



Item.....
Meeting..... 2020 July 27

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2020 July 22

FROM: DIRECTOR FINANCE **FILE:** 5820-20
Reference: RFP #222-10/19

**SUBJECT: CONTRACT AWARD
PROPERTY MANAGEMENT SERVICES – DEER LAKE CENTRE**

PURPOSE: To obtain Council approval to award a contract to Colliers Macaulay Nicholls Inc. for Property Management Services for Deer Lake Centre.

RECOMMENDATION:

1. **THAT** Council approve the award of a three year contract with Colliers Macaulay Nicholls Inc. for an estimated cost of \$1,439,000 including GST in the amount of \$68,485.65 as outlined in this report. Final payment will be based on actual services delivered and prices as negotiated.

REPORT

This report replaces a Contract Award – Property Management Services – Deer Lake Centre report previously provided to the Financial Management Committee at its 2020 July 07 meeting. Additional information has been received and included in this updated report.

The City of Burnaby owns two commercial office buildings located at 4940 and 4946 Canada Way, Burnaby. These two buildings are commonly referred to as Deer Lake Centre and have a combined rental space of 203,000 square feet.

As a requirement for the ongoing facilities management for Deer Lake Centre, a property management contract was awarded to Colliers Macaulay Nicholls Inc. for a three year term from September 1, 2015 to August 31, 2018 with two one year renewal options. Both one year options were exercised resulting in the existing contract due to expire on 2020 August 31. The scope of the existing contract is for a full service operating model that includes rent collection, budgeting, accounting, financial reporting, lease administration services, preventative maintenance services, project management, risk management and customer services for the building tenants. In advance of this contract expiring, analysis was undertaken by staff to explore what possible future options may be available for the delivery of facilities management at Deer Lake Centre.

Subsequent to the analysis, a Request for Proposal (RFP) was developed and issued which requested two service model options:

Option A - Full Service Property Management Services which is the current full service operating model.

To: City Manager
From: Director Finance
Re: Contract Award
Property Management Services – Deer Lake Centre

2020 July 27..... Page 2

Option B - Hybrid Model Property Management Services which would consist of City staff managing facilities, project management services, operating and capital activities and the contractor providing limited services in lease and financial management only.

Two submissions following the RFP were received by the closing time on 2019 January 16, one of which included a response for both Options A and B, and the other only responding to Option A.

Based on the RFP's evaluation criteria consisting of work program, methodology, qualifications, financial capacity, cost and value added offerings, it readily became clear that Option A was the viable option for the City and Colliers Macaulay Nicholls Inc. received the highest overall scoring.

Option A consists of full service Property Management for Deer Lake Centre including rent collection, budgeting, accounting, financial reporting, lease administration services, preventative maintenance services, project management, risk management and customer services for the building tenants on behalf of the City. In addition, Colliers Macaulay Nicholls Inc. will oversee the coordination and supervision of capital projects, major and minor repairs, turn-key build outs for tenants and tenant improvement work.

This contract award is for a three year period from 2020 September 01 to 2023 August 31 with options for up to two individual one year extensions. The recommended company, Colliers Macaulay Nicholls Inc. has provided services in the past with a proven track record to the satisfaction of City staff. The Director Public Safety and Community Services concurs with the above recommendation.

Funding for this contract is provided in various operating accounts in the 2020-2024 Financial Plan.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK/md

Copied to: Director Public Safety and Community Services