

# LATE DISTRIBUTION FOR COUNCIL - MARCH 24, 2009

# A16



## ADMINISTRATIVE REPORT

Report Date: March 1, 2009  
Contact: Dave Rudberg/Sue Harvey  
Contact No.: 604.296.2860/  
604.871.6001  
RTS No.: 07950  
VanRIMS No.: 08-2000-20  
Meeting Date: March 24, 2009

TO: Vancouver City Council

FROM: General Manager of Olympic and Paralympic Operations and Managing Director, Cultural Services

SUBJECT: Live City Vancouver- Update and Approvals

### *RECOMMENDATION*

- A. THAT Council approve the revised two-site concept plan on the LiveCity Downtown (Georgia Street site) and LiveCity Yaletown (David Lam Park site).
- B. THAT Council approve an updated project budget of \$18 Million (as outlined in Table #1 of the report) which reflects confirmed and prudently projected revenues.
- C. THAT Council approve the process outlined in this report to engage the expertise of event production firms to acquire the necessary products and services on behalf of the City to plan, produce and stage the Live Site events and to operate the Live Sites subject to the City's senior management oversight and contractual controls on the utilization of competitive processes, approvals and audit controls on the production firms.
- D. THAT, subject to the conditions set out in Recommendations E, F and G below, Council approve the retention of Live Nation Canada Ltd, as the Live Sites Producer, working in partnership with Five Currents, LLC to conceptualise, design, bid, build, operate and manage the two Live Sites on behalf of the City at a cost not to exceed \$969,900 and \$500,000 respectively inclusive of all taxes and as generally outlined in this report, source of funding to be the budget established pursuant to Recommendation B.

- E. THAT, the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation D.
- F. THAT, all such legal documents be on terms and conditions satisfactory to the City Manager, General Manager of Olympic Operations, Managing Director, Cultural Services, and the Director of Legal Services.
- G. THAT, no legal rights or obligations will be created by Council's adoption of Recommendation D, E and F above unless and until such legal documents are executed and delivered by the Director of Legal Services.

### ***CITY MANAGER'S COMMENTS***

The City Manager recommends approval of the foregoing.

### ***COUNCIL POLICY***

On December 11, 2007, Council approved the Olympic and Paralympic Legacy Reserve Fund program and budgets in the amount of \$20,000,000 with instructions to report back on funding for specific projects.

Live City Vancouver (Live Sites) Program was approved within the Legacy Reserve with a budget of \$5.0 million.

On July 22, 2008, Council approved a target budget of \$23.18 million for the Live City Vancouver including a funding allocation of \$5 million from the Olympic and Paralympic Legacy Reserve (RTS # 6933 and 7533), and a \$10 million contribution from the Government of Canada with the balance of the funding to be secured sponsorships.

### ***PURPOSE***

The purpose of this report is to update Council on the status of the Live City Vancouver project, and seek approval to retain a Producer to, subject to City audit control and oversight, construct and operate Vancouver's Live Sites.

### ***BACKGROUND***

The Olympic and Paralympic Games experience for residents, visitors and the media goes well beyond the athletic competitions that take place within the sport venues. It is an important opportunity to convey important messages to the participants about the Host City, Host Province and Host Country. As a result, Olympic Games host cities have generated programs that attract, entertain, engage, inform and excite people of all ages throughout the Games period.

In support of these principles, on September 18, 2007, Council approved the Live Site Concept Plan now renamed Live City Vancouver. The specific recommendations are attached to this report as Appendix A and included:

- o approval of the two-site "Live Site" concept;
- o the use of the former Bus Depot site and David Lam Park as well as the use of the Hamilton/Mainland Street corridor and Robson Street as connectors;

- approval for staff to work with our Olympic partners to ensure coordination of programming and development plans;
- direction to seek community feedback; and
- authorization to seek funding from the Federal Government as well as sponsorship opportunities.

In July 2008 Council approved a further series of recommendation to further advance the Live Site concepts which are attached to this report as Appendix B including:

- approval of a target budget of \$23.18 million with \$4.8 million to be funded from the Olympic and Paralympic Legacy Reserve approved by Council on December 11, 2007.
- authorisation for staff to execute agreements to secure the federal government contribution
- approval to secure consulting expertise to complete the next phase of work; and
- direction to report back in January, 2009.

Finally, in October 2008 Council approved recommendations to enable the Four Host First Nations to locate a temporary pavilion on a portion of the Queen Elizabeth Theatre Plaza.

### *DISCUSSION*

Since Council's initial direction in 2007 staff, working with VANOC, Olympic partners and with input from technical consulting expertise, have developed and refined a Live Site Concept for the two City-owned Sites. The Live Sites Concept is now well advanced and staff is seeking Council's final authorization to execute the plan.

#### *Live Sites Concept*

The Plan has been guided by a set of objectives, by pragmatic cost considerations, and by the opportunity to share the Olympic and Paralympic experience with Vancouverites and visitors alike. The objectives of the Live City Vancouver Plan are to be:

- Central, Universal, Accessible and Affordable - to provide two accessible sites with entry at no cost, in two central locations where the public can actively participate in the Games.
- Safe and Secure - to provide sites that create a family atmosphere and give the public a feeling of security.
- Animated - to provide an animated environment with quality cultural entertainment and performances. The sites will be of quality look, sound and feel.
- Participatory - to provide programming and activities that encourage active participation in addition to passive observation.
- Integrated - to integrate seamlessly with 2010 Winter Games venues and events.
- Sustainable - to incorporate sustainability into all aspects of the Live Site programs.
- Legacies - to create lasting physical legacies as well as positive memories for Vancouverites, British Columbians, Canadians, and visitors about the 2010 Games, Vancouver, British Columbia and Canada.

The revised concept is to animate two City-sites with unique programmatic and physical concepts that best showcase Vancouver and our partners including VANOC and the Four Host First Nations.

#### **LiveCity Yaletown (David Lam Park site)**

As part of the revised plan, the intention is to consolidate our commercial Olympic Sponsors to LiveCity Yaletown. On this site, the public gathering space will be arranged around a stage for live entertainment and large screen to enable broadcast of Olympic events and new media programming. Commercial Sponsors will activate through Sponsor pavilions and the site will be supported by food and beverage, merchandising, and support services (washrooms, lost and found, first aid etc.).

The site will be open and programmed throughout the Olympic period commencing the day after the Opening Ceremony and concluding right before the Closing Ceremony (February 13-February 28). It is anticipated that the Site will be open daily from 11am through to 11pm.

#### **LiveCity Downtown (Georgia Street site)**

This site, open during both the Olympic and Paralympic Games will be our downtown "piazza" with a large outdoor screen, daytime interactive school programming, engaging street entertainment, and late-night entertainment. Programming on this site will also work closely with the Four Host First Nations pavilion on the adjacent Queen Elizabeth Theatre Plaza. There is increased demand for a space to accommodate the wide participation from First Nations from across Canada. Additional partners and governmental agencies will bring programs and pavilions to complement the site.

The site will be open and programmed throughout the Olympic period commencing the day after the Opening Ceremony and concluding right before the Closing Ceremony (February 13-February 28). During that period it is anticipated that the Site will be open daily from 11am through to midnight.

The site will reopen during the Paralympic period (March 12 through March 21) with a mix of on-screen programming, demonstration sport events and entertainment.

#### ***Project Budget***

In July 2008, Council approved a target budget of \$23 million for the overall project. Given the current economic climate, staff have revised the budget to \$18 million to reflect revenues confirmed to date, noting that the budget may be enhanced through additional sponsorships as well as through on-site food and beverage and merchandise sales. Confirmed and projected revenues are outlined below in Table 1.

Table #1

<b>LIVE CITY VANCOUVER PROPOSED REVENUES</b>	
<b>REVENUE</b>	
<b>DIRECT FUNDING</b>	<b>\$15,000,000.00</b>
Canadian Heritage Funding (\$10,000,000)	
City of Vancouver Funding (\$5,000,000)	
<b>INCOME FROM SPONSORSHIP SALES &amp; OPERATIONS</b> (Estimated Sponsorship, Merchandise Commissions, Food & Beverage Commissions)	<b>\$3,000,000.00</b>
<b>TOTAL FUNDS</b>	<b>\$18,000,000.00</b>

### *Project Implementation Team*

Project planning has now advanced further confirming a Concept Plan, a revised final project budget and an Implementation Plan. The Live Sites will be a major undertaking for the City and it is now essential to put in place the team and systems to deliver the project. The City, through the General Manager of Olympic and Paralympic Operations and the Managing Director of Cultural Services will be the LiveCity Vancouver Executive Producers.

#### **The Producer**

Through a competitive procurement process, a Live Site Producer has been selected. Live Nation is the largest producer of live concerts in the world, annually producing over 16,000 concerts for 1,500 artists in 57 countries. The company sells over 45 million concert tickets a year, has a 60 million visitor website, operates a series of concert venues as well as major outdoor festivals including the 2008 Pemberton Festival. Live Nation has producing resources located around the world. The Vancouver office (Live Nation Canada Limited) will lead the Live City Vancouver under Roy Yen, Paul Haagenon and Ian Iow. (Live Nation's past experience is provided in Appendix C).

Live Nation, as the Producer, will be responsible for bringing together the human and material resources necessary to design, build, operate and manage the Live Sites at a total cost not to exceed \$969,900 Cdn. inclusive of all taxes.

Live Nations will collaborate with Five Currents, LLC, a U.S. creative and production firm with extensive experience with Winter Olympic Games Live Sites and Ceremonies (Salt Lake, Nagano, Athens, Atlanta and Torino) as well as Pan American Games and Super Bowl events. (Five Currents past experience is provided in Appendix D). The Five Currents team will work together with Live Nation to provide creative and operational expertise at a total cost not to exceed \$500,000 Cdn. inclusive of all taxes.

In addition to Live Nation and Five Currents, the City has also acquired the services of additional experienced professional agencies to assist in delivering a successful Live Sites project.

### **Marketing & Communications**

The Marketing and Communications will be key to ensuring community participation and generating excitement for the Live Sites. We have retained the firm Karyo Edelman to develop our marketing, as well as a strategy to support a cost effective media and communications campaign. Karyo has experience in both Winter and Summer Olympic and Paralympic Games. This includes communications planning and implementation for BC Canada Place during the 2006 Torino Olympic and Paralympic Winter Games as well as managing media and communications for the Canada Pavilion in Beijing during the 2008 Summer Olympic and Paralympic Games.

### **Sponsorship**

Altius Sport Marketing Ltd has been with Live City Vancouver team since 2008 supporting the City's Olympic Sponsorship strategy by securing Top and Tier One Olympic Sponsors to our site.

### **Project Management**

The City has retained Stantec as project advisor to set up the project controls and reporting systems, assist in negotiations of major contracts and provide periodic project overview. As part of the project implementation the City will also need to retain an experienced project manager, to work with City staff to provide ongoing budget and schedule control, contract administration, comprehensive reporting, financial controls and funding services as well as project wind-up. This function will provide the level of control and accurate reporting required to satisfy City policies and procedures and our funder commitments.

## **Producer Budget and Schedule Constraints**

The budget for the Producer to procure the goods and services is estimated to be \$13 Million.

With less than a year away from the 2010 Winter Olympic Games, it is necessary that the Producer start working on the Live Sites project immediately. In order to meet the tight timeline to execute and deliver the project on time, the Producer must be authorised to act on behalf of the City to acquire the myriad of necessary goods and services to implement and operate the Live Sites. The Producer will act as a general contractor on behalf of the City and be responsible for procurement, evaluation, award, management and payment of all necessary contracts.

## **Oversight and Contractual Controls**

Since this delivery model entails a certain degree of delegation of the City's normal procurement functions to the Producer, the contracts with Live Nation and Five Currents will expressly obligate the Producer to undertake competitive procurement of the contracts, and will also provide for close Executive Producer oversight and audit controls. For example, the budget will be broken down into tasks and segments, and funds cannot be transferred from one segment to another without City approval. Also, the City will retain the ability to manage and amend the allocation of funds across segments throughout the implementation of the program.

Accordingly, this project delivery model will allow for timely, efficient and economic procurement while maintaining transparency, competitiveness and City oversight.

Within the clearly articulated limits of the scope, budget and schedule, the Producer will, utilizing industry best practices and leveraging its clout in the marketplace, retain the required suppliers, contractors and talent under the following arrangement:

**Public Bidding and Notice Opportunities**

In line with the objectives of Council policy on public competitive procurement the Producer will, in consultation with the City’s Purchasing Department, issue

- at the outset of the project, a general call to the public for Expression of Interest and Statement of Qualifications for all anticipated requirements for goods and services for the Live Sites to ensure that all suppliers have the opportunity to make known their interest in participating and their credentials.

**Competitive Pricing**

The Producer will be obligated to obtain at least three written quotes for all of its sub-contracts over \$10,000.

**Producer Sub-Contract Approval Process**

The Producer will be required to obtain City approval of all of its significant sub-contracts in a manner that parallels the City’s internal procurement policy, as follows:

SUB-CONTRACT AMOUNTS:	APROVALS BY:
Up to \$10,000	<ul style="list-style-type: none"> <li>• Producer (acting as General Contractor on behalf of the City)</li> </ul>
\$10,000 to \$100,000	<ul style="list-style-type: none"> <li>• Producer; and</li> <li>• General Manager Olympic and Paralympic Operations or Managing Director, Cultural Services</li> </ul>
\$100,000 to \$300,000	<ul style="list-style-type: none"> <li>• Producer;</li> <li>• General Manager Olympic and Paralympic Operations or Managing Director, Cultural Services; and</li> <li>• Manager, Materials Management</li> </ul>
Over \$300,000	<ul style="list-style-type: none"> <li>• Vancouver City Council</li> </ul>

**Other Oversight and Contractual Requirements**

- City Executive Producer oversight and management of all budget amounts, segment amounts and re-allocation/transfer rights over the term of project;
- All contracts over \$10,000 require a minimum of three bids to qualify as a competitive process.
- “Open book” contract giving the City full access and audit rights to the Producer’s records relating to the Live Site project, including all bid, bid evaluation, and sub-contract award information;
- Selection to be based on same principles as City policy, namely best value, but not necessarily lowest price;
- Producer Team to use City and VANOC suppliers if possible, but not required if not best value; and
- Producer and City will develop a Live Site employment strategy to explore opportunities for City and other employees affected by Olympic Venue operations.

*FINANCIAL IMPLICATIONS*

On July 22, 2008 Council approved a target budget of \$23.18 million for the Live City Vancouver Project. Given the current economic climate, the budget has been revised to \$18 million to reflect revenues confirmed to date. Source of funding includes; \$10 million from the Canadian Heritage (Federal Government Contribution); \$5.0 million from the City's Olympic Legacy Reserve and confirmed and projected income from sponsorship sales and operations.

*CONCLUSION*

In 2007, Council approved the 2010 Olympic Winter Games two-site Live Site Concept Plan. This report seeks Council to approve the revised two-site concept plan on LiveCity Downtown (Georgia Street site) and LiveCity Yaletown (David Lam Park site), approve the retention of Live Nation --Canada Ltd, in partnership with Five Currents, LLC, to be the Producer of the Live Sites and to act on behalf of the City to acquire the necessary goods and services to deliver the project in time for the 2010 Winter Olympic Games.

\* \* \* \* \*

City Council Approved- September 28, 2007

- A. THAT Council approve the two-site "Live Site" concept utilizing, on a temporary basis, the Beatty Street (former Bus Depot) site and David Lam Park and authorize further work on the design and operation;

(The two sites are now renamed Live City Vancouver @ Georgia Street and Live City Vancouver @ David Lam Park)

- B. THAT concept approval be given to use Hamilton/Mainland Streets as the connecting link between the two Live Sites and that Robson Street be the connector to the Provincial Robson Square activation with further work undertaken on the design and operation for the connectors;
- C. THAT staff work with the partners including VANOC, Resort Municipality of Whistler, Province of British Columbia and City of Richmond on the Live Site/celebration planning to ensure that the programming and development plans are coordinated to deliver a consistent program and achieve cost efficiencies;
- D. THAT community feedback continues with the adjoining businesses and residences on the Live Site concept, design and operation;
- E. THAT staff be authorized to submit an application for funding to the Federal Government and to seek cost sharing opportunities with sponsors and other stakeholders, and
- F. THAT \$200,000 be approved for the next phase of the Live Site design and operational planning, source of funding to be the Olympic Legacy Reserve, once the Reserve is funded. Interim funding of \$200,000 for 2007 to be borrowed from the 2007 Olympic and Paralympic Operations budget and repaid once the Olympic Legacy Reserve is funded.

City Council Approved- July 22, 2008

- A. THAT Council approve the proposed budget of \$23.18 million for the Live City Vancouver project as outlined in Table #1 of the report.
- B. THAT Council approve a funding allocation of \$4,800,000 to the Live City Vancouver project as part of the celebrations for the 2010 Olympic and Paralympic Games. Source of funding to be the Olympic and Paralympic Legacy Reserve approved by Council on December 11, 2007.
- C. THAT the Mayor, on behalf of entire Council write to the Government of Canada expressing appreciation for the \$10,000,000 contribution for Live City Vancouver.
- D. THAT Council authorise the General Manager of Olympic Operations and the City Manager to execute such agreements as are satisfactory to the Director of Legal Services to secure the federal government contribution and to secure consulting expertise to complete the next phase of work in developing the Live City Vancouver concept as outlined in this report; source of funding for the consulting expertise to be the budget established pursuant to Recommendation A.
- E. THAT Staff report back in January, 2009 with updated live site project details and cost estimates once consultants have completed the next phase.









