

Integrating City Council Adopted Housing, Net-Zero and Office Optimization Strategies to Develop Etobicoke Centre via the award of nRFP No. Doc 3768637145 for General Contracting Services for the New Etobicoke Civic Centre

Date: November 28, 2023

To: Executive Committee

From: Acting Executive Director, Corporate Real Estate Management and the Chief Procurement Officer

Wards: Ward 3 - Etobicoke-Lakeshore

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains commercial and financial information that belongs to the City of Toronto and has monetary value or potential monetary value.

The attachment to this report is about criteria to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto.

SUMMARY

This report represents over three decades of City planning and development work, and brings together several City Council adopted strategies, including the HousingTO Action Plan, TransformTO Net-Zero Strategy, and the Office Optimization Plan. The report seeks City Council authority to proceed with Phase Four of the Major Capital Project Approval process, Construction Award and in doing so, to award the negotiated Request for Proposal No. Doc3768637145, "General Contracting Services for the New Etobicoke Civic Centre", to proceed with the Six Points development within Etobicoke Centre. The total value of the contract award is described in detail in Confidential Attachment 1, and including the major terms and conditions outlined in Confidential Attachment 2. The construction of the new Etobicoke Civic Centre ("new ECC") includes community infrastructure such as a recreation centre, library, childcare centre,

community spaces and a public square and supports a development that includes urgently needed housing in the city and aligns with the recently adopted report, 2023.EX.9.3 "Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes".

Within Etobicoke Centre sits the Bloor-Kipling Area ("Six Points") that includes the former Westwood Theatre Lands. To date, the City has invested \$77 million to reconfigure the Six Points interchange, and to prepare Six Points to be a complete community. Aligned with City Council adopted strategic initiatives and priorities, Six Points is designed to be a complete community that focuses on housing, is transit-oriented, and planned to be a near net-zero community. Six Points will contribute approximately 2,700 residential units, with Block 1 of the development to commence construction in the first quarter of 2024; occupancy is planned for 2027. The new ECC is to be the anchor and heart of Six Points, and its construction will bring critical community services to enable the creation of a complete community.

Further, the construction of the new ECC enables the City Council adopted Office Optimization Plan ("the Plan"), that drives cost savings through the efficient use of municipal office spaces. A key principle of the Plan is higher mobility ratios that allow more staff to work in a smaller office footprint, freeing up underutilized City assets, and reducing the use of office leases overall. The new ECC will have an average mobility ratio of 1-1.7, meaning, on average, 10 workstations will be available for every 17 employees, and is in alignment with the City's Hybrid Work Policy. Ultimately, the Plan will allow for the consolidation of over 4,600 staff across 40 locations into five modernized primary office facilities (one of which is the new ECC). This will result in \$30 million in annual savings, with the new ECC being a critical enabler of this Plan.

In addition, the report seeks City Council authority to increase Purchase Order No. 6053353 for prime consultant Adamson Associate Architects (Adamson) to perform construction contract oversight services associated with the construction of the new ECC. The total Purchase Order amendment being requested is \$5,734,074.50 + H.S.T. (\$5,834,994 net of H.S.T. recoveries), revising the current Purchase Order value from \$14,500,000 + H.S.T. (\$14,755,200 net of H.S.T. recoveries) to \$20,234,074.50 + H.S.T. (\$20,590,194 net of H.S.T. recoveries).

RECOMMENDATIONS

The Acting Executive Director, Corporate Real Estate Management and the Chief Procurement Officer recommend that:

1. City Council authorizes staff to proceed with Phase Four of the Major Capital Project Approval Process - Construction Award related to the new Etobicoke Civic Centre project as outlined in Attachment 2 to this report.

2. City Council authorize Chief Procurement Officer to award negotiated Request for Proposal (nRFP) No.: Doc3768637145, for the delivery of General Contracting Services

for the new Etobicoke Civic Centre project to Multiplex Construction Canada Limited ("Multiplex"), in the amounts outlined in Confidential Attachments 1 and 2 and including the major terms and conditions outlined in Confidential Attachment 2, and such other or amended terms and conditions satisfactory to the Executive Director, Corporate Real Estate Management, and in a form satisfactory to the City Solicitor.

3. City Council authorize the Executive Director, Corporate Real Estate Management to negotiate, approve, and execute, on behalf of the City any agreements, including amendments, with Multiplex, including the major terms and conditions outlined in Confidential Attachment 2, funded through the approved project cost for the Etobicoke Civic Centre project subject to the annual budget process, and such other or amended terms and conditions satisfactory to the Executive Director, Corporate Real Estate Management, and in a form satisfactory to the City Solicitor.

4. City Council, in accordance with Section 71- 11.C of the City of Toronto Municipal Code Chapter 71, Financial Control By-law, authorize the amendment of Purchase Order Number 6053353 issued to Adamson Associates Architects, increasing the current purchase order value by \$5,734,074.50 plus H.S.T. (\$5,834,994 net of H.S.T. recoveries), revising the current Purchase Order value from \$14,500,000 + H.S.T. (\$14,755,200 net of H.S.T. recoveries) to \$20,234,074 plus H.S.T. (\$20,590,194 net of H.S.T. recoveries) funded through the approved project cost for the Etobicoke Civic Centre project for continued services tied to the construction phase, enhanced site representation and office fit-up and furniture design for the new Etobicoke Civic Centre project based on terms satisfactory to the Executive Director, Corporate Real Estate Management.

5. City Council authorize the public release of Confidential Attachment 1, once adopted by City Council.

6. City Council direct that the confidential information contained in Confidential Attachment 2 remain confidential in its entirety, as it contains confidential financial information and confidential outcomes of negotiation strategies.

FINANCIAL IMPACT

The City Council-approved 2023-2032 Capital Budget for the new ECC is \$549.6 million and is split across Corporate Real Estate Management (CREM), Parks, Forestry and Recreation (PFR) and Toronto Public Library (TPL) capital programs. The current overall forecasted costs for successful completion of the project are \$667.1 million (net of H.S.T. recoveries), inclusive of PFR and TPL program costs. Incremental funding will be identified in future year budget processes to address the shortfall of \$117.5 million (net of H.S.T. recoveries). Table 1 illustrates the budget breakdown and allocation of forecasted project costs between CREM, PFR and TPL.

Table 1: Available approved budget for the new ECC project and forecasted project costs (in millions and net of H.S.T. recoveries)

Division and Agencies	2023-2032 Approved Capital Budget	Forecasted Project Cost	Incremental funding required that will be identified through future year budget processes
Corporate Real Estate Management	\$433.4	\$547.3	\$113.9
Parks Forestry and Recreation	\$81.4	\$83.7	\$2.3
Toronto Public Library	\$34.8	\$36.1	\$1.3
Total	\$549.6	\$667.1¹	\$117.5

Note 1: Updated forecasted project costs inclusive of General Contractor costs

Incremental cash flows are not required until 2025. Corporate Real Estate Management will work with the Finance & Treasury service area to identify funding for the subsequent phases of work for submission through future budget processes.

Overall Project Cash Flows

The estimated project cash flows, from 2023 to 2027 inclusive of the work to be performed by Multiplex, the preferred proponent, through the general contracting services contract to be awarded, are indicated in Table 2 below.

Table 2: Estimate Project Execution Cash Flows inclusive of Construction Costs (in millions, net of H.S.T. recoveries)

Division or Agency	Cost Centre	2017-2023	2024	2025	2026	2027	Total
CREM	CCA300-02/03	\$45.06	\$42.91	\$121.55	\$211.00	\$126.74	\$547.26
PFR	CPR123-50-03	\$4.84	\$6.19	\$17.53	\$30.43	\$24.73	\$ 83.72
TPL	CLB226-01	\$1.93	\$2.48	\$7.01	\$12.17	\$12.55	\$ 36.14
	Total	\$51.83	\$51.58	\$146.09	\$253.60	\$164.02	\$667.12

Overall project budget and incremental funding strategies

In 2021, upon completion of the design development phase, a project budget of \$549.6 million was established. Since then, market conditions and global supply chain issues have resulted in cost escalations related to construction materials and the delivery of such materials. In addition, the sustained period of increased inflation has contributed to the cost escalation experienced across all construction projects. These factors are the primary reason why the current forecasted project cost, including the award of the nRFP for General Contracting Services, exceed the approved budget by \$117.5 million (net of H.S.T. recoveries). Given the phased nature of work to be completed through the construction contract, the incremental funding would not be required to be spent until 2025 and beyond. To avoid further delays on the overall Six Points development, and to mitigate against further cost escalations staff are recommending to proceed with the award of the construction contract now with a plan to work with the Finance and Treasury service area to identify funding through future budget processes. In addition, through contract negotiations with the preferred proponent certain aspects of the project to be completed in the later years will not proceed until City staff are notified, allowing the City to secure pricing for this work while providing an opportunity to adjust should funding not be available to proceed. Proceeding with the award and the above approach will allow for construction to commence, and the overall Six Points development to move forward as planned, without the risk of delaying the development of other blocks at the site and being exposed to future inflationary pressures.

Amendment to PO No. 6053353 to Adamson Associates Architects

The project's prime consulting services agreement with Adamson Associates Architects has a total value of \$14,500,000 plus H.S.T. (\$14,755,200 net of H.S.T. recoveries). As part of the fee structure detailed in the agreement, at each design and construction phase of the project an amendment is required to adjust the value of the contract based on updates to the construction cost estimates. This final adjustment is to cover contract administration services, in addition to enhanced site representation, and design services related to the office fit-up and furniture. Funding for this amendment is available in the current approved 2023-2032 Capital Budget and Plan for CREM. The proposed amendment would increase the value of the purchase order (PO No. 6053353) by \$5,734,074 plus H.S.T. (\$5,834,994 net of H.S.T. recoveries) to \$20,234,074 plus H.S.T. (\$20,590,194 net of H.S.T. recoveries).

The Chief Financial Officer and Treasurer has been advised of the financial impacts associated with this report to be considered along with other priorities in the 2024 and future year budget processes.

DECISION HISTORY

At its meeting of December 6-7, 2022, City Council adopted item 2022.GL29.15 "Re-Assignment of New Etobicoke Civic Centre Project and Contracts from CreateTO to Corporate Real Estate Management," supporting the authorization of the transfer of existing contracts, including the Adamson Associates Architects contract, to Corporate Real Estate Management for the execution of the Construction Documents, Bidding &

Negotiation (General Contractor Solicitation) and Contract Administration services for the new Etobicoke Civic Centre Project, located within the Six Points development.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.GL29.15>
<https://secure.toronto.ca/council/agenda-item.do?item=2022.GL29.15>

At its meeting on July 19, 2022, City Council adopted item 2022.GL.32.35 "Proposed Enwave Geothermal District Energy System, Bloor-Kipling". This authorized the Executive Director, Corporate Real Estate Management to negotiate and enter into a customer term sheet and customer agreement between the City of Toronto and Enwave Energy Corporation to provide heating and cooling to the Etobicoke Civic Centre located within the Six Points development.
<https://secure.toronto.ca/council/agenda-item.do?item=2022.GL32.35>

At its meeting on March 30, 2022, City Council adopted item 2022.EX31.10 "ModernTO: Unlocking Eight City-Owned Properties" that the identified city-building objectives and outcomes that are proposed to be prioritized across the portfolio of eight properties to be unlocked through the ModernTO program, such as affordable housing, financial sustainability, public realm improvements, City service and institutional improvements, maintenance or enhancement of employment opportunities, and sustainable development.
<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX31.10>

As its meeting on December 15, 2021, City Council adopted item 2021.IE26.16 "TransformTO: Critical Steps for Net-Zero by 2040" that recommended Toronto adopt a new net-zero by 2040 goal. Achieving net-zero is not simply a technology solution. The combination of attentive urban design, city planning, active transportation, and transit systems, changes in consumptive behaviour and supportive net-zero consumer choices, will all need to work in step to cumulatively increase the efficiencies of corresponding urban systems. Technical modelling of Toronto's net-zero pathway shows that in order to reach net-zero greenhouse gas (GHG) emissions by 2050 or sooner, Toronto must first be on the correct trajectory for achieving its 2030 City Council adopted goal of 65 per cent emissions reduction from 1990 levels. Without aligning our action and implementation to that steeper trajectory, net-zero by 2040 or 2050 will be out of reach.
<https://www.toronto.ca/legdocs/mmis/2021/ie/bgrd/backgroundfile-173756.pdf>

At its meeting on December 15, 2021, City Council adopted item 2021.PH29.4 "Etobicoke Civic Centre - City-Initiated Zoning By-law Amendment Application - Final Report", requesting CreateTO to ensure a Community Benefits Agreement is in place for the construction of the Etobicoke Civic Centre.
<https://secure.toronto.ca/council/agenda-item.do?item=2021.PH29.4>

At its meeting of July 14, 2021, City Council adopted item PH25.2 "Housing Now - Bloor-Kipling (Six Points) Block Context Plan and Blocks 1, 2, and 5 City-Initiated Zoning By-law Amendment - Final Report", approving amendments to the Etobicoke Zoning Code and Site-specific Zoning By-law No. 1088-2002 and the City-wide Zoning By-law No. 569-2013, to permit a mixed-use development on Blocks 1 and 5, and a new public park on Block 2.
<https://secure.toronto.ca/council/agenda-item.do?item=2021.PH25.2>

At its meeting of December 17-18, 2019, City Council adopted item EX11.24 "Relocation of the Etobicoke Civic Centre," supporting the authorization of CreateTO to proceed with Phase Three of the Major Capital project Approval Process, including Detail Design, Contract Documents and Tender. A motion was carried by City Council to develop construction cost risk transfer and mitigation options and controls for the procurement and execution phases.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX11.24>

At its meeting on November 19, 2019, the CreateTO Board adopted item "RA9.4 "Relocation of Etobicoke Civic Centre - Update and Next Steps" that reinforced the Board and City Councils commitment to relocate the existing, outdated Etobicoke Civic Centre ("ECC") to the Westwood Theatre Lands ("WTL") as an integral City Building initiative. The establishment of this new civic centre will provide much needed services for a growing West District and act as a catalyst for revitalization of the Etobicoke City Centre.

<https://www.toronto.ca/legdocs/mmis/2019/ra/bgrd/backgroundfile-139813.pdf>

At its meeting on October 29, 2019 City Council adopted item 2019.EX.9.2 " ModernTO - City-Wide Real Estate Strategy and Office Portfolio Optimization" that identified the Etobicoke Civic Centre, along with other civic centres as "primary office buildings" in need of long-term modernization investments to enable a more effective Toronto Public Service, serving as transit-oriented civic hubs for government administration.

<https://secure.toronto.ca/council/agenda-item.do?item=2019.EX9.2>

At its meeting in September 2019, City council adopted item 2019.EX9.3 " ModernTO: City-Wide Real Estate Strategy and Office Portfolio Optimization" that identified Etobicoke Civic Centre as one of four "primary office buildings" in need of long-term modernization investments to enable a more effective Toronto Public Service, serving as transit-oriented civic hubs for government administration.

<https://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-138426.pdf>

At its meeting on January 30, 2019 City Council adopted item 2019.EX1.1 "Implementing the "Housing Now" Initiative to address the urgency to provide affordable rental housing, the Housing Now Initiative sets a new course to create much needed affordable rental housing in mixed income communities.

<https://secure.toronto.ca/council/agenda-item.do?item=2019.EX1.1>

At its meeting of November 7, 2017, City Council adopted item EX28.12 "Update and Next Steps on the Potential Relocation of the Etobicoke Civic Centre," which adopted the decision of the Etobicoke Civic Centre Building Design Competition jury's selection of Adamson Associates Architects, Henning Larsen Architects and PMA Landscape Architects as the winning submission of the Etobicoke Civic Centre Design Competition and directed The Toronto Realty Agency (CreateTO), in consultation with City staff, to proceed with Phase Two of the Major Capital Project Approval Process and report back to Council on such results.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX28.12>

At its meeting of July 12-15, 2016, City Council adopted item EX16.22 "Etobicoke Civic Centre Relocation," supporting the Westwood Theatre Lands as the preferred location for the relocated Etobicoke Civic Centre. The report directed City staff to work with Build Toronto (CreateTO) and carry out a design competition for a new Etobicoke Civic Centre on the Westwood Theatre Lands; establish a building program to inform the design competition; undertake a feasibility and business case analysis for a new Etobicoke Civic Centre at the Westwood Theatre Lands; examine costs and potential revenue/funding sources with the sale of three (3) city assets; and to examine the opportunities for affordable housing and report back to City Council with the results.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.22>

In 2013 the City Council adopted a phased approach that improved the process for completing cost estimates for Facilities Management projects by staging City Council approval of the various phases of major capital projects as the design proceeds to ensure more precise estimates are obtained.
<https://secure.toronto.ca/council/agenda-item.do?item=2013.GM26.4>

At its meeting of December 11, 12, 13 2007, City Council adopted Item PG11.2, "Six Points Interchange Reconfiguration Class Environmental Assessment Study" approving a reconfiguration of the Six Points interchange in the Bloor Street West, Dundas Street West and Kipling Avenue area of Etobicoke. The reconfiguration supports the development of Etobicoke Centre as a vibrant mixed-use transit-oriented community. At the same meeting, City Council also adopted the West District Design Initiative (WDDI) and the urban design visions for Bloor-Islington, Westwood and current Etobicoke Civic Complex lands.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2007.PG11.2>
<https://www.toronto.ca/legdocs/mmis/2007/pg/bgrd/backgroundfile-8765.pdf>

At its meeting of July 22-24, 2003, City Council adopted a report entitled "West District Study – Results of the Request for Expressions of Interest and Recommended Next Steps" (Report No. 7 of the Administration Committee, Clause No. 1). The report recommended the undertaking of a study to be referred to as the "West District Design Initiative" to examine potential urban design opportunities and develop a comprehensive vision for the Bloor/Islington lands, Westwood Theatre Lands ("WTL") and the Etobicoke Civic Centre Complex at 399 The West Mall.
<https://www.toronto.ca/legdocs/2003/agendas/council/cc030722/agenda.pdf>

COMMENTS

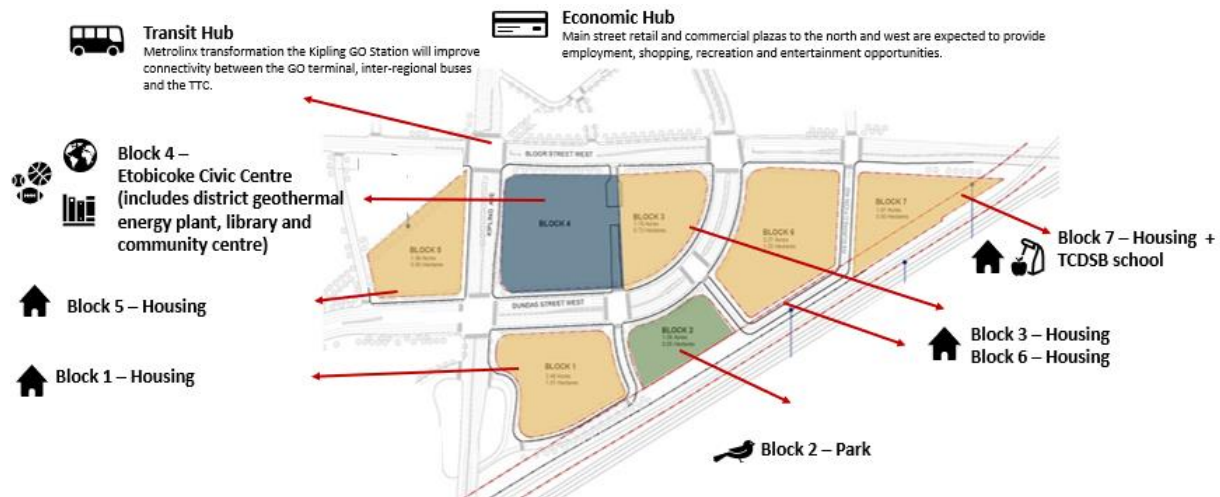
Etobicoke Centre: an integrated approach to delivering City priorities for affordable housing and a near net-zero community

The development of Etobicoke Centre represents over three decades of City planning and development work. It brings together City Council priorities, notably, the HousingTO Action Plan, the TransformTO Net-Zero Strategy, and the Office Optimization Plan. Within Etobicoke Centre sits the Bloor-Kipling Area ("Six Points") that includes the former Westwood Theatre Lands. Using City Council adopted strategic initiatives and

priorities, Six Points is designed to be a complete community that focuses on housing, is transit-oriented and planned to be a near net-zero community.

Six Points is a 7.25 hectares site that includes seven blocks of land, south of Bloor Street West and north of the rail corridor and the Kipling Mobility Hub. Five of the blocks (Blocks 1, 3, 5, 6 and 7) are City Council approved Housing Now development parcels; one of the blocks (Block 2) is a future City Park; a Toronto Catholic District School Board School is also planned for Block 7 in addition to the housing; and the final block (Block 4) is the location of the new Etobicoke Civic Centre (new ECC). Figure 1 illustrates the planning for Six Points.

Figure 1: Six Points Plan for Blocks 1 to 7



The Six Points development is expected to attract further investments to Etobicoke Centre that may be estimated to be in the billions. In 2012, the City identified Etobicoke Centre as one of four focal points in the City's Official Plan to accommodate projected growth and a dynamic mix of housing, employment opportunities, commercial activities and community amenities. The City has invested \$77 million to date to reconfigure the Six Points interchange, and prepare Six Points to be a complete community. The solicitation of the award described in this report, is a critical enabler for the development of Six Points to move forward.

Delivering on City Council housing priorities in alignment with EX9.3 Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes

The HousingTO Action Plan has a target of providing 65,000 affordable homes by 2030 and is focused on providing mixed income housing. As envisioned by the HousingTO Action plan, Six Points is a prime example of dedicating City-owned land to create new affordable homes, in a timely manner. Six Points plans to deliver a total of 2,781 residential units in support of the City's housing targets.

Along with the housing component, the Six Points serves as a catalyst for revitalization of Etobicoke Centre that provides numerous other community and civic benefits, including:

- New civic and community infrastructure, including a recreation centre, library, childcare, community spaces, and a public square;
- Replacement of the existing old, functionally obsolete and costly Etobicoke Civic Centre facility, and more efficient use of municipal office space;
- Positioning of municipal services in a transit-oriented community, improving access for residents, staff and visitors;
- A planned Toronto Catholic District School Board school to support the demand for enrollment triggered by the development of Etobicoke Centre;
- Improved public realm through internationally renowned, state of the art design; and
- Support for TransformTO by building a near net-zero community and incorporation of a district energy plant within the new ECC to provide geothermal energy to the housing developments.

Delivering on City Council-mandated Net-Zero Strategy

Six Points is set to be powered by a geothermal district energy system that can provide sustainable energy to the entire development. The geothermal energy plant is to be housed in the new ECC below grade, and developments will connect to the plant through a network, delivering net-zero energy to the ECC and housing development blocks. The low carbon geothermal district energy system will enable the development of a near zero carbon community. The geothermal district energy system enables the new ECC and surrounding buildings to avoid the infrastructure to support use of gas for conventional heating. This will instead be managed with a low-level of energy consumption and near zero carbon production in accordance with Toronto Green Standard, Version 3, Tier 4. As the climate crisis grows more urgent each year, the City is using this window to make a significant and lasting change.

As outlined in previous City Council reports, achieving net-zero is not a simple technology solution. The combination of attentive urban design, city planning, active transportation and transit system, changes in energy consumption behaviour and supportive net-zero housing choices will all need to work in step to cumulatively increase the efficiencies of corresponding urban systems. Proceeding with the new ECC project now will avoid a potential missed opportunity to advance the city towards its climate goals of net zero by 2040.

Enabling the Office Portfolio Optimization Plan

In October 2019, City Council unanimously adopted City-Wide Real Estate Strategy and Office Portfolio Optimization Plan ("the Plan"). The Plan drives more efficient use of municipal office space, resulting in cost savings amongst other benefits. A key principle of the Plan is higher mobility ratios that allow more staff to work in a smaller office footprint, freeing up underutilized City assets and reducing the use of office leases overall. The new ECC will have an average mobility ratio of 1-1.7, meaning, on average, 10 work stations will be available for every 17 employees, and is in alignment with the City's Hybrid Work Policy. Ultimately, the Plan will allow for the consolidation of over 4,600 staff across 40 underutilized office locations (leased and owned), into five modernized primary office facilities (one of which is the new ECC). This will result in \$30 million in annual savings, with the new ECC being a critical enabler of this Plan. To

ensure the full utilization of the space to be built, City staff will explore opportunities for use by community organizations, non-for-profits groups, other City Agencies, as well as third-party partnerships, maximizing the benefit the City realizes from the new ECC.

Procurement Process

The Negotiated Request for Proposal (Doc No.: Doc3768637145) was issued on January 10, 2023, with a closing date for submissions of May 10, 2023. The scope of work includes the construction and commissioning of the new ECC, including the public library, recreation centre, childcare facility, community space, and public square.

Proponents were requested to submit proposals demonstrating their ability to meet or exceed experiential and technical requirements while offering high quality service at their best price. This process encouraged bidding proponents who met the established technical performance requirements to propose construction cost efficiencies around a Best and Final Offer (BAFO). Two (2) proponent proposals were received and both proponents' proposals were found compliant with mandatory requirements. Detailed procurement process to evaluate both proposals are outlined in the Confidential Attachment 2. Further negotiations were conducted between June and October of 2023. Confidential Attachment 2 includes the details of the nRFP outcome, along with a risk assessment outlining the most significant impacts of a deferred award to the recommended proponent.

The recommended proponent for General Contracting Services for the new Etobicoke Civic Centre is Multiplex Construction Canada Limited (Multiplex).

Fairness Monitor report, Fair Wage, Community Benefits that include Social Procurement and a Workforce Development Plan

On September 18, 2023, Fairness Monitor, RGM provided the City with the Fairness Monitor's Report confirming that the nRFP process was conducted in a procedurally fair, open, and transparent manner and in alignment with the requirements of applicable directives, policies, trade agreements and the nRFP process. RGM certifies that the top-ranked vendor was identified through a rigorous and well-documented evaluation process that was overseen from beginning to end. With respect to fairness considerations, RGM approves the outcome of the process. Refer to Attachment 1 for the Fairness Monitor's Report.

The Fair Wage Office confirms the recommended proponent understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

The recommended proponent is required to participate in the City of Toronto's Social Procurement Program. As part of the program, the proponent is to adopt a supplier diversity policy that outlines the means to improve supplier diversity and implement and maintain a Workforce Development Strategy.

The recommended proponent is required, throughout the duration of the contract, to work with City staff to implement a Workforce Development Plan including but not limited to requirements for a community benefits program identifying customized

recruitment, apprenticeship opportunities, job fairs and work-based learning skills development. To assist in implementing the Workforce Development Plan, the City of Toronto will provide a single point of contact from Social Development, Finance and Administration.

Contract Details for Prime Consultant Adamson Associates Architects

The contract with Adamson Associates Architects has a total value of \$14.8 million (net of H.S.T. recoveries). To manage the cost of each phase of the project independently, a stage-gating process was implemented. The terms of the existing consulting agreement with Adamson identify that fees associated with the construction phase will be re-evaluated upon the completion of the detailed construction cost estimate. As the construction cost estimate has increased, Adamson's contract administration fees have also increased accordingly by \$2.29 million (net of H.S.T. recoveries).

Additionally, the City has requested enhanced architectural oversight for periods during construction to improve the quality and efficiency of work reviews and lead to the reduction of schedule and cost impact during construction. This work carries an additional fee of \$0.61 million (net of H.S.T. recoveries).

Lastly, the new ECC's design included generic layouts for the office floors. To streamline the build-out of the office space to the elevated Workplace Modernization design standards, Adamson has been requested to provide additional architectural services, at an estimate of \$2.93 million (net of H.S.T. recoveries).

This report requests the authority of City Council to increase the value of the purchase order (PO No. 6053353) by \$5.83 million (net of H.S.T. recoveries) to capture these costs. This amendment is required for continued services for the new Etobicoke Civic Centre project.

Next Steps

In alignment with the City's Major Capital Approval Process, City Staff are following the below stage-gate approach to develop, and eventually construct the new Etobicoke Civic Centre.

- Phase 1 – Feasibility and Conceptual Design – (Complete: 2017)
- Phase 2 – Site Investigations, Program Validation, Schematic Design (Complete: 2019)
- Phase 3 – Detailed Design, Contract Documents, and Tender (2020 to 2023)
- Phase 4 – Construction Award (2023 to construction completion)

If this report is approved by Council, staff are prepared to proceed with Phase Four, Construction Award.

The development of Etobicoke Centre is thirty years in the making. Six Points integrates and delivers on several City Council adopted initiatives, notably the HousingTO Action Plan, TransformTO Net-Zero Strategy, and the Office Optimization Plan. Six Points is

the prime example of the how the City's cumulative and coordinated effort demonstrates its leadership in leverage its assets to deliver on urgently needed housing and climate action.

CONTACT

Lisa Barroso, Director, Project Management Office, Corporate Real Estate Management, 416-338-0237, lisa.barroso@toronto.ca

Scott Pasternack, Acting Deputy Director, Municipal Law Practice Group Legal Services Division, 416-397-0950, Scott.Pasternack@toronto.ca

Tanvir Ahmad, Senior Manager, Category Management & Strategic Sourcing, Purchasing and Materials Management Division, 416-392-8714, tanvir.ahmad@toronto.ca

Vic Gupta, Chief Executive Officer, CreateTO, 416-981-2879, vgupta@createto.ca

Jag Sharma, Deputy City Manager, Development and Growth, 416-397-4670 jag.sharma@toronto.ca

SIGNATURE

Marco Cuoco
Acting Executive Director, Corporate Real Estate Management

Geneviève Sharkey
Chief Procurement Officer

ATTACHMENTS

Confidential Attachment 1 - Results of the Procurement Process

Confidential Attachment 2 - Total Contract Value and Deviations from Standard Major Terms and Conditions Through the nRFP Process

Attachment 1 - Fairness Monitor Report

Attachment 2 - Major Capital Approval Process