

ADMINISTRATIVE REPORT

Report Date: July 3, 2019
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Meeting Date: July 24, 2019

TO: Standing Committee on City Finance and Services

FROM: General Manager of Real Estate and Facilities Management and Chief Procurement Officer

SUBJECT: Contract Award for Consulting Services for Coal Harbour Phase II Development

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Real Estate and Facilities Management, City's Director of Legal Services, and the City's Chief Procurement Officer and enter into a contract with Henriquez Partners Architects for the design of Phase II of the Coal Harbour development on the property at 480 Broughton, for a term estimated as six years or until services are complete, with an estimated contract value of \$4,987,925.00 plus GST over the term of the project, to be funded through the approved multi-year capital budget for the Planning & Design for Coal Harbour School, Childcare & Housing. Expenditures will be managed within the approved annual Capital Expenditure Budget.
- B. THAT, subject to approval of Recommendation A the Director of Legal Services, Chief Procurement Officer and General Manager of Real Estate and Facilities Management be authorized to execute on behalf of the City the contract contemplated by Recommendation A.
- C. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until such contract is executed by the authorized signatories of the City as set out in these Recommendations.

REPORT SUMMARY

The City issued a Request for Expressions of Interest on November 21, 2018, to invite qualified architectural firms or teams to indicate their interest and present their qualifications for the design of a new, approximately 10-storey/30m high mixed-use development.

As a result of the pre-qualification, the City received 15 submissions and shortlisted three architectural firms to submit a proposal under Request for Proposals (PS20190802). The purpose of the RFP was to engage a multi-disciplinary team of registered professionals to provide full consulting services for the delivery of the project.

Both the RFEOI and RFP were advertised on the City of Vancouver website and BC Bid and the work was called in accordance with the terms and condition of the City's Procurement Policy ADMIN-008.

City staff on the evaluation committee and, subsequently, the Bid Committee have considered the proposals received and, on that basis, recommend that the City negotiate and, if such negotiations are successful, enter into a contract as described above with Henriquez Partners Architects.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy ADMIN-008 requires that contracts with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered and recommended Henriquez Partners Architects as the successful proponent.

There is no applicable Council Authority or previous decisions relevant to this report.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

The City, in partnership with the Vancouver School Board, plans to develop the property at 480 Broughton as Phase II of the Coal Harbour Development. This site adjoins the existing Coal Harbour Community Centre, and at the time of its construction as Phase I, a Pre-Development Permit was obtained for this Phase II. The parking that was built on the Phase I community centre site was intended to meet the needs of the Phase II building in addition to the needs of the community centre.

The mix of uses includes an elementary school for the Vancouver Board of Education (VBE) and a child care facility and non-market housing for the City of Vancouver. The delivery of the building has schedule constraints and it is intended that the project receive an Occupancy Permit by the end of 2023. The schedule, budget, and functional requirements of the project will need to be considered in decisions on design, structure and process. The form of the building must fit within the approved Pre-Development Permit volume or only require minor amendments (text amendments) within the tolerance of the Planning Department. The design must also address current regulations and requirements as applicable, and meet the City's current sustainability goals.

Strategic Analysis

The RFP was issued in the accordance with City's Procurement Policy ADMIN-008. The City received responses from the following Proponents:

1. Francl Architecture
2. Henriquez Partners Architects

The third shortlisted proponent did not submit a bid.

The Proposals were evaluated through the work of an evaluation team comprised of the City Project Manager and representatives from Real Estate and Facilities Management and Vancouver School Board under the stewardship of Supply Chain Management to ascertain if the Proposals offered good overall value to the City, both quantitative and qualitative factors were evaluated.

Some of the Criteria considered in the overall evaluation process included:

- Proponent's skill, knowledge and experience;
- Qualifications of the Proponent's project team including key personnel and sub-consultants;
- Proponent's ability to meet the City's requirements on sustainability, maximize efficiency and fast-track and/or overlap delivery of design, documents, permits, and construction, if approved for construction by Vancouver City Council.

Based on the overall evaluation, the team concluded that the successful Proponent garnered the highest compliant score from the technical and commercial evaluations and best met the City's requirements and provided best overall value to the City.

Implications/Related Issues/Risk

Financial

In the 2019-2022 Capital Plan, a total of \$75 million in City funding was earmarked toward the creation of 500 licensed spaces for children under five years old (full day childcare and preschool, and \$2.5 million toward 250 new spaces for children aged 5 to 12 years (School Age Care) with the expectation that additional funding could be leveraged from senior governments and non-profit partners.

The 2019-2022 Capital plan estimates that 1,200 to 1,600 affordable housing units will be secured through voluntary in kind CACs and inclusionary zoning at an estimated value of \$400 million.

The multi-year capital project budget for the Planning and Design of the Coal Harbour School, Childcare & Affordable Housing is \$7 Million.

The functional programing and total Coal Harbour School, Childcare & Affordable Housing project cost will be determined with greater certainty once the Planning and Design is complete. At that time Staff will report back to Council on outstanding funding strategy and source of funding, including any partnership opportunities.

As an overall principle that will guide capital costs, the proposed School is acknowledged to represent a proportional and appropriate development cost out of the Project's total budget, and will be funded by the VBE. The participation of the VBE and its capital contribution to build the School as part of the Project serves to achieve the

objectives to efficiently utilize land owned by public sector entities and create synergies in joint planning and coordination of education and other key services for families and children in Vancouver.

The City will have overall responsibility for management of the Planning and Design, as well as the subsequent development of the Project, subject to meeting all applicable VBE design and construction requirements. Regularly scheduled meetings will be held between the VBE and the City, as well as whenever called by either party. The VBE will provide project oversight for the School space, and ensure quality assurance as well as timely reviews and feedback to the City. A Project management committee, comprised of two representatives from each party, will be maintained throughout the project to ensure regular high level involvement of both parties.

As the value of the recommended contract exceeds \$2 million, Council approval is required for the award of the contract. This report seeks Council approval of the contract award to Henriquez Partners Architects.

Financial Planning & Analysis (FP&A) has reviewed the cost of the service and concurs that funding is available from the approved multi-year capital project for the Planning & Design for Coal Harbour School, Childcare & Housing. Expenditures will be managed within the approved annual Capital Expenditure Budget

Legal

The City's Procurement Policy requires that all contracts that have been awarded by Bid Committee plus Council will be signed by the Director of Legal Services.

CONCLUSION

In summary, City staff recommends that the City of Vancouver negotiate and enter into a contract with Henriquez Partners Architects for the design of Coal Harbour Phase II located at 480 Broughton, as noted in this report.

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