

ISSUES & IDEAS

Stadium-roof costs fixed and under control

The \$458-million total comes after a process of detailed design and engineering and firm bids

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The full cost of a new retractable roof for BC Place was not finalized until we confirmed the final contract with PCL Constructors Canada Inc. in recent days. Our process for arriving at a final price was laid out clearly when we announced this project on May 16, 2008, when I said: “once we completed design and planning, we’ll finalize the budget and, subject to provincial government approval, get a fixed-price contract with a guaranteed timeline.”

Yes, at the time, government did reserve \$365 million in its capital plan on the understanding no work on the roof replacement would occur before design and engineering was complete, the project had been competitively tendered and bids leading to a fixed price received.

After the press conference on May 16, 2008 to announce the new roof, I was pressed by reporters to provide a final cost for the roof. I refused and pointed to the experience with the Vancouver Convention Centre before my involvement, indicating I would “not play that game” and needed to complete design and engineering, proceed to competitive bid and negotiate a fixed-price contract. In fact, in response to a reporter’s inquiry that day, I said, and I quote: “the worst thing that [I] can do is put out the number before [I’ve] done the design and before [I’ve] gone through



Artist's rendering shows the proposed retractable roof for BC Place stadium.

the very detailed estimate and costing. We are not going to do that here because the worst thing that I can do is to throw a number out and then, four months from now when we’ve finished design, we make some decisions, for example, to enhance it further and I give you a different number. The number [I] give you . . . then is a firm number, and it will give you confidence it will be completed for that number.”

Engineering for the roof was complet-

ed in the spring of 2009 and bids from 160 contractors on 40 packages of work were received in late May 2009. Analysis of these bids extended through the summer of 2009 and we returned to the provincial government to determine if the project should proceed. This is the appropriate, responsible approach and ensured that, prior to commencement of construction, government had the ability to proceed or not proceed based on the benefit of a com-

petitive tender and a fixed price.

I also said that we would do as much of the preparatory work as possible prior to the 2010 Games, with the remaining work to install the new roof to be completed over eight months, after the Games are over. This is exactly the process that has taken place and was made clear on numerous occasions.

The cost to build this world-class roof is fixed at \$458 million. For reasons of both safety and construction efficiency,

we have extended the construction schedule and elected to close BC Place during the roof erection and installation process. Consequently, BC Place will be available for use commencing July 2011, and fully complete for that year’s Grey Cup.

This investment will more than pay for itself. It will generate more than \$40 million in additional economic activity every year and create 3,000 person years of employment. The new roof will allow for far more events in BC Place each year, promoting tourism and generating new revenue. For example, 28 per cent of those attending the U2 concert tonight are coming from outside B.C. A new roof means we will be able to accommodate more events like this each year, particularly during the now under-utilized summer season. It also allows us to develop adjacent properties that will return more than \$100 million, which will go to pay for this project.

Finally, appropriate contingencies have been set aside, just as they were in April 2007, when I was asked to take over responsibility for the convention centre. The final cost of the convention centre expansion was \$42 million below the final budget I presented in July 2007, after reorganization of the project and negotiation of a fixed-price contract. That \$42 million is cash PavCo has available and will go toward the new BC Place roof, ensuring taxpayers are getting maximum value and return on these dollars for decades to come.

David Podmore is chairman of the BC Pavilion Corporation.