



TO: Chair and Members of the Finance & Facilities Committee
FROM: Christopher Mackie, Medical Officer of Health / CEO
DATE: 2018 September 20

REVISED

LOCATION PROJECT – ARCHITECTURAL SERVICES

It is recommended that the Board of Health:

- 1) *Receive Report No. 036-18FFC-R: “Location Project – Architectural Services” for information; and*
- 2) *Approve entering into a single source contract with Endri Poletti Architect Inc. for the purpose of providing Architectural Services at Citi Plaza.*

Key Points

- Tours of potential future tenants have begun at 50 King Street.
- Four major local architectural firms have been approached to provide quotes on the work to build out the MLHU space at Citi Plaza, including those involved in the location project to date. Only Endri Poletti Architect Inc has provided a quote on the full scope of work required.
- Endri Poletti Architect Inc is the firm that is used by the landlord, and is very familiar with the Citi Plaza facilities. They have provided an estimate of \$468,000 to complete the work. At 9% of the overall budget, this is well below the industry standard rate (which is approximately 15.4%).
- The firm’s intimate knowledge of the building and the integration with the landlord’s architectural work will reduce the time required for architectural work, and reduce the overall timeline for the build.
- Single source is being recommended to provide efficiencies in cost and time as well as streamlined communications to both the landlord and the Health Unit.

Background

The Middlesex-London Health Unit (MLHU) has entered into a Lease Agreement with Avison Young to lease space at Citi Plaza that will consolidate the two London offices located at 50 King Street and 201 Queens Avenue to one central location. One of the first priorities is the selection of an architect to finalize designs and begin the construction process.

The Scope of Work for the Architect will include the following:

- 1) Pre-Design – Analysis of MLHU’s project brief and update of the Space Needs Assessment.
- 2) Schematic Design – Preparation of the preliminary design concept and two design iterations.
- 3) Design Development – Preparation of the detailed design concept based on the preliminary design developed.
- 4) Construction Documents – Preparation of construction documents which include specifications based on the detailed design.
- 5) Bidding or Negotiations – Preparation and response to tender documents.
- 6) Construction Contract Administration – Coordination with the Project Management Consultant and attendance at Site Meetings.
- 7) One Year Warranty – Follow up on outstanding issues post construction.

The landlord has targeted Endri Poletti Architect Inc. as their architect of choice.

A single source contract will provide efficiencies in cost and time as well as streamlined communications to both the landlord and the Health Unit. A singular architect will also possess an improved understanding of the total project and implement checks and balances to ensure both sides are satisfied with the overall design and final outcome. The landlord has verified that their pricing is in line with industry standards. Furthermore, there may be an opportunity to review cost savings during the project to achieve further concessions.

Procurement protocols outlined in MLHU Policy G-230, Appendix A allow for non-competitive purchases. These circumstances include situations where one source of supply would be acceptable and cost effective as well as situations where there is an absence of competition for technical or other reasons. The goals of non-competitive purchases are to allow for procurement in an efficient and timely manner. This policy does require Board of Health approval for a contract of this value.

Time is an important consideration for the approval of this contract. The current lease agreement for 50 King Street provides a one-year exit clause for both parties. Contractors were contacted to investigate the option of expediting the build schedule to allow for an earlier move in date. The cost to expedite the build schedule for the first floor clinical spaces only is estimated at approximately \$800,000. This would not include the office spaces on the second floor of the new location.

The cost received from Endri Polletti Architect Inc. (EPA) is \$468,000 to provide professional Architectural, Electrical, Mechanical and Plumbing Engineering. Negotiations have progressed over the last 3 weeks to ensure MLHU received competitive pricing for the services rendered. These costs were also verified against comparative projects of this value with the Ontario Association of Architects and industry professionals ([Appendix A](#)). This fee represents 9% of the overall budget which is significantly less than the 15.4% industry average for a project of this scope and scale.

The landlord has a long history of using EPA to complete work at Citi Plaza, therefore they have an intimate knowledge of the building. If a different architect were to be selected, they would have a very steep learning curve at this site, and thus higher costs. The space that will be occupied by the Health Unit includes: the original building from the 1960's; renovations that were done to Galleria Mall in late 1980's; and subsequent renovations when Citi Bank Cards arrived in the early 2000's.

The partnership between Avison Young, MLHU and EPA will work efficiently and serve the collective best interests. EPA is a seasoned, professional organization with experience of small to very large jobs. They have experience designing the Elgin St Thomas Public Health building, the City of London's offices at Citi Plaza, the Springbank Medical Centre, and the Nixon Medical Centre. Furthermore, the Health Unit will also benefit from EPA's proximity, and ability to come to the site at a moment's notice. Additional benefits include an intimate knowledge of the contractors and a positive relationship with the City's building permits department.

Other Quotes

Following recommendations from the last FFC meetings, efforts were made to solicit additional proposals from architects familiar with this project. Three additional architects were contacted. Two of the architects declined the proposal request as they were already engaged in sufficient projects. One proposal was received which provided competitive pricing, but a significantly restricted scope of work. This proposal was also less attractive because it included pricing based on a percentage of the overall project costs, meaning there is a risk that costs for architectural services may increase during the life cycle of the project. In addition, this proposal has provided a tight timeline to finalize designs, limiting the ability to complete a robust consultation process with MLHU staff and clients. As a result, the recommendation is to proceed with EPA.

Next Steps

The Board of Health will continue to receive updates on the status of key deliverables with respect to the Location Project. Efforts are underway to finalize competitive quotations for a Construction Project Manager to compliment the Architectural Services.

This report was prepared by the Healthy Organization Division.



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