantially completed on October 16 with occupancy by October 19, 2009, full media launch/ribbon cutting on October 22, 2009 and a Public Open House on October 25, 2009. There were several media reports of the Allstream Conference Centre all very positive.

With respect to ongoing construction matters, deficiency lists have been prepared by NORR and Exhibition Place staff and to date almost 60% of the deficiencies have been completed.

Since the September report there were the following change orders over \$10,000 (not \$15,000 as previously reported):

- Heritage – Additional Roman Stone - \$31,074
- Heritage – Paint failure in North & South lobbies - \$13,092
- Floor Fill at Stair Entrances - \$13,010
- Heritage – Parapet Stabilization - \$44,147
- Ceiling & Lighting Work - \$21,410
- Ballroom Ceiling & Lighting Work - \$32,941
- Heater Stairwell #2 - \$10,369
- Hoods on Roof Vents - \$15,202
- Heritage – Roof Parapet - \$28,051

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Submitted by:

Dianne Young, CEO

Confidential Attachment I



**Allstream Centre at Exhibition Place
October 2009
Monthly Status Report**



Executive Summary

Vanbots achieved substantial completion as planned on October 19, 2009. Exhibition Place Staff proceeded to move in furniture on October 20.

Vanbots continues to complete the construction deficiencies and the installation of the remaining doors.

MHPM continues to negotiate reconciling Vanbots change orders.

MHPM is currently reconciling NORR's final contract amount.

Design Items

Major design items currently being resolved are the following:

- door access/security and associated power;

The LEED Silver certification remains on target.

Project Costs

MHPM currently forecasts \$50,270,291 for the project cost, exclusive of costs for restoration and operations construction items. This is \$10,709 below the target amount of \$50,281,000. Additional to this is G.S.T.

MHPM is currently tracking 383 construction changes; there have been 6 changes since the last status report.

There remains \$24,815 (Change Tracking Item 259) in construction contingency for future changes.

There is approximately \$90,000 of unused cash allowance that will be reconciled with the final cost tracking report.

A complete summary of the change items is provided in Cost Tracking Log document 81574-3050 (75) attached for your reference.

Risk Items

There are no risk items at this point.

Schedule

Vanbots claimed \$1,368,047 for the month of October. Based on current Earned Value Analysis there is a nominal amount of \$1,126,025 of construction work remaining and Vanbots should be able to achieve total completion of the construction in the month of December. Earned Value Analysis document 81574-3590 (8) is attached for your reference.

The next target milestone date is Phase 2 Occupancy by January 29, 2010.

Project schedule, document 81574-3376 (33) is attached for your reference.

Issues

Door security/access controls coordination; this is an additional cost dispute.

LEED point for volatile organic compounds; Vanbots applied an incorrect sealing compound and this LEED point is no longer achievable.

Cistern pump power and feeders; this is a rework costs dispute.

Digital signage wiring; this is a rework costs dispute.

Vanbots is claiming for overtime work to complete the millwork that which Exhibition Place/MHPM did not approve

Upgraded breakers for DP-2-1 and DP2-2; this is a rework costs dispute.

Objectives for the Coming Month

Assemble the Maintenance and Operations Manuals.

Prepare the record drawings.

Reconcile all cost issues.

Complete commissioning of the mechanical and electrical equipment.

Complete commissioning/training of the Lutron lighting system.

Complete construction deficiencies.

Assemble final LEED documentation.