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# Centre Block Rehabilitation Contracts

Canadian Institute for Procurement and Materiel  
Management (CIPMM) June 7, 2017



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# Procurement Team

Alain / Nick

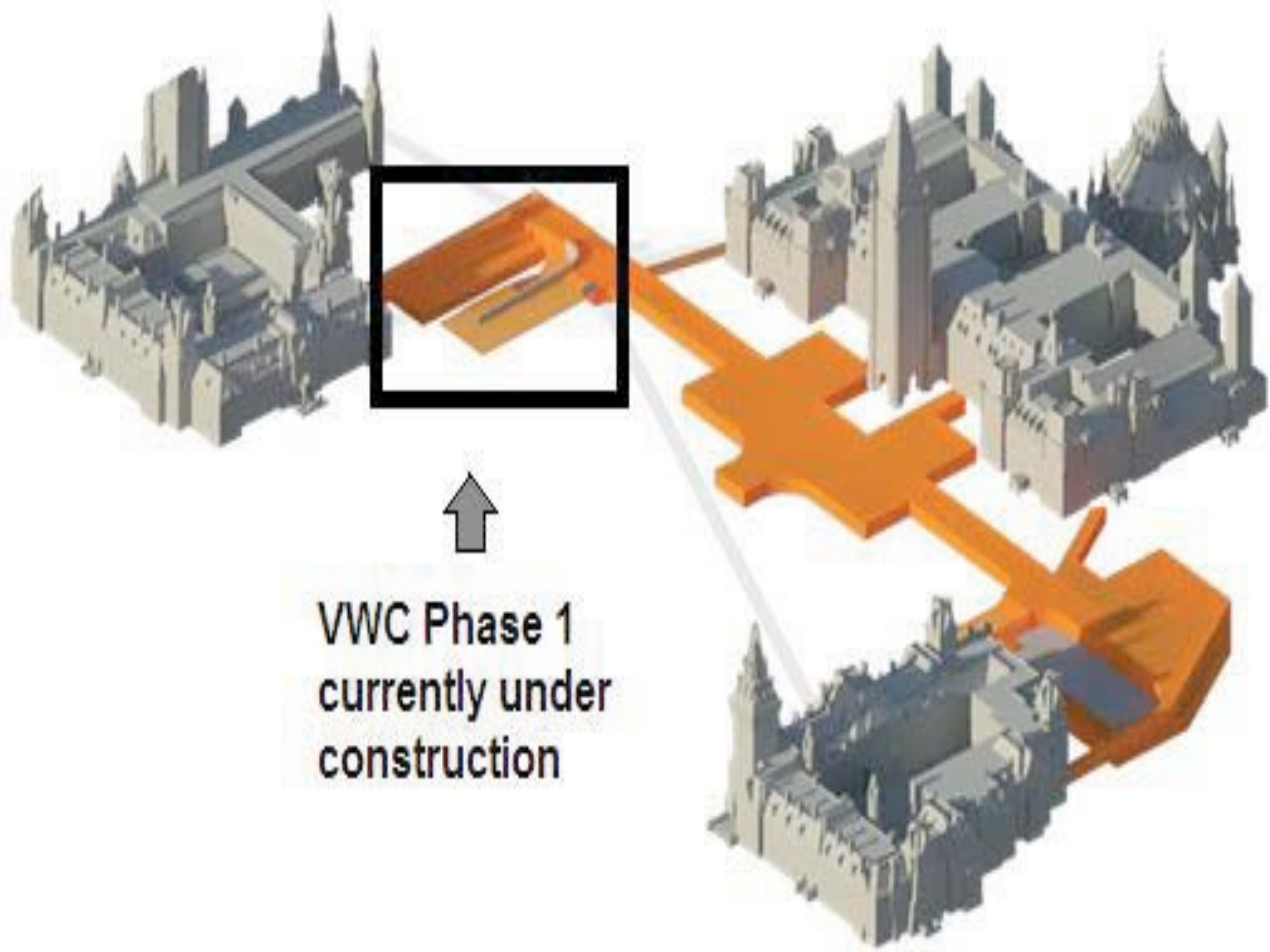
Edward

Jean-Daniel



# Scope

- Site and pre-construction work
- Centre Block & Peace Tower Rehabilitation
- Visitor Welcome Centre phase 2 & 3 (New construction)

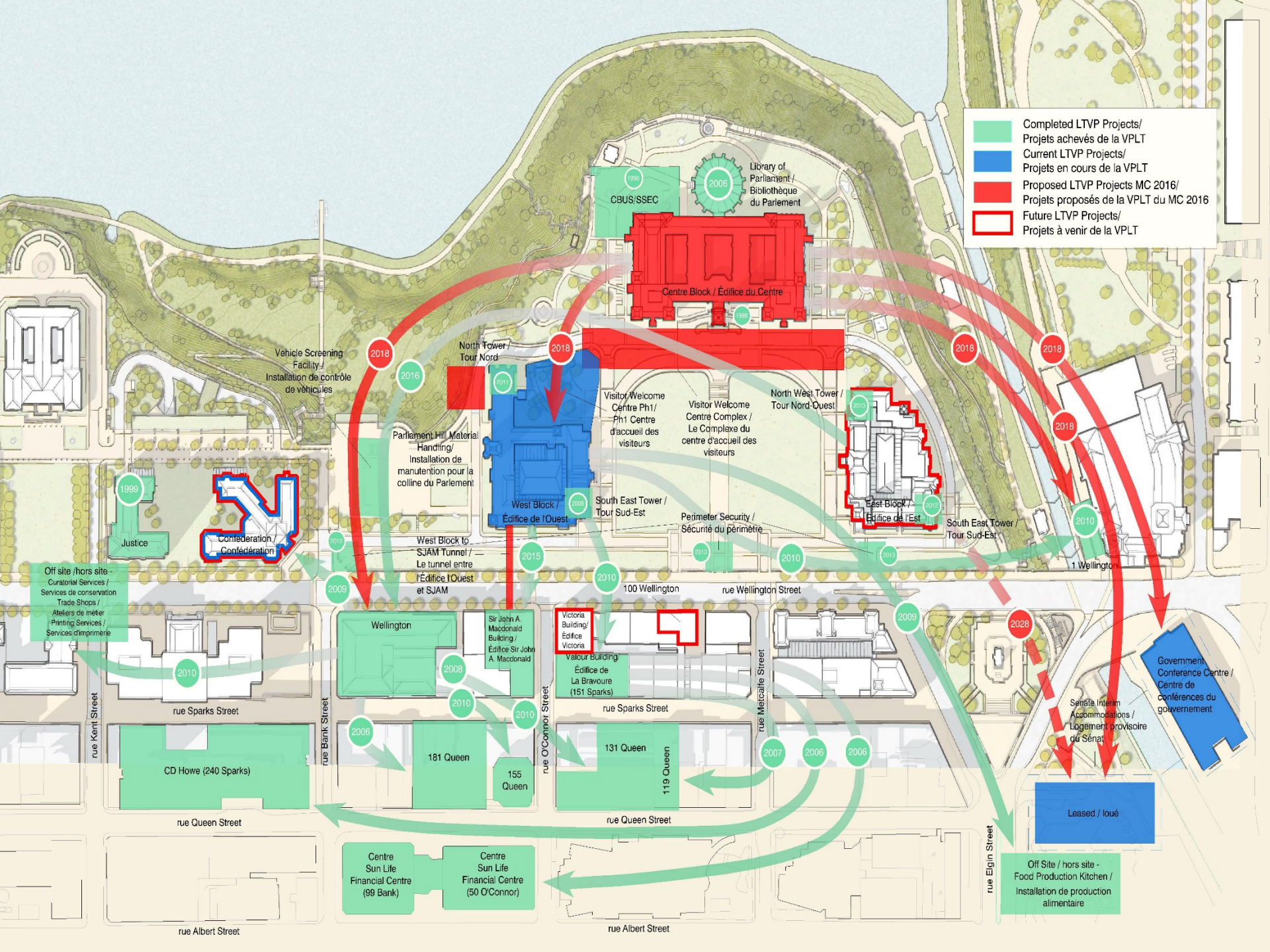


VWC Phase 1  
currently under  
construction









# What is a rehabilitation

- Preservation: Protecting, maintaining and/or stabilizing the existing materials, form and integrity of a historic place, or of an individual component, while protecting its heritage value.
- Restoration: Accurately revealing, recovering or representing the state of a historic place, or of an individual component, as it appeared at a particular period in its history, while protecting its heritage value.
- **Rehabilitation:**  
contemporary use for a historic place, or of an individual component, through repair, alterations and/or additions, while protecting its heritage value.

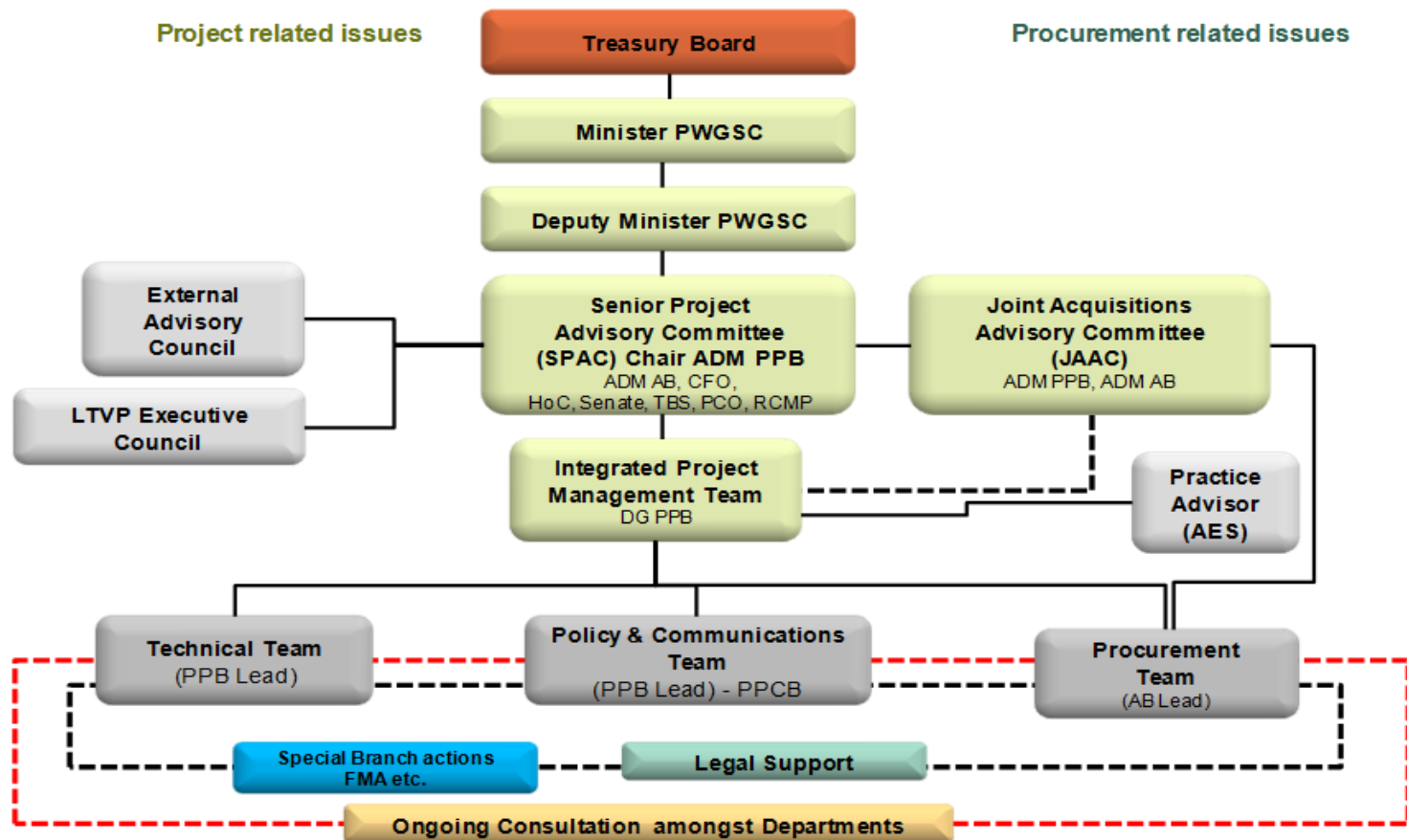


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# Governance



# Project Delivery Model

- Construction Management Services with Integrated Project Delivery Principle

# Contracting Framework

- **Construction Management (CM)**
- **Architectural & Engineering (A&E)**
- **Project Management Support Services (PMSS)**
- **Cost, Time and Risk (CTR)**
- **Integrated Project Delivery (IPD)**

# Contracting Principles

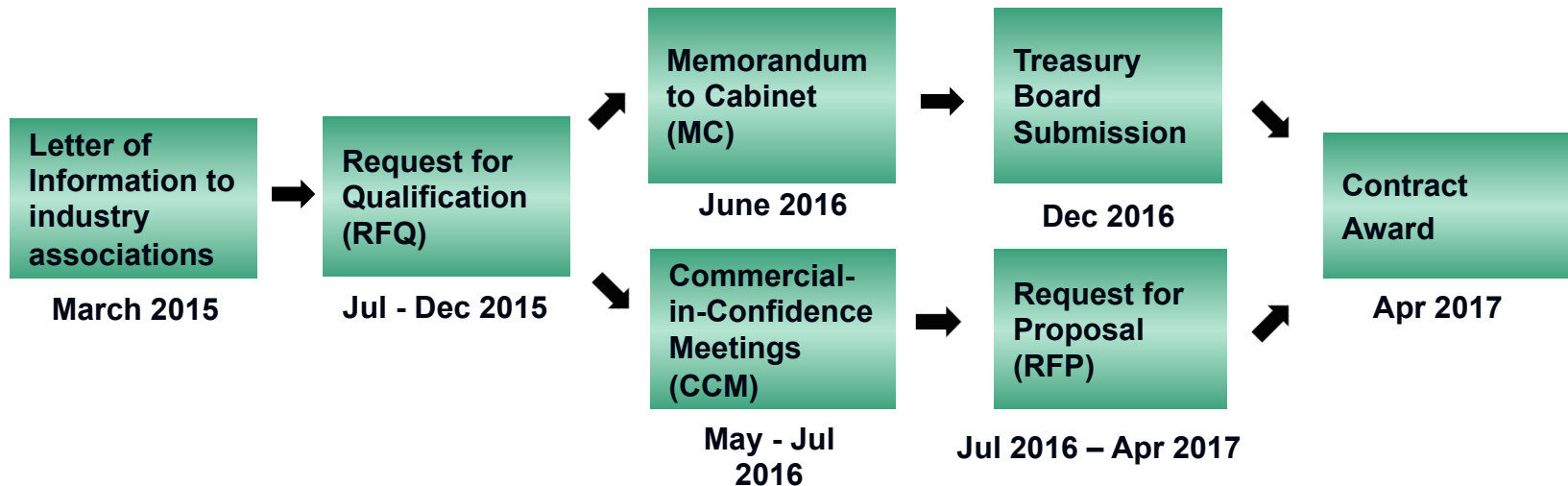
- SMART Procurement
- KISS



# Challenges

- Start procurement prior to project approval
- Award CM and A&E contracts at the same time (Scope partially defined at time of tender)
- Contracts over 10 year in duration
- Established service providers

# Contracting Strategy CM and A&E



# Contracting Strategy PMSS and CTR



# Risks/mitigations

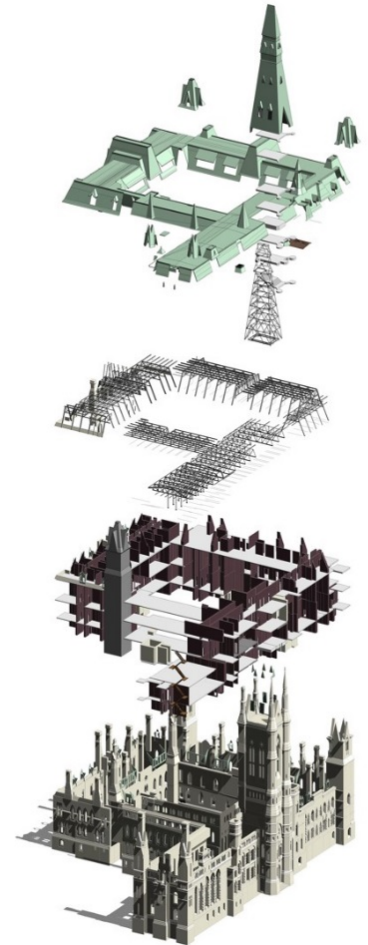
- No company has experience on similar projects
- Burden of performance bonds
- Explosion of costs
- Turnover of key individuals
- Project not well defined/accelerated

# Innovations

- RFQ:
  - Security clause (international)
  - Limited mandatory criteria, no minimum pass mark, use of full scale to maximize differentiation.

# Innovations

- RFP/Contract:
  - Basis of payment
  - Penalties
  - Integration of Building Information Modeling (BIM)



# Basis of payment

- CM: Hourly rate, monthly fee and percentage fee.
- A&E: hourly rate subject to volume discount and percentage fee.
- Others: Hourly rate

# Economic price adjustment

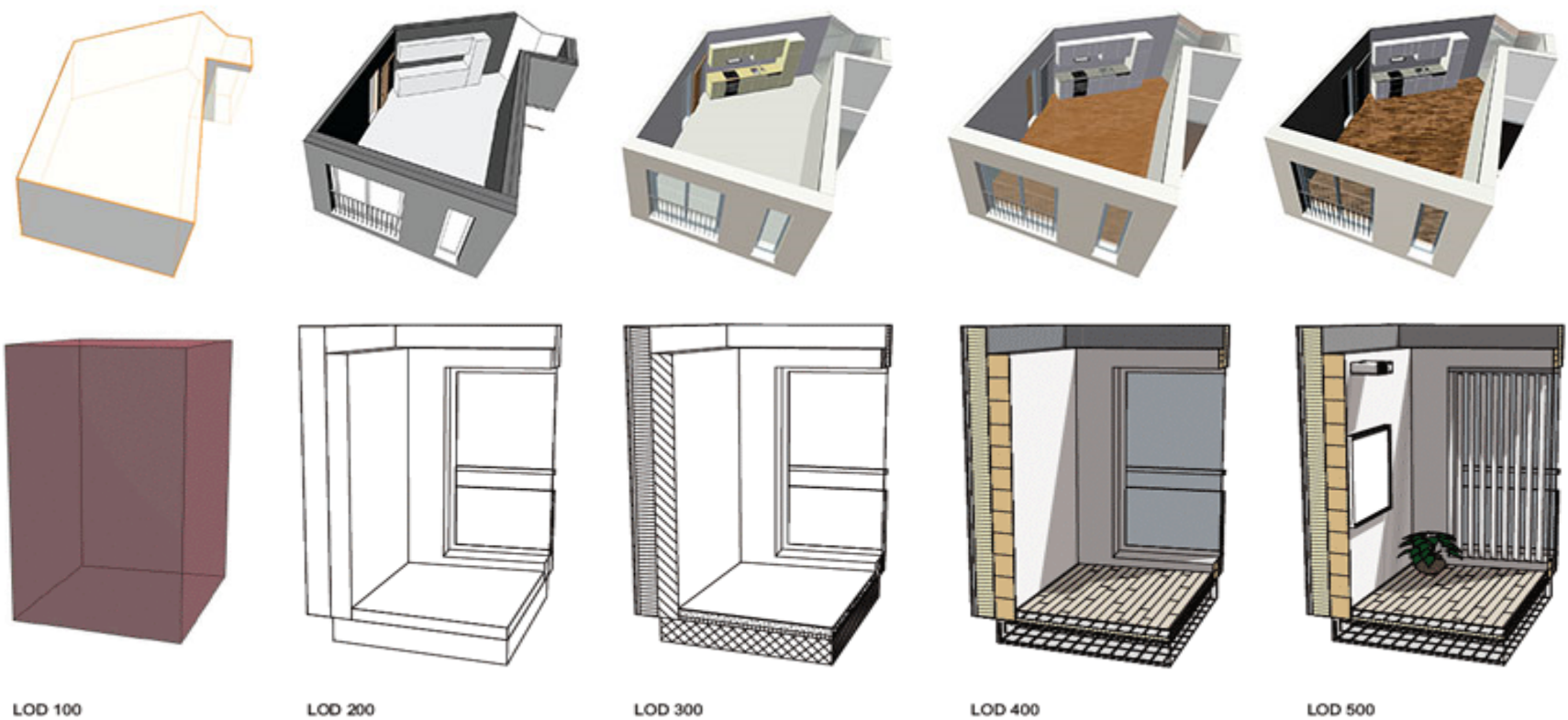
- CM: Annual revision based on actuals (cost principle 1031-2).
- A&E: Annual economic price adjustments using mixed indices.
- Others: Annual economic price adjustments based on CPI - Ottawa

# Penalty

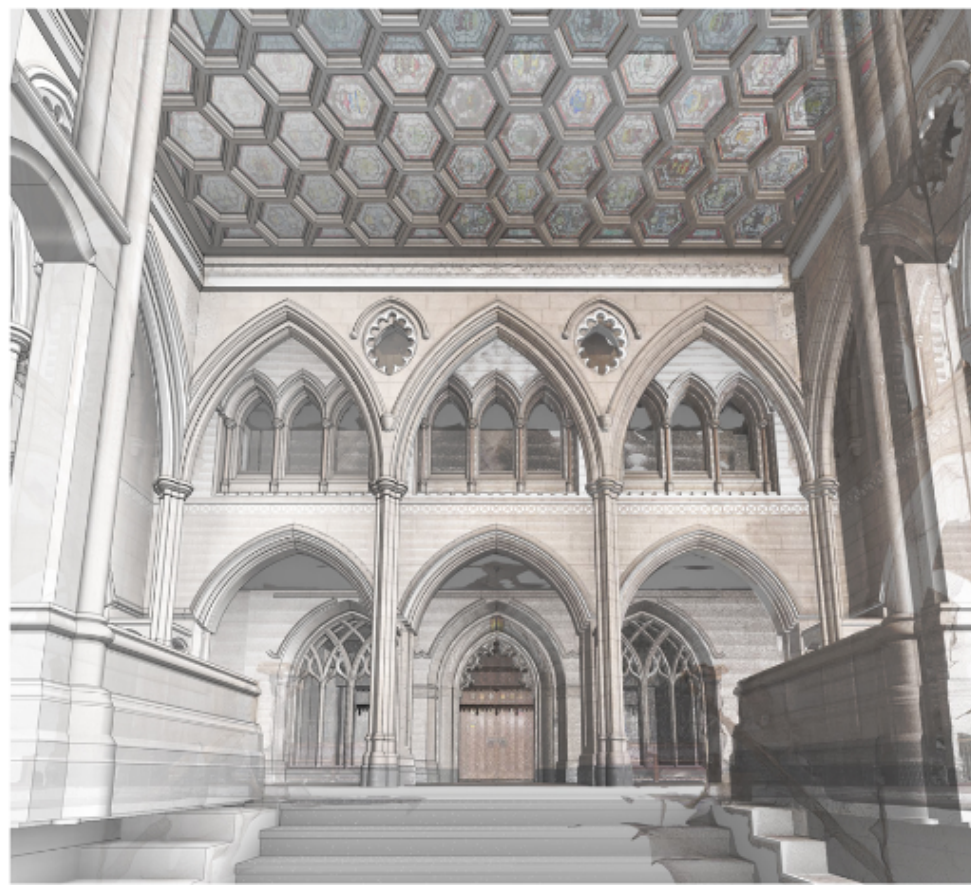
- Objective: reduce turnover of key individuals in critical phase of the project (first four years)

In the first four years of any resulting contract, any substitution of Key Individual for reasons other than death, certified sickness, maternity, dismissal for cause or mutual consent between Canada and the Respondent, will be subject to a financial adjustment. The rate of pay, including all payroll factors, for the services provided by the Key Individual replacement will be reduced by 50% for the first six months of services provided.

# BIM - Objective



# BIM – Centre Block



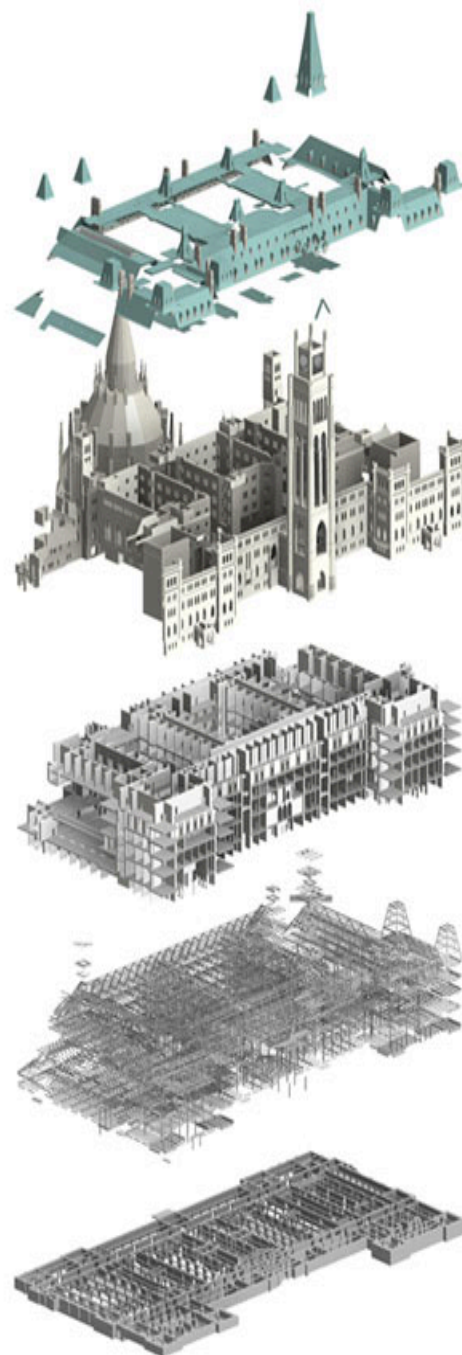
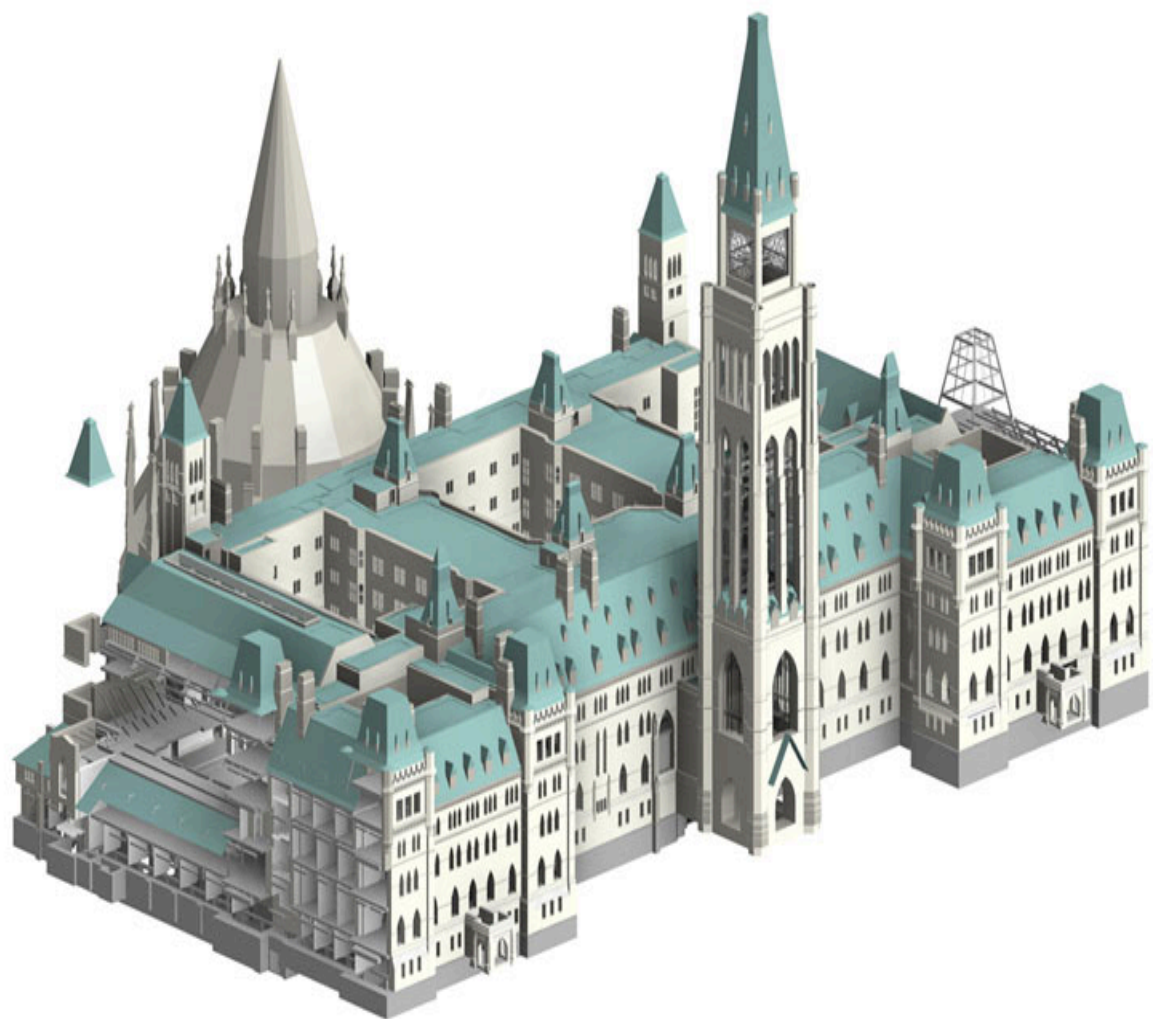
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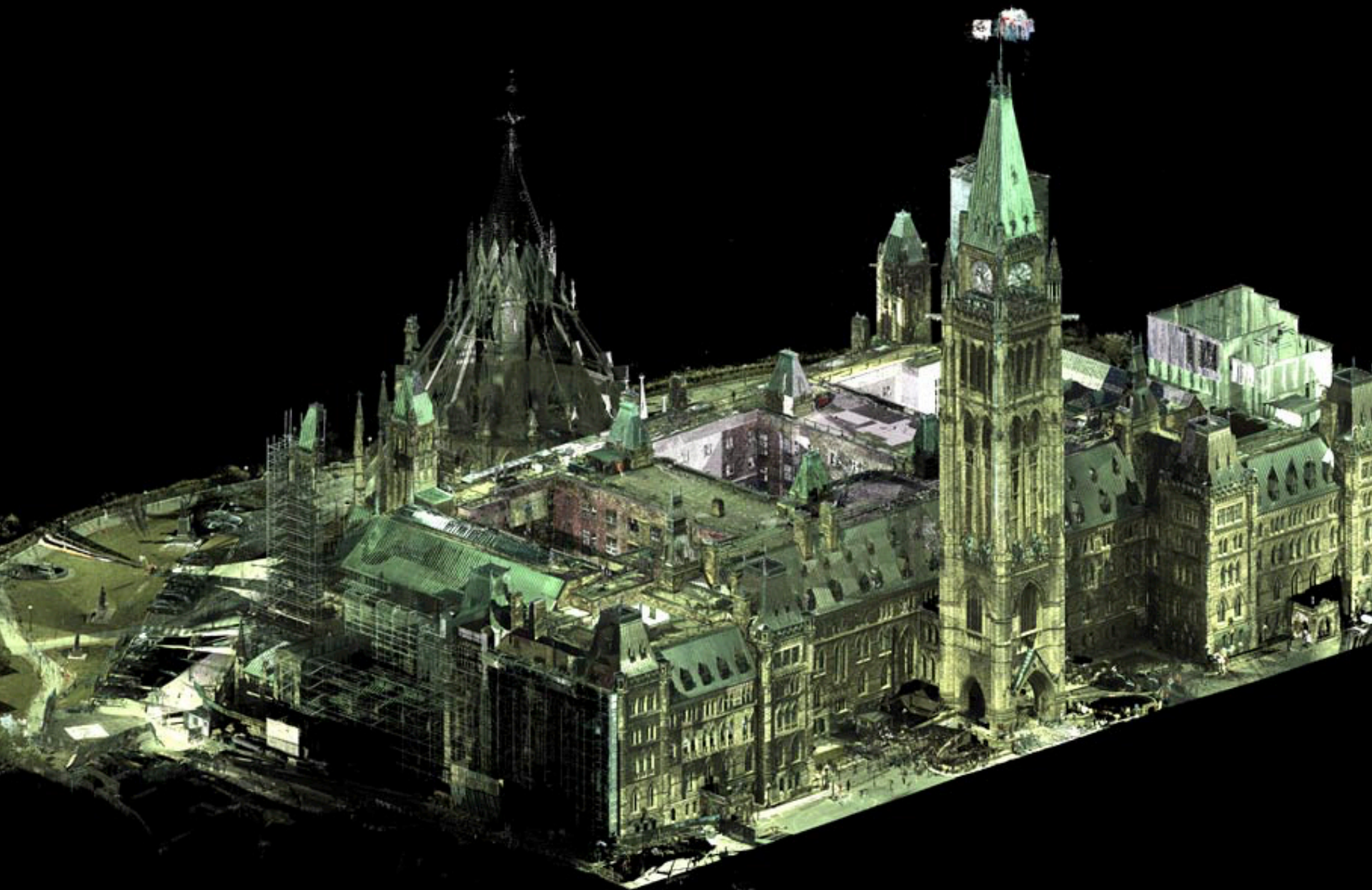


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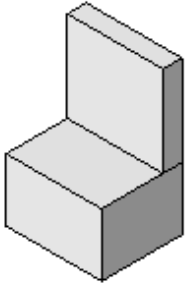


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# BIM - Contract

## LEVEL of DETAIL

G0	G1	G2	G3
			
Schematic	Concept	Defined	Rendered
<u>DESCRIPTION:</u> Office Chair  <u>WIDTH:</u>  <u>DEPTH:</u>  <u>HEIGHT:</u>  <u>MANUFACTURER:</u>  <u>MODEL:</u>	<u>DESCRIPTION:</u> Office Chair  <u>WIDTH:</u> 700 <u>DEPTH:</u> 450 <u>HEIGHT:</u> 1100 <u>MANUFACTURER:</u>  <u>MODEL:</u>	<u>DESCRIPTION:</u> Office Chair Arms, Wheels <u>WIDTH:</u> 700 <u>DEPTH:</u> 450 <u>HEIGHT:</u> 1100 <u>MANUFACTURER:</u> Herman Miller, Inc <u>MODEL:</u> Mirra	<u>DESCRIPTION:</u> Office Chair Arms, Wheels <u>WIDTH:</u> 700 <u>DEPTH:</u> 450 <u>HEIGHT:</u> 1100 <u>MANUFACTURER:</u> Herman Miller, Inc <u>MODEL:</u> Mirra

(based on AEC [UK] BIMprotocol v2.0 - Component Grade)

practicalBIM.net © 2013

# Initiatives left out

- Contractor/Owner Controlled Insurance Program (CCIP/OCIP)
- Dynamic Performance Incentive Plan
- Integrated Project Delivery
- Negotiable RFP

# Lessons Learned

- Acquisitions and Industry should be engaged from the beginning
- Success is impacted by previous projects
- Current policy limit innovation and best practices (insurance)
- RFQ should not assess individuals.
- RFQ score may be carried to RFP.

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# Lessons Learned

- Additional lessons learned will surface during project implementation

