

STATUS UPDATE – NEW CITY HALL

Recommendation

The City Manager and the Commissioner of Community Services, in consultation with the Commissioner of Finance & Corporate Services and the Commissioner of Legal & Administrative Services & City Solicitor, recommend:

- 1) That the following report be received;
- 2) That a Special Council Meeting be held at 1:00 p.m. on August 17, 2006 to award the Tender of the new City Hall.

Economic Impact

Not applicable.

Purpose

To advise of the completion of the Pre-qualification of General Contractors of Phase 1 (City Hall) of the Vaughan Civic Centre Project.

Background - Analysis and Options

Pre-qualification of General Contractors is a standard practice in large or technically challenging projects. The process of pre-qualification involves the identification of a short-list of contractors that have the necessary qualifications to undertake the project.

The City's pre-qualification process in Phase 1 of this project was structured in the following manner: the Architect, the Professional Advisor, internal and external legal counsel worked with staff from the Buildings and Facilities Department and the Purchasing Services Department to develop the Pre-qualification Document. A "Fairness Monitor", the Honourable Justice Peter Cory, was appointed to oversee the pre-qualification process and the eventual award of the tender for the construction of the new City Hall. The Terms of Reference for the Fairness Monitor are attached.

Prior to the issuance of the Pre-qualification Document, it was reviewed and approved by the City's external legal counsel. Upon receipt of the bid submissions, the submissions went through a rigorous pre-qualification process, conducted by the Evaluation Committee, using established criteria identified in the bid document. The Fairness Monitor attended and provided oversight to all aspects of the process. The Honourable Justice Peter Cory has commented very favourably regarding the rigour and the fairness of the City's procurement and evaluation process as follows: "I have been impressed with the rigour applied to the process and the thorough, careful and eminently fair manner in which each member of the committee has approached the pre-qualification. I am satisfied that the process has been fairly carried out by the Committee and its advisors".

The projected timeline for the issue of Construction Documents to the pre-qualified General Contractors and Close of the Tender was anticipated to be June 2006. However, for the reasons set out below, it has been necessary to extend this timeline approximately 6 weeks.

The process of pre-qualification included the involvement of the Fairness Monitor, who has presided over the entire process, including at each and every meeting of the Evaluation Committee.

The process of pre-qualification of the General Contractors and the subcontractors, the involvement of the Fairness Monitor, and the involvement of external counsel added several weeks to the timeline. Consequently, as a result of the rigorous evaluation process there has been additional time added to the original time line. In addition the General Contractors who were pre-qualified have requested that the proposed closing timeline be extended

For these reasons, the timeline for the closing of the tender is now delayed from the end of June to mid-August. Once the tender closes, on July 26, 2006, staff will prepare a report and recommendation to Council for the award of the contract.

A Special Council meeting should be held on August 17, 2006 for the purpose of awarding the contract at the conclusion of the tender process.

Relationship to Vaughan Vision 2007

This report aligns with the Vaughan Vision 2007 to develop a new Vaughan Civic Centre and is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion

For reasons noted above, the timeline for the closing of the tender is now delayed from the end of June to mid-August.

Attachments

1. Correspondence from The Honourable Justice Peter Cory, dated June 8, 2005
2. Terms of Reference – Fairness Monitor

Report prepared by:

Marlon Kallideen
Janice Atwood-Petkovski
Clayton Harris

Respectfully submitted,

Michael DeAngelis
City Manager

Marlon Kallideen
Commissioner of Community Services

ATTACHMENT #1

The Honourable Peter Cory, C.C., C.D., Q.C.
pcory@osler.com
Our Matter Number: 1054504/7900098

June 8, 2006

Janice Atwood-Petkovski
City Solicitor
The City of Vaughan
2141 Major Mackenzie Drive
Vaughan, ON L6A 1T1

Dear Ms. Atwood-Petkovski:

**Re: Pre-Qualification Document of Contractors and Sub-Contractors
New Vaugh Civic Centre**

The pre-qualification of contractors and sub-contractors for the new City of Vaughan Civic Centre has been completed by the Evaluation Committee appointed by Council (the "Committee"). The Committee was comprised of four members of City staff and two architects. The staff members were Marlon Kalliden, Bill Robinson, Paul Gardner and Jeff Peyton. The Architects were Mr. Peter Berton, retained directly by the City as a professional advisor and Mr. Goran Milosevic, representing the project architect, Kuwabara, Payne, McKenna, Blumberg. All members of the Committee and its advisors have executed a declaration that they have no conflict of interest with any of the bidders.

In accordance with the attached terms of reference applying to my appointment as Fairness Monitor, I have had full access to and have approved all documentation and communication to proponents including the evaluation criteria and other terms applying to the work of the Committee. I am satisfied with the qualifications of the Committee members and that none of them has any conflict of interest. I have been present at the openings of all submissions for pre-qualification and at all deliberations of the Committee. I am satisfied with the structure of the evaluation and the transparency of the criteria used in the pre-qualification process and that the committee adhered to the prescribed process and policies.


I also was consulted regarding the disqualification of several tenders for failure to comply with mandatory requirements. I am satisfied that these disqualifications were

appropriate and that they were dealt with in accordance with the legal advice received from Messrs. Weir & Foulds.

I have been impressed with the rigour applied to the process and the thorough, careful and eminently fair manner in which each member of the committee has approached the pre-qualification. I am satisfied that the process has been fairly carried out by the Committee and its advisors. Please pass on to your Council my compliments on the dedication and outstanding performance of the very capable City staff involved in the process.

I will be reporting again after the opening of the tenders and a recommendation for the award has been made.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Peter Cory", is centered within a rectangular area of a light gray dot grid pattern.

The Honourable Peter Cory
PC:bt

TERMS OF REFERENCE - FAIRNESS MONITOR

The City of Vaughan has retained the Honourable Peter deC. Cory as a Fairness Monitor to ensure that the procedure leading to the award of a contract to a general contractor and major sub-contractors for the construction of its new Civic Centre building is fair, impartial and leads to the construction of the building by qualified contractors at the lowest price to the City.

The City intends to pre-qualify contractors and major sub-contractors by way of a formal evaluation process carried out by an impartial committee which has been appointed by Council. When qualified contractors have been identified, they will be invited to submit a formal tender for the construction of the building.

The Fairness Monitor shall:

1. have full access to, and shall approve all documentation and communications to proponents for pre-qualification prior to the use of such documents and such communication;
2. be present during all deliberations of the committee;
3. be satisfied with the qualifications of the evaluation committee and that none of its members have any conflict of interest;
4. Be present at the opening of the submissions for pre-qualification;
5. be satisfied with the structure of evaluation and transparency of criteria used in the pre-qualification process and that the committee adheres to prescribed policies and process;

At the Council meeting when the Commissioner of Community Services reports on the contractors qualified by the Committee, a report from the Fairness Monitor shall be available to Council including his opinion (subject to the City having complied with all directions from the Fairness Monitor to his satisfaction) that the pre-qualification process was fairly and impartially carried out by the City in accordance with procedures and using documents approved by the Fairness Monitor.

After the pre-qualification process has been completed, the City shall prepare and call tenders for the construction of the Civic Centre from the contractors so qualified.

The Fairness Monitor shall:

1. have full access to, and shall approve all bid documents and communications to qualified contractors prior to the use of such documents and such communication;
2. be present at the opening of the tender;
3. be satisfied that the staff recommendation for the award of tender is based on proper documentation and with fair and transparent procedures.

At the Council meeting when the recommendation to award the tender is considered, a report from the Fairness Monitor shall be available to Council including his opinion

(subject to the City having complied with all directions from the Fairness Monitor to his satisfaction) that the process leading to such award was fairly and impartially carried out by the City in accordance with procedures and using documents approved by the Fairness Monitor.

At any time during the pre-qualification or tender process, the Fairness Monitor may submit to the City Solicitor an interim report and the City will implement any recommendations contained in such report or such report will be communicated to Council for instructions.