



ADMINISTRATIVE REPORT

Report Date: March 26, 2009
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VanRIMS No.: 08-2000-20
Meeting Date: April 7, 2009

TO: Vancouver City Council

FROM: The Director of Facilities Design and Management

SUBJECT: Award of Furnishings Contract and Construction Contract for the Tenant Improvements for 507 West Broadway ("Cross Roads")

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations C, D, and E, Herman Miller Canada Inc. be awarded the Furnishings contract for the tenant improvements for Suite 600, 507 West Broadway ("Cross Roads") for a maximum contract value of \$2,237,693.34 (plus GST); source of funds to be the capital budget for the Cross Roads tenant improvements.*
- B. THAT, subject to the conditions set out in Recommendations C, D, and E, Ledcor Special Projects, a Division of Ledcor Construction Ltd., be awarded the Construction contract for the tenant improvements for Suite 600, 507 West Broadway for a maximum contract value of \$2,476,000 (plus GST); source of funds to be the capital budget for the Cross Roads tenant improvements.*
- C. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendations A and B.*
- D. 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; and*
- E. THAT no legal rights or obligations will be created or arise by Council's adoption of Recommendation A, B, C, and D 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, D and E.

COUNCIL POLICY

Council approval is required for the award of any contract with a value over \$300,000. Contracts are to be awarded on the basis of best value for the City.

PURPOSE

The Director of Facilities Design and Management is requesting approval for the award of a contract for furniture supply, delivery and installation (the "Furnishings contract") and a contract for a general contractor (the "Construction contract") for tenant improvements to premises leased by the City at 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 and the anticipated tenant improvement costs of up to \$7.0 million.

Further, Council authorized in December 16, 2008, the award of the contract for architectural and design services and office furniture procurement associated with the tenant improvements of Cross Roads to Busby Perkins + Will, Co. ("BPW").

Since then, BPW have been retained to prepare furniture layouts, designs and specifications comprising of the Request for Proposal ("RFP") documents released to the furnishing companies for their response. The furniture layouts conform to office standards currently being developed by Facilities Design and Management, with input from the City ergonomist. These layouts have been reviewed with the City departments moving into the space and adjusted as appropriate to suit specific work type requirements. The project schedule anticipates delivery and installation of the furnishings by the end of June, 2009.

As well, BPW, along with their sub-consultant team, have prepared the design and subsequent tender documents for a general contractor to complete the tenant improvements required at the Cross Roads space. The scope of the tenant improvements consists of mainly open office

space, with some enclosed offices. Support spaces such as various sized meeting rooms, copier / printer rooms, storage and lunch rooms are also included in the design. In addition, all required mechanical, electrical and data infrastructure not already provided in the base building has been taken into account. The tender documents require that the general contractor complete the tenant improvements, with occupancy permit in place, by no later than July 3, 2009 such that City staff can move into the Cross Roads facility over the month of July 2009.

DISCUSSION - FURNISHINGS

From an open invitation to system office furniture manufacturers and their installers to submit requests for prequalification, five manufacturers and their installers were pre-qualified to submit RFP responses for the Project.

Following a formal RFP process, five responses were received on March 9, 2009 and opened in public. The responses were received and analyzed by Facilities Design and Management and BPW with input from Legal Services. Due to the complexity of the project, and the relatively short time frame for the RFP process as demanded by the overall project schedule, proponents were asked to provide both unit prices for individual furniture items as well as an overall cost for the workstations on one typical floor only. Prices were reviewed along with overall quality of the products, compliance with the specifications, warranties, and sustainable aspects and then ranked in terms of best value to the City.

Evaluations and rankings for best value were composed of the following criteria:

- 50% = Price,
- 20% = Dealer reputation (e.g., on-going service),
- 20% = Quality and aesthetics (e.g., compliance with specifications),
- 5% = Value added (e.g., sustainable aspects),
- 5% = Warranty.

The results of the evaluation and rankings are summarized as follows:

Respondent	Best Value Ranking (1 = highest, 5 = lowest) Not including task chairs	Price for One Typical Floor (Workstations only, exclusive of taxes)	Price for Misc. Furnishings (Meeting rooms, seating, filing, etc. exclusive of taxes)
Herman Miller Canada Inc.	1	\$101,522.60	\$1,192,756.60
Knoll / T.O.R. The Office Resource	2	\$113,371.82	\$1,434,295.40
Steelcase Inc. / Heritage Office Furnishings Ltd.	3	\$156,052.61	\$1,486,406.60
Haworth Inc. / Brooks Corning Company Ltd.	4	\$128,346.95	\$1,155,951.00
Teknion / Holmes & Brakel (B.C.) Inc.	5	\$121,175.95	\$1,071,978.50

Based on this analysis, Herman Miller Canada Inc. was found to provide the City of Vancouver with the highest ranked evaluation. When the discounts for bulk purchasing offered were factored in to the pricing, they were determined to provide the best value.

As such, the City approached Herman Miller Canada Inc. to complete the work of costing the furnishings for the entire project. The total value quoted, complete with discounts is \$2,237,693.34.

DISCUSSION - CONSTRUCTION

From an open invitation to general contractors to submit requests for prequalification, sixteen contractors were pre-qualified to submit tenders for the Project.

Following a formal tender process, eight tenders were received by the tender Closing Time at 2:00 pm on March 24, 2009 and opened in public. The bids were received and analyzed by Facilities Design and Management and BPW, with input from Legal Services. One bid was received late, and in accordance with the Instructions to Tenderers in the Tender Documents, was returned to the bidder un-opened. The remaining bids were all determined to be compliant.

The Tender Documents explicitly stated that each Company's experience in delivering LEED™ certified projects would be included in the evaluation criteria of the bids. In determining the best value ranking of the bids, Total Tender Price was evaluated at a weighting of 95%, and LEED™ experience was weighted at 5%. The results are summarized as follows:

Bidder	Best Value Ranking (1 = highest, 5 = lowest)	Base Tender Price (exclusive of GST)	Separate Prices (exclusive of GST)	Total Tender Price (exclusive of GST)
Ledcor Special Projects a Division of Ledcor Construction Ltd.	1	\$2,007,000	\$469,000	\$2,476,000
Aberdane Construction Ltd.	2	\$1,970,000	\$467,800	\$2,437,800
CDC Construction Ltd.	3	\$2,104,979	\$478,105	\$2,583,084
Dominion Fairmile Construction Company Ltd.	4	\$2,170,119	\$454,139	\$2,624,258
Novacom Construction Ltd.	5	\$2,024,000	\$467,202	\$2,491,202
Bynett Construction Services Ltd.	6	\$2,068,000	\$525,350	\$2,593,350
Turn-key Construction Inc.	7	\$2,287,288	\$531,600	\$2,818,888
Parkwood Construction Ltd.	8	\$2,290,092	\$535,759	\$2,825,851

FINANCIAL IMPLICATIONS

On October 14, 2008, Council approved a budget of \$7.0 million for one-time tenant construction and fixturing costs for Cross Roads.

The source of funds for the contracts with Herman Miller Canada Inc. up to the amount of \$2,237,693.34 and Ledcor Special Projects up to the amount of \$2,476,000 plus GST will be the Cross Roads tenant improvement capital budget.

ENVIRONMENTAL IMPLICATIONS

While City policy does not require that a leased space be designed to meet a LEED™ designation, Council has encouraged that all City projects achieve the highest sustainability possible. In light of this, the goal for the project will be LEED™ Gold for Commercial Interiors. We will be pursuing formal certification.

CONCLUSION

FURNISHINGS

Following an open call for prequalification and a public RFP process, five responses were received. After subsequent analysis, the Director of Facilities Design and Management concludes that Herman Miller Canada Inc. is the best value, compliant respondent, for the supply, delivery, assembly and installation of system office furnishings at the Crossroads premises.

CONSTRUCTION

Following an open call for prequalification and a public tender process, eight bids were received. After subsequent analysis, the Director of Facilities Design and Management concludes that Leducor Special Projects a Division of Leducor Construction Ltd. is the best value, compliant bidder, to act a general contractor for the tenants improvements to the City of Vancouver premises at Crossroads.

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