

SPECIAL COUNCIL MEETING – OCTOBER 20, 2003

ADDENDUM TO REQUEST FOR PROPOSAL RFP03-212 AMENDMENT TO CLIENT/ARCHITECT AGREEMENT VAUGHAN CIVIC CENTRE DESIGN COMPETITION

Recommendation

The City Manager, in consultation with the Senior Management Team and the Professional Advisor, recommends that:

The City of Vaughan issue an addendum to Request for Proposal RFP03-212 (Vaughan Civic Centre Design Competition) which will:

- a) Increase the fee for professional services from 5.5% of construction costs (\$76,000,000) to 6.9% of construction costs; and
- b) Delete the following disciplines from the list of required professional services to be provided under this contract: Acoustics, Audio Visual Services and Food Services.

Background – Analysis and Options

On September 22, 2003 Council approved the following requirement for incorporation into the Request for Proposal for the Vaughan Civic Centre design competition.

That the Request for Proposal include a contract for professional services in respect of the development of the Vaughan Civic Centre specifying the fee at 5.5% of the construction cost, inclusive of all consulting costs.

This provision was included in the Request for Proposal. On October 2, 2003, the City issued the RFP to the four architectural firms that were selected to participate in the competition. Shortly thereafter, the Professional Advisor received an inquiry from the competing firms questioning the percentage used to establish the fee for professional services (e.g. architectural; urban design; landscape architecture; structural, civil and traffic engineering; and related consulting like interior design). An adjustment to the percentage used to establish the professional fees was requested.

A number of reasons were cited to support this request. These include: for this class of building, the Ontario Association of Architects' Fee Schedule (October 1989) provides for a fee of 8.1% on the first \$32,000,000.00 of construction value with the fee on the remainder being subject to negotiation; precedent fees for similar buildings elsewhere; and the unique and challenging characteristics of this project. The latter included the need for the preparation of a complex master plan, the integration of several uses on site; addressing the specific needs of these users and the challenges of managing a major redevelopment while the site remains in operation.

The appropriateness of the fee specified in the RFP was evaluated in light of these issues. It was determined that there was merit in increasing the professional fees to what would be more in line with industry norms and the expectations of the architectural profession. Based on these considerations, it is recommended that a fee equivalent to 6.9% of total construction costs be applied to the project. This percentage was established by the blending of a higher fee rate for the first \$32,000,000 of construction cost with a declining rate being applied to the remaining costs.

Based on construction costs of \$76,000,000 the change of rate from 5.5% to 6.9% would increase the professional fees from \$4,180,000 to \$5,244,000, a difference of \$1,064,000. However, professional fees are considered a "soft cost" like furniture and fittings and are not part of the construction cost of \$76,000,000, which remains unchanged. Construction costs also include the site works and building fitout.

The total cost of the project reflects the sum of the construction costs and the soft costs plus an escalation factor. The soft costs were assumed to be 25% of the total construction costs. The professional fees were included in this amount, but for the purposes of the estimate, there was no specific assumption made on the rate at which these fees were calculated.

It was intended that the 25% factor be representative of the usual array of soft costs associated with this class and size of building. Therefore, the professional fees have been accounted for in the portion of the budget that will apply to the soft costs. It is anticipated that the ultimate impact on the soft costs of the proposed change in the professional fees will be negligible and can be mitigated, if required, when the budget is finalized.

The RFP also required that a number of consulting services be included as part of the contract with the successful proponent. On review, it is recommended that three consultants be deleted from this contract. These include an acoustical consultant (for the Council Chamber), an audio-visual expert (Council Chamber and presentation facilities) and a food services consultant.

It was determined that the scope of work for these consultants could not reasonably be established at this point and hence the cost implications of their retainers. For this reason, they can be deleted from this contract. However, it is expected that some or all of these services may be required later in the design stage. When appropriate, they can be retained on a competitive basis.

Conclusion

Further review has been given to the fee for architectural/professional services specified in the RFP for the Vaughan Civic Centre Design Competition. After consultation with the Professional Advisor, it has been determined that there is merit in increasing the rate at which the professional fees are calculated. It is anticipated that such a change will have minimal effects on the total budget for the project.

Additionally, it is recommended that a number of consulting services required by the RFP be deleted from the contract with the successful proponent. If required in the future, they can be retained on a competitive basis on the basis of a more precise scope of work.

Therefore, it is recommended that the RFP for the Vaughan Civic Centre Design Competition (RFP03-212) be amended through the issuance of an addendum to the Architects short-listed for the competition. Should Council concur then the recommendation set out above should be adopted.

Attachments

N/A

Report Prepared by:

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Respectfully submitted,

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City Manager

