



Award of Request for Proposal Number 9119-19-0162 for the Design, Program Management, and Contract Administration Services for Accessibility Upgrades to City of Toronto Facilities at Various Locations

Date: June 19, 2019

To: General Government and Licensing Committee

From: Interim General Manager, Facilities Management;
Chief Purchasing Officer

Wards: All

SUMMARY

The purpose of the report is to advise on the results of the Request for Proposal 9119-19-0162 for the provision of a design, program management and contract administration services and request authority to award and negotiate an agreement with IBI Group in the total amount of \$24,120,854.55 net of Harmonized Sales Tax (\$24,545,382, net of Harmonized Sales Tax recoveries) for a fixed period of 7.5 years ending December 2026.

This procurement is part of a larger initiative to 1) complete accessibility upgrades in accordance with provincial and City requirements at 353 City buildings managed by Facilities Management and Shelter, Support and Housing Administration and 2) complete accessibility audits at a further 11 buildings managed by Shelter, Support and Housing Administration. Through a program approach to procurement and project delivery, Facilities Management expects to deliver all projects before the 2025 deadline for compliance with the Accessibility for Ontarians with Disabilities Act, while achieving time efficiencies and cost savings, standardized quality across all projects, and business continuity throughout the program.

In addition to the base cost submitted by the proponent, the total estimated contract value includes contingencies and allowances of 15 percent each to account for additional sites that may need to be added or to address unanticipated challenges that may arise during a program of this size, complexity, and duration (7.5 years, including the close out and warranty periods). The total estimated contract value (inclusive of contingencies and allowances) represents approximately 12 percent of the total combined program budgets for accessibility upgrades at Facilities Management and

Shelter, Support and Housing Administration facilities (\$204.1 million), which is in line with industry benchmarks.

In accordance with By-Law 195-8.5-B, City Council approval is required for this award as the term of the proposed contract exceeds five (5) years and the value of award exceeds \$20,000,000.

RECOMMENDATIONS

The Interim General Manager, Facilities Management and Chief Purchasing Officer recommend that:

1. City Council authorize the Interim General Manager, Facilities Management to negotiate and enter into an agreement with IBI Group for the provision of Design, Program Management, and Contract Administration Services for Accessibility Upgrades at various City locations, who was the highest scoring proponent meeting the requirements set out in Request for Proposal Number 9119-19-0162 for a fixed period of 7.5 years ending December 31, 2026 in the amount of \$24,120,855 excluding all taxes (\$24,545,382 net of Harmonized Sales Tax recoveries), based on the terms and conditions satisfactory to the Chief Financial Officer & Treasurer and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total contract award identified in this report is \$24,120,855 excluding all taxes (\$27,256,566 including Harmonized Sales Tax). The cost to the City is \$24,545,382 net of Harmonized Sales Tax recoveries.

Funding for the contract award in the amount of \$24,199,448, net of Harmonized Sales Tax recoveries is available in the 2019 Approved Capital Budget and 2020-2028 Capital Plan for Facilities, Real Estate and Environment and Energy under Work Breakdown Structure element CCA242-01.

Funding for the contract award in the amount of \$345,933 net of Harmonized Sales Tax recoveries is available in the 2019 Approved Capital Budget and 2020-2025 Capital Plan for Shelter, Support, Housing and Administration under Work Breakdown Structure element CHS048-01.

Project cash flows included in the 2019-2028 Council Approved capital Budget & Plan for Facilities Management and Shelter, Support and Housing Administration will be adjusted through the 2020 budget process to align with the award requirements.

Refer to Table 1 (below) for the Financial Impact Summary and Table 2 for estimated contract spending by year.

Table 1: Financial Impact Summary

Work Breakdown Structure Element	Description	Total Cost
CCA242-01	Baseline Cost for Program Level Reporting; Audit Report Validation/Schematic Design; Design, Contract Administration and Post Construction (338 Facilities Management-managed sites)	\$18,293,004
	Contingency (15 percent)	\$2,743,951
	Cash Allowance (15 percent), including permit fees	\$2,743,951
	Facilities Management cost, excluding All Taxes	\$23,780,905
	Non-recoverable Harmonized Sales Tax	\$418,544
	Facilities Management cost, net of Harmonized Sales Tax recoveries	\$24,199,448
CHS048-01	Baseline Cost for Audit Report Validation/Schematic Design; Design, Contract Administration and Post Construction (15 Shelter, Support and Housing Administration-managed sites). Accessibility Audits (11 Shelter, Support and Housing Administration-managed sites)	\$261,500
	Contingency (15 percent)	\$39,225
	Cash Allowance (15 percent), including permit fees	\$39,225
	Shelter, Support and Housing Administration cost, excluding All Taxes	\$339,950
	Non-recoverable Harmonized Sales Tax	\$5,983
	Shelter, Support and Housing Administration cost, net of Harmonized Sales Tax recoveries	\$345,933
Total cost, excluding All Taxes		\$24,120,855
Total cost, net of Harmonized Sales Tax recoveries		\$24,545,382

In addition to the base price provided by the recommended proponent, the recommended contract award incorporates contingencies and allowances of 15 percent each to account for additional sites that may need to be added at a later date and to account for potential challenges that may be encountered over the course of a program of this size, complexity, and duration. Including sufficient contingencies and allowances

up front, will enable City staff to address challenges as soon as they arise, mitigating any risks to the timely delivery of accessibility upgrades. Facilities Management will closely monitor the use of contingencies and allowances, which are to be expended only with prior authorization from the appropriate Facilities Management staff.

Table 2: Estimated Project Cash Flows

Estimated Project Cash Flows (in '000s) net of HST Recoveries							
Work Breakdown Structure Element	2019	2020	2021	2022	2023	2024	Total
CCA242-01	\$1,694	\$5,566	\$5,566	\$5,324	\$3,630	\$2,420	\$24,200
CHS048-01	\$30	\$83	\$232				\$345
Total							\$24,545

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on June 26, 2018 City Council adopted the City of Toronto Corporate Accessibility Policy contained in Appendix A of the report EX35.4 "City of Toronto Corporate Accessibility Policy". The report can be viewed online at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX35.4>

At its meeting on September 26, 2016 Government Management Committee adopted GM15.10 "Facilities Management Accessibility for Ontarians with Disabilities Act Update", which provided an update on work to revise the 2004 City of Toronto Accessibility Design Guidelines and the key elements and requirements of the plan to ensure compliance with the Accessibility for Ontarians with Disabilities Act in buildings managed by Facilities Management. The report can be viewed online at: <https://www.toronto.ca/legdocs/mmis/2016/gm/bgrd/backgroundfile-96702.pdf>

At its meeting on August 5 and 6, 2009, City Council adopted EX33.4 "Accessibility Requirements: Accessibility for Ontarians with Disabilities Act, 2005 (AODA)," and endorsed a Statement of Commitment that the City supports the goals of the Accessibility for Ontarians with Disabilities Act and will establish policies, practices and procedures that are consistent with the accessibility standards established under the Accessibility for Ontarians with Disabilities Act. The report can be viewed online at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.EX33.4>

COMMENTS

Background

The Accessibility for Ontario with Disabilities Act took effect in 2005 by the Province of Ontario. The purpose of the act is to achieve accessibility for Ontarians with disabilities with respect to goods, services, facilities, accommodation, employment, buildings, structures and premises by January 1, 2025.

In August 2009, City Council adopted and endorsed a Statement of Commitment to Creating an Accessible City. In June 2018, Toronto City Council adopted the City of Toronto Corporate Accessibility Policy, which states that the City will ensure accessibility at all its facilities and public spaces. Facilities Management has since initiated a capital accessibility program to meet the Accessibility for Ontarians with Disabilities Act and City requirements in facilities that fall under its capital maintenance program. The division is further supporting efforts by other divisions to complete accessibility upgrades in buildings under their management.

Facilities Management Accessibility Upgrades Program

Program Overview

To complete accessibility upgrades prior to the 2025 deadline for compliance with the Accessibility for Ontarians with Disabilities Act, Facilities Management has developed a program approach to project delivery. Figure 1 outlines the phases and objectives of the Facilities Management accessibility upgrades program including:

- Accessibility audits of facilities under the division's management. These audits assess buildings relative to the Ontario Building Code and the Toronto Accessibility Design Guidelines, which set a standard for accessibility that exceeds that of the Ontario Building Code and most other standards. Shelter Support and Housing Administration has also leveraged this process to complete audits of 15 buildings under their management. A further 11 buildings will undergo accessibility audits as part of this contract.
- Procurement of consultant services for the Design, Program Management, and Contract Administration of the accessibility upgrades at 338 facilities managed by Facilities Management and 15 facilities managed by Shelter, Support and Housing Administration. Request for Proposal number 9119-19-0162 was issued by Purchasing and Materials Management on April 4, 2019 and closed on May 22, 2019.
- Pending the award of the Request for Proposal, a single vendor will complete all design work and prepare an average of ten (10) tender-ready bundles of projects per month. The City will then tender and award these bundles. The first projects are expected to be tendered in 2020. This process will continue through 2024, when Facilities Management expects to award the final bundle of tenders.
- Construction will begin in 2020 and will continue through 2024. All projects will remain under a 2-year warranty; accordingly, projects delivered in the final year of the program will remain under warranty until the end of 2026.



Figure 1: Facilities Management Accessibility Upgrades Program Phases

This approach draws on industry best practice. Within the construction project management industry, bundling is a common practice used to realize efficiencies and drive consistency across projects by tendering multiple projects in a single solicitation. The City of Toronto has previously used bundling as a procurement strategy (for example, within Facilities Management, Shelter, Support and Housing Administration, and Engineering and Construction Services), as have other large organizations, including the Government of Canada, the Government of British Columbia, and private sector construction project management firms. Facilities Management has developed a program guide and resources that other City divisions can leverage to complete accessibility upgrades at facilities under their management.

Benefits of a Program Approach to Procurement and Project Delivery

The use of a single consultant and the bundling of construction tenders is expected to result in cost savings and time efficiencies, improve quality management and standardization, and facilitate schedule management and business continuity throughout the delivery of the program. The use of a single consultant and the bundling of tenders are key to achieving these outcomes.

Cost Savings through Economies of Scale

By maintaining a portfolio-wide perspective for the duration of the program, the consultant will be able to bundle projects in a manner that maximizes economies of scale and cost savings for the City. This could include bundling projects based on geography, client, or level of public use; aligning accessibility upgrades with other planned state of good repair projects; or any other pre-identified criteria. Likewise, bundling will allow the City to realize further economies of scale by purchasing

construction materials for multiple projects at once. Construction materials will be obtained through future procurement events.

Cost Savings through Time Efficiencies

The approach outlined above will reduce the number of construction tender calls, which is anticipated to result in cost savings and more efficient program delivery by reducing the time required to prepare and issue tenders, evaluate bids received, and award tenders; negotiate and administer contracts. Through retaining a single consultant, Facilities Management expects to realize further time efficiencies through streamlined communication and project document review processes, as City staff will have a single point of contact for the duration of the program and all project documentation will be standardized.

Quality Management and Standardization

Retaining one consultant will ensure that program approaches, documentation (e.g. design drawings, project progress reports, and scorecards), and materials used in construction (for example, power door operators or universal washroom elements) follow the same standards and quality control metrics. Employing standardized materials will not only bring direct cost savings through economies of scale, as mentioned above, but will also benefit future inventory and warranty management by minimizing variation in suppliers and vendors across the Facilities Management building portfolio.

Business Continuity and Schedule Management

Given the 2025 deadline for the program completion, and the program duration (five and a half (5.5) years of design and construction and two (2) years of warranty services), it is beneficial to work with one consultant for the entirety of the program. This will promote business continuity by ensuring that time or detrimental information is not lost due to the introduction of new vendors into the program, such as: project prioritization criteria and details; stakeholder expectations; heritage requirements; specific details about designated substances in buildings; rationales for decisions; and lessons learned.

The use of a single consultant is also expected to facilitate schedule management at the program and project level, as all schedules will be produced and maintained by a single party using a common format. This will support staff in their efforts to ensure that the entire program is delivered by the 2025 deadline.

Vendor Performance Management

In addition to selecting the highest scoring proponent for the job through a rigorous evaluation process, Facilities Management will implement spending controls and vendor performance management measures in order to realize the expected benefits of this procurement strategy, maximize the value to the City, and meeting the timelines of the Act by the 2025 deadline.

Pending authorization from Council, the City will enter into a flat rate service agreement with the recommended proponent. This will allow Facilities Management to know the cost of service for each of the buildings included in the Request for Proposal. Facilities Management will closely monitor and control any change order requests.

In addition to strict spending control, the Facilities Management will measure the vendor's performance through a formal vendor performance management program, which will employ key performance indicators and scorecards. The City will carry out quarterly business reviews with the vendor to review their performance against these key performance indicators. The City will minute the meetings, including action items with accountability, changes, escalations, and resolutions.

Procurement Process: Request for Proposal 9119-19-0162

A Request for Proposal was prepared by Facilities Management in conjunction with the Purchasing and Materials Management Division for Design, Program Management and Contract Administration Services for Accessibility Upgrades to various locations in the City of Toronto.

The Request for Proposal process was conducted as a two envelope system whereby the proponents were required to submit two separate envelopes. Envelope one (1) was the technical proposal submission and envelope two (2) contained the cost of services. The cost of services envelopes were only opened for those proponents who met the 70 percent threshold (42 out of 60 points).

The Request for Proposal was structured to be awarded to one (1) vendor. The intent was to award a contract to one (1) as a result of this Request for Proposal. The Request for Proposal was advertised on the City's internet website and three (3) proposals (R.V. Anderson Associates Limited, Stantec Architecture Ltd, and IBI Group) were received on the closing date of May 22, 2019.

Request for Proposal Evaluation

A formal Selection Committee consisted of three (3) members, two (2) from Facilities Management, one (1) from Shelter, Support and Housing Administration with on-going support from the Purchasing and Materials Management Division.

All staff involved in the preparation and the evaluation process signed and submitted a Non-Disclosure and Declaration of Conflict of Interest Agreement, and under the supervision of the Purchasing and Materials Management Division, evaluated the technical proposals in compliance with the criteria set out in Appendix E Proposal Evaluation Table contained in the Request for Proposal as follows:

Stage 1: Mandatory Submission Requirements: In compliance with the Request for Proposal, a list of mandatory requirements had to be met in order to advance to Stage 2. As a result of this compliance review, all three (3) advanced to Stage 2 of the evaluation process.

Stage 2-: Detailed Technical Evaluation (Proposal Content): In Stage 2 proponents were evaluated on their Technical proposal and a minimum threshold score of 70 percent (42 out of 60 points) had to be met in order to advance to Stage 3 which was the Interview Stage. Out of the three (3) firms that were evaluated, only two (2) proponents Stantec Architecture Ltd. and IBI Group met the minimum threshold score of 70 percent (42 out of 60 points) and advanced to Stage 3 of the evaluation process.

Stage 3: Interviews: The proponents were invited to attend an interview to discuss and present 5 questions that the selection committee had regarding their technical proposal. The interview was worth 10 points. The scoring for this stage was done by the same Selection Committee with the Purchasing and Materials Management Division. Two (2) proponents passed and proceeded to Stage 4 Cost of services.

Stage 4: Cost of Services: In Stage 4, the cost of services envelope were opened for the two (2) proponents by the Purchasing and Materials Management Division. The costs of services submission were reviewed and the calculations of the total annual costs and price scores were reviewed. The technical scores and the cost of service scores were then added together with the total representing the final score for each of the remaining two (2) proponents.

Recommended Vendor

Based on the Request for Proposal final score and the cost of services, the City is recommending to award the contract to IBI Group the highest scoring proponent identified in the evaluation process of this Request for Proposal that have met the specifications for this Request for Proposal.

The Fair Wage Office has reported that the recommended firm has indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

The proponent's scores and staff analysis of the evaluation results can be provided to Councillors in an in-camera presentation if requested by Members of Council.

Conclusion

The award of Request for Proposal Number 9119-19-0162 will allow Facilities Management and Shelter, Support and Housing Administration to proceed with a program to deliver accessibility upgrades at 353 City facilities and complete additional accessibility audits at 11 Shelter, Support and Housing Administration facilities in advance of the 2025 deadline for compliance with the Accessibility for Ontarians with Disabilities Act. Awarding a single contract for design, program management, and contract administration services will allow the City to bundle and award construction tenders throughout the duration of the program. This approach is expected to achieve time and cost efficiencies, facilitate quality management and standardization across all facilities, and allow for better schedule management during the delivery of this time-sensitive program.

The total estimated contract value includes sufficient allowances and contingencies to allow for the addition of sites and address unforeseeable challenges, if necessary. Facilities Management has determined that the total estimated contract value, inclusive of contingencies and allowances, is in line with industry benchmarks for a program of this size (\$204.1 million).

CONTACT

Frank Molinari, P. Eng.
Acting Director, Project Management Office, Facilities Management
Tel: 416-392-6322
Email: Frank.Molinari@toronto.ca

Leanne Dacosta
Acting Manager, Professional Services, Purchasing & Materials Management
Tel: 416-397-4801
Email: Leanne.Dacosta@toronto.ca

SIGNATURE

Patrick Matozzo
Interim General Manager,
Facilities Management

Michael Pacholok
Chief Purchasing Officer