



A16

ADMINISTRATIVE REPORT

Report Date: December 5, 2008
Contact: Garrick Bradshaw
Contact No.: 604.873.7616
RTS No.: 07814
VanRIMS No.: 08-2000-20
Meeting Date: December 16, 2008

TO: Vancouver City Council

FROM: The Director of Facilities Design and Management

SUBJECT: Award of Interior Design and Furniture Procurement Contract for the Tenant Improvements for 507 West Broadway ("Cross Roads")

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B, C, and D, Busby Perkins + Will, Co. be awarded the contract as architects and interior designers for the tenant improvements and furniture procurement for Suite 600, 507 West Broadway for a maximum contract value of \$220,000 (plus applicable taxes); source of funds to be the capital budget for the tenant improvements approved on October 14, 2008.*
- B. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A.*
- C. THAT all such legal documents be on terms and conditions satisfactory to the General Manager of Business Planning and Services and the Director of Legal Services.*
- D. THAT no legal rights or obligations will be created or arise by Council's adoption of Recommendation A, B, and C above unless and until such legal documents are executed and delivered by the Director of Legal Services.*

GENERAL MANAGER'S COMMENTS

The General Manager of Business Planning and Services RECOMMENDS approval of A, B, C, and D.

COUNCIL POLICY

It is City policy that contracts over \$100,000 be awarded through a public RFP process. Contracts are to be awarded on the basis of best value for the City.

PURPOSE

The purpose of this report is to recommend the award of the contract for architectural and design services and office furniture procurement associated with the tenant improvements of suite 600, 507 West Broadway ("Cross Roads") as set out in this report.

BACKGROUND

On September 30, 2008, staff briefed Council (In Camera) on options for improving the public service and office accommodation areas in the City Hall precinct (City Hall, East Wing, VanCity and City Square).

On October 14, 2008, Council authorized (in Camera) the Director of Real Estate to negotiate and execute a new Head Lease with Broadway Equities and PCI Cross Roads Development for approximately 86,000 gross square feet in the Cross Roads Development located at 507 West Broadway. This Head Lease was executed by the City on November 4, 2008. Acquiring the Cross Roads space is the first step in a number of space reallocations within the precinct. The newly leased premises are expected to provide flexibility to deal with office and program expansion needs over the next seven to ten years.

At the same time, Council approved funding for both the Cross Roads lease (2009 Operating Budget) and the anticipated tenant improvement costs (up to \$7.0 million from the anticipated 2008 Operating Budget surplus and/or 2009 Capital Budget).

DISCUSSION

In order to solve the present operational challenge of current over-crowding on the City Hall Campus as quickly as possible, time is of the essence. Although enhanced base building finishes will be acquired in the terms of the lease, the full tenant improvements as well as acquisition of furnishings will need to be completed with the assistance of qualified architectural and design expertise before the space can be occupied by City staff.

City policy states that Consultant Contracts over \$100,000 be awarded through a public RFP process. A typical public RFP takes approximately 4-6 weeks within the project schedule. Since the Cross Roads space has a yearly Gross Rent of \$4,002,650, each week of delay in the project schedule equates to \$76,974 of lost value to the City. By this rationale, a public RFP process would be time consuming, costly and ultimately not in the best interest of the City. The value impact of this delay would be between \$300,000 to \$500,000 or approximately 1.3 to 2.3 times the value of the contract.

Busby Perkins + Will, Co. (BPW) were originally engaged as the base building architect and the architect that the previous tenant had engaged to complete the original tenant improvements and furniture designs for this space. As such, they have a detailed knowledge of the building's design and construction that will facilitate the earliest possible occupancy date. With this in mind, Facilities staff approached BPW for a quotation to complete the City's Tenant Improvement Plan. To ensure that the City receives best value, Facilities staff requested quotations from three other Interior Design/Architecture firms that have recent relevant experience with the City.

Each firm toured the Cross Roads space and submitted comprehensive Interior Design proposals complete with Electrical and Mechanical Consultant Services. The proposals were evaluated in the following equally weighted categories:

- **Cost:** The proposals were ranked with the lowest cost being given the greatest value.
- **Schedule:** The firm deemed most able or likely to deliver the project at the earliest date was awarded the highest value.
- **Project Continuity:** The firm with the best 'Project Continuity' scenario was awarded the highest value.
- **Design/Team:** Subjective scoring best to least, with the highest value as best. The Firms' design experience and service/professionalism were the key factors taken into consideration.
- **Risk:** Subjective scoring least to most, with the highest value given to least risk. This category took into account the likelihood of any 'Risk' to the City (e.g. the risk of a firm being unable to complete the work).

It was determined that the Busby Perkins + Will, Co. proposal best met these criteria. While their fee is not the lowest but the second lowest, it is appropriate for the scope and complexity of work being considered. In this evaluation, it was perceived that the Base Building Architects could deliver the project 2 weeks faster than the other three firms, minimizing the vacant occupancy period (valued at approximately \$144,000). As the base building architects, they are the optimal choice once their inherent knowledge of the building and their ability to accelerate the schedule is considered and therefore provide the least risk and best value to the City. Busby Perkins and Will have the resources and capacity to deliver this work within the timeframe. Firms were asked to submit proposals complete with their proposed consultant team. Busby Perkins + Will, Co. proposed that the same team of sub-consultants that completed the base building work continue on to complete this tenant improvement project.

FINANCIAL IMPLICATIONS

The upset value of the consulting contract is \$220,000 plus GST. The contract value includes the fees for the architect as well as the mechanical and electrical sub-consultants. It is in accordance with the Architectural Institute of British Columbia (AIBC) fee scale as well as that of the Association of Professional Engineers of British Columbia. Source of funds for this contract will be the capital budget for the office accommodation plan approved by Council on October 14, 2008.

Full construction cost estimates for the facility will be reported back in Spring 2009.

ENVIRONMENTAL IMPLICATIONS

While City policy does not require that a leased space be designed to meet a LEED™ designation, Busby Perkins + Will, Co. have extensive experience in sustainable construction practices and will apply their knowledge of such practices to this project. The goal for the project will be LEED™ Gold equivalent, but we will not pursue formal certification.

CONCLUSION

Based on the criteria evaluation of the quotations received, the Busby Perkins + Will, Co. proposal was deemed to provide the best value to the City for the schematic and design development, preparation of tender documents, and construction administration services for the tenant improvements and furnishings of the City leased space in the "Cross Roads" development.

* * * * *