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Halifax Regional Council
January 23, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Dan English", written over a horizontal line.

Dan English, Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Wayne Anstey", written over a horizontal line.

Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: January 9, 2007

SUBJECT: RFP #06-395 Property Management Services - Alderney Gate

ORIGIN

The contract for services expires on March 31, 2007; a request for proposals for the continuation of service was issued in December 2006.

RECOMMENDATION

It is recommended that Council award RFP #06-395, Property Management Services - Alderney Gate Office Building, to the highest scoring proponent, Citigroup Properties Limited, at an annual cost of \$60,000 plus applicable net HST, with funding as per the budget implications section of this report.

BACKGROUND.

Alderney Gate was built in 1988/1990 through a public private development arrangement that involved the private construction of the leasehold interest on municipal land with a long-term municipal accommodation commitment. In 2005 the Halifax Regional Municipality exercised its option to purchase the leasehold asset from Sun Life Assurance Company of Canada and appointed Citigroup Properties Limited as transition and property manager for an initial term of two years.

Citigroup Properties acted as the Municipality's consultant on the acquisition of the property and assumed the interim management assignment at a cost of \$80,000 per year as set and approved by the Municipality. This rate was based on the management fee paid by the previous owner to Ashford Properties Limited at the time of the acquisition. The initial two year term was approved by Council on the basis that at the end of that period the service would be competed.

The Halifax Regional Municipality wishes to contract for professional property management services at Alderney Gate for a term of five (5) years. The scope of work for the assignment includes the provision of professional property management services meaning all financial and human resource management, technical services and other real property services required for the management operation and maintenance of the building, and without limitation, includes janitorial services, waste removal, snow and ice removal, landscaping, grounds upkeep, window cleaning, preventive maintenance, monthly management reporting, budgeting, accounting services, cost control, leasing and lease management, emergency services, environmental management, repairs, replacements and supply of parts, and the verification, inspection, and maintenance of life safety support systems.

The proposal provides for an option to renew for an additional term subject to a satisfactory performance review.

DISCUSSION

The Request for Proposals was advertised on November 2006, and closed on December 6, 2006. Six (6) companies submitted proposals. The proposal was reviewed by a staff committee against the criteria listed in Attachment 1 of this report.

The companies that responded and the respective proposal scores are provided below.

Company	Head Office	Scoring (max 120)
Citigroup Properties Limited¹	Dartmouth NS	104.50
Compass Commercial Realty	Halifax NS	98.50

¹ Current service provider and recommended proponent

Arcturus Realty Corporation	Toronto ON	94.00
Novacorp Properties Limited	Dartmouth NS	91.49
SNC-Lavilin	Toronto ON	88.95
Ashford Properties Limited	Moncton NB	88.00

It is recommended that the award go to the highest scoring proponent Citigroup Properties Limited. Citigroup's proposal is considered superior by the staff team in terms of organizational and corporate experience, scale, approach, staffing strategy and overall quality of submission. The recommended action results in a savings to the municipality which can be attributed to the competitive process and the experience gained by the proponent during the initial term.

BUDGET IMPLICATIONS

Funds will be available from Operating Account W203-6942 Alderney Gate, Real Property, Transportation & Public Works Services in the 2007/08 Operating Budget.

Availability has been confirmed by Financial Services.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Council could choose to have the service delivered internally. Staff as part of this process undertook an exercise to cost the service if delivered "in house" and the cost to provide a comparable level of service and staffing resources is estimated to be considerably higher than the recommended action.

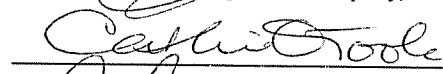
ATTACHMENTS

1. Evaluation Scorecard

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Financial Approval: 
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Report Approved by: 
Mike Labrecque, Director, TPWS 490-4851

**HALIFAX REGIONAL MUNICIPALITY
PROPOSAL EVALUATION 06-395
Property Management Services, Alderney Gate Office Building**

CRITERIA	Max Score	SUBMISSION					
		Ashford	Arcturus	SNC	Compass	CitiGroup	Novacorp
1 Corporate Experience and Assets Under	25	16.5	16.5	23.5	23.5	24.5	20
2 Qualifications of management staff and assigned support staff	25	20	19	19.5	23	24	20.5
3 Experience and knowledge with Institutional and	20	16	16	19	16.5	17	15
4 Customer Service	20	16.5	14	13.5	14	17	14
5 Understanding and Approach	10	9	8.5	6.25	9	9.5	7
6 Management Fees Average \$64,458	20	10 (\$75,000)	20 (\$37,500)	7.2 (\$104,200)	12.5 (\$60,000)	12.5 (\$60,000)	14.99 (\$50,050)
TOTAL	120	88.00	94.00	88.95	98.50	104.50	91.49
RANK		6	3	5	2	1	4