



For Immediate Release  
Dec 17, 2003

## **BLJC WSI WINS \$90 MILLION ANNUAL BCBC CONTRACT**

**VICTORIA, British Columbia** – Brookfield LePage Johnson Controls (BLJC) has been awarded the contract as BC Buildings Corporation's (BCBC) outsource provider of property management services, announced John Beales, President and CEO of BCBC and David Glass, CEO of BLJC.

The five-year contract includes a renewal option of two additional terms of up to five years each. Based on current activity volumes of \$90 million per year, BCBC expects that the savings over the course of the five-year contract, will be in the range of approximately \$35-40 million.

The contract provides for the transfer of over 300 BCBC property management employees to BLJC's newly formed entity: BLJC Workspace Solutions Inc. (BLJC WSI), that will deliver the services. Both unionized (BCGEU) and non-unionized transferring employees will retain all of their compensation, pension and benefits. Transferring bargaining unit employees will continue to be covered by the existing Collective Agreement, as BLJC WSI will be the successor employer.

"This agreement with BLJC achieves all of our objectives," said John Beales, President and CEO of BCBC. "BLJC's expertise and track-record, will result in enhancements to the level and quality of services to our customers. BCBC will continue to be accountable to its customers for excellent service and will realize savings for the taxpayer. In addition, by outsourcing these services, BCBC is able to focus on enhancing its role as the shared services provider of real estate and accommodation solutions to the British Columbia public sector," added Beales.

"This contract is an example of how government, working in partnership with the private sector, can save tax dollars and improve service," said Sandy Santori, Minister of Management Services with Responsibility for BCBC. I also want to thank BCBC for their comprehensive procurement and due diligence process that concluded with an agreement that benefits their customers, employees and the taxpayer."

"This is an exciting opportunity for us to build an excellent team by combining BLJC's technology and expertise with BCBC's unique customer knowledge and experience, said David Glass, Chief Executive Officer of BLJC.

In support of BLJC's service delivery for its clients across western Canada, BLJC has selected Kamloops as the ideal location to situate a 24/7/365 Operations Center. This state-of-the-art Operations Center is targeted to open in March, ramping up to 50 full time and part time employees within the next five years. This center will support BCBC's customers and BLJC's other public and private sector clients.

The transition of property management services from BCBC to BLJC WSI is expected to be complete by April 1, 2004.

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For more information on BCBC and BLJC visit our web sites:

[www.bcbc.bc.ca](http://www.bcbc.bc.ca)

[www.bljc.com](http://www.bljc.com)

# **Property Management Outsourcing Project**

## **BC BUILDINGS CORPORATION**

### **RFP FAIRNESS REPORT**

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Request for Proposal  
For the Period from June 14, 2003 to November 5, 2003

November 14, 2003  
Submitted by George Macauley  
Macauley & Associates Consulting Inc.

November 14, 2003

Rick Steele, Chair  
RFP Evaluation Committee  
BC Buildings Corporation

Dear Mr. Steele:

**Re: Fairness Report for Property Management Outsourcing  
Project RFP**

As the “Fairness Monitor” for the Property Management Outsourcing Project RFP (the “RFP”), I am pleased to provide my final report. In my opinion, the procurement process conducted by BC Buildings Corporation (“BCBC”) for the RFP has satisfied and exceeded the general standards for government procurement across Canada. In most instances, the features of the RFP procurement process are consistent with best practices across Canada.

The issuance and evaluation of the RFP was the concluding step in an extensive procurement process that included a Request for Expressions of Interest, a Request for Qualifications and a Request for Comments (draft RFP). BCBC spent considerable time ensuring that the RFP document was complete and gave the five Proponents as much information as possible. In addition, BCBC conducted a viewing of its sites for the Proponents and responded to a number of requests for information. The RFP process allowed adequate time for all Proponents to prepare their proposals. BCBC also conducted due diligence sessions with the five Proponents on their sites between the closing of the RFP and consensus evaluation to provide clarification and consistent information for a fair and full evaluation.

The Evaluation Committee followed the evaluation process described in the RFP document. The team objectively applied the mandatory and desirable criteria, and acted consistently with each proposal. In my opinion, the evaluation decisions are fair to all Proponents, and in compliance with the specific Canadian laws relating to competitive contracting. Thus, the successful Respondents are the contractors best able to perform the work, as gauged by the evaluation criteria.

In my opinion, BCBC has fully complied with its legal and policy obligations to provide a fair, transparent and accountable RFP process.

George Macauley, BA (Hon), MA, LLB.  
November 14, 2003

**This report is prepared and submitted by George David Macauley, of the City of Victoria, in the province of British Columbia.**

### **Qualifications**

1. I am President of Macauley & Associates Consulting Inc. and have provided advice to the Provincial Government of British Columbia on a wide range of issues since 1992. As a non-practising lawyer in the Province of British Columbia, I am a member of the Law Society of BC and hold the following academic qualifications – BA (Hon), MA, LLB.
2. I am a qualified supplier to the British Columbia Purchasing Commission (now the Purchasing Services Branch and the Strategic Acquisition and Technology Procurement Branch (“SATP”)) under Request for Qualifications No. 131378 to provide professional services for the (i) acquisition of complex services or goods, often under long-term contracts, on behalf of a variety of public sector organizations in British Columbia, and (ii) independent, professional review of procurement or contracting projects. The present engagement is being performed directly with BC Buildings Corporation (“BCBC”) with the understanding and agreement of SATP.
3. Prior to April 2003, neither myself, nor my company (Macauley & Associates Consulting Inc.) have held any contracts with BCBC. Similarly, neither myself, nor my company (Macauley & Associates Consulting Inc.) have been involved, directly or indirectly, in any procurements conducted by BCBC prior to April 2003.

### **Scope of Engagement**

4. I was engaged by BCBC as Fairness Monitor to perform the tasks outlined in section 6.5 of the Property Management Outsourcing Project Request for Proposal (the “RFP”):

**“ Section 6.5 Fairness Monitor**

BCBC has engaged an independent third party fairness monitor (the “Fairness Monitor”) to participate in the evaluation process under the RFP. The role of the Fairness Monitor is to monitor the evaluation process under the RFP and to assist the Evaluation Committee in conducting the evaluation process in a fair, equal and impartial manner. The Fairness Monitor will report only to BCBC. “

In this role I have reviewed the RFP documents and been involved in the subsequent RFP evaluation process.

## Property Management Outsourcing Project Process

5. The purpose of the Property Management Outsourcing Project (the “Project”) is to “identify and evaluate options for using a private sector service provider to deliver and manage the delivery of certain property management, project management, environmental/pollution prevention and technical value services currently provided by BCBC”. (RFP Section 1.3)
6. Request for Expressions of Interest No. E03-01 (“RFEOI”) was posted on the electronic tendering system known as BCBid on April 2, 2003. The purpose of the RFEOI was to (i) advise the market the BCBC is examining alternatives for the delivery and management of certain property management related services through a strategic outsource provider; and (ii) identify parties who are interested in proceeding to the next step in the Property Management Outsourcing Project.
7. I am advised that 27 organizations responded to the RFEOI which closed on April 25, 2003.
8. Request for Qualifications No. Q03-01 (the “RFQ”) was posted on BCBid on May 2, 2003. The purpose of the RFQ was to “invite interested parties to submit written Responses: confirming their interest in participating in the Project; and demonstrating that they have or can acquire the capability, experience, expertise, capacity and commitment to participate in and perform the Project in a manner that generally aligns and integrates with the Project objectives (Section 3.2), the Project expectations (Section 3.5) and the Corporation’s Vision, Mandate and Corporate Positioning”. The RFQ closed on May 30, 2003 and a total of 10 responses were received, of which six were determined to have met the mandatory requirements. Following individual and consensus evaluation, five respondents (the “Proponents”) were selected by the RFQ evaluation committee to receive and have the opportunity to respond to a request for comments and the resulting request for proposal.
9. A request for comments (the “RFC”) was issued by BCBC on June 26, 2003 to the Proponents. The purpose of the RFC was to “create an opportunity for the exchange of information between BCBC and the Qualified Parties with a view to improving: (a) the parties’ mutual understanding of the requirements for the ... formal request for proposals (the “RFP”); and (b) the quality of the RFP and the proposals submitted in response to the RFP”. The RFC was effectively in the form of a draft RFP and requested that written comments were to be provided by July 18, 2003.
10. Written comments were received from the Proponents and subsequently in-person RFC consultation sessions were held on July 23 and 24, 2003 in Victoria with each of the Proponents separately to receive verbal comments and provide consistent information about BCBC to the Proponents. The BCBC participants in

the consultation sessions did not include any individuals who would be voting members of the evaluation committee for the resulting RFP.

11. The RFP was issued to the five Proponents on August 15, 2003. The purpose of the RFP was to “(1) provide Proponents with further information on the Project, (2) invite Proponents to submit a written Proposal containing the Proponent’s proposed solutions for the management and delivery of the services to be provided by the successful Proponent under the Master Services Agreement (the “Services”); and (3) describe the mechanism that BCBC will use to evaluate the Proponents and their Proposals” (Section 1.4). The RFP provided that it would close on October 15, 2003, allowing approximately two months for the Proponents to respond.
12. The principles incorporated into the procurement process for the RFP included the following:
  - The RFP procurement documents would be issued to the five successful respondents under the RFQ process, which had received broad exposure.
  - The RFP procurement documents would provide as much detailed information as possible based on BCBC’s assessment of its property management operations.
  - The RFP process would allow adequate time for all Respondents to prepare their proposals and to effectively respond to the RFP.
13. BCBC conducted a two-day visit for the Proponents to a selection of BCBC managed properties on Vancouver Island and the Lower Mainland on August 25 and 26, 2003. Representatives for each of the five Proponents attended.
14. BCBC maintained a document room in its Head Office and provided access to the Proponents to a wide variety of documents providing details of BCBC’s operations. Representatives for each of the Proponents attended at the document room and used this opportunity to obtain required information about BCBC’s operations.
15. The Project is a new initiative being undertaken by BCBC and BCBC is currently providing these services internally. There are no incumbents currently providing such services to BCBC.
16. With respect to legal requirements, the Supreme Court of Canada, and BC Court of Appeal have confirmed repeatedly that an organization issuing a request for proposal must run the process in an objective and even-handed manner. All proponents must receive fair and equal treatment. There can be no hidden preferences or biases, and the proponents must be clearly told how the winner will be selected. In order to accomplish this, both the process that will be used for evaluation as well as information on the evaluation criteria that will be used, must be included in the request for proposal package.

17. The requirements and project scope are set out in Articles 2 and 3 of the RFP. Section 6.1 sets out the mandatory criteria and Section 6.2 sets out the desirable criteria. Article 6 also sets out the evaluation process and Schedule 1 sets out a discussion of the information that should be provided by Proponents in their proposals.

### **Evaluation Committee**

18. An Evaluation Committee was established for reviewing the proposals received in response to the RFP. An evaluation committee, consisting substantially of the same members of the RFQ evaluation committee, was appointed. BCBC developed draft evaluation materials. The Evaluation Committee members met on October 10, 16 and 17, 2003 to review the evaluation process, roles and responsibilities, review the evaluation materials and to discuss process. The Evaluation Committee finalized the evaluation materials before the responses to the RFP were delivered to the Committee Members.
19. Each Committee member signed a copy of the "Project Code of Conduct for BCBC's Property Management Outsourcing Project" attached as Attachment 1 to this report.
20. The Evaluation Committee included eight voting members. Rick Steele agreed to act as Committee Chair for the Evaluation Committee consensus meeting without voting privileges and I agreed to attend all of the consensus evaluation sessions without voting privileges.
21. The Evaluation Committee delegated to Colin Ewart, one of the Evaluation Committee members, in place of Mr. Steele the responsibility to receive the proposals and review the proposals for mandatory requirements. Mr. Ewart did not participate in the Evaluation Committee meetings on October 16 and 17, 2003.

### **Evaluation Materials**

22. BCBC prepared an evaluation spreadsheet for the Evaluation Committee members based on the requirements set out in Articles 2 and 3 (and schedules), the criteria and process set out in Article 6 and requested information set out in Schedule 1. The evaluation spreadsheet breaks down some of the desirable criteria set out in the RFP into sub-criteria and provides guidelines to the Evaluation Committee for scoring proposals on a consistent basis. The Evaluation Committee finalized the evaluation materials on October 17, 2003, prior to the Committee being provided with the proposals.



## **Receiving Proposals**

23. On October 15, 2003, BCBC received proposals in response to the RFP from each of the Proponents.
24. Each member of the Evaluation Committee was delivered one copy of each of the five proposals on October 17, 2003.

## **Due Diligence**

25. Following an initial review of the written proposals, representatives of BCBC and technical advisers undertook due diligence meetings with each of the Proponents in the Proponents' offices as provided under Section 6.9 of the RFP. Due diligence reports were prepared for the Evaluation Committee on each of the following topics:

- Client references
- Legal
- Accounting
- Energy and environment
- Operations
- Information technology
- Executive – cultural and business alignment
- Customer Service
- Finance
- Human Resources

The due diligence meetings with Proponents were undertaken around the week of October 27 to 31, 2003. On-site due diligence meetings with the Proponents were draining on evaluators but were invaluable in enabling informed selection by the Evaluation Committee.

## **Evaluation Process**

26. Each proposal was reviewed individually and scored by each Evaluation Committee member prior to meeting as a committee.
27. Evaluation Committee members were provided with the due diligence reports prior to meeting as a committee.
28. The Evaluation Committee met as a group on November 5, 2003 to review the individual scores and reach consensus.
29. In summary, the Evaluation Committee followed the process set out below:

- Each of the chairs or representatives of the due diligence groups presented their findings to the Evaluation Committee. The presenters were all voting members of the Committee with the exception of (i) Jackie Bruneau who presented results of the reference checks, (ii) Rick Steele who presented results of the legal due diligence on behalf of McCarthy Tétrault LLP, legal advisers to BCBC, and (iii) Diane Jeffreys of KPGM, business and technical advisers to the Evaluation Committee, who presented the financial due diligence results.
  - Individual scores were provided to Jackie Bruneau who entered the scores into a spreadsheet and displayed the results on an overhead projector.
  - The Committee members confirmed that as a group they generally saw one proposal as being clearly superior to the other four proposals. That one proposal was the highest ranked proposal for each of the six major categories set out in Section 6.2 of the RFP.
  - While there was some concern that the second ranked Proponent should be more significantly ahead of the third ranked Proponent than was demonstrated in the numerical results, the Committee members were generally comfortable with the relative ranking of all five Proponents.
  - After extensive discussion of the results, the Committee members reviewed the results on the overhead projector and agreed with the correctness of those final results.
  - Committee members were comfortable with the final results and agreed that the gap between the highest and second ranked proposal was sufficiently large to recommend proceeding to contract negotiation with a single Proponent, rather than the two highest ranking Proponents as BCBC is entitled in accordance with Section 4.11 of the RFP.
30. The Evaluation Committee followed the evaluation process described in the RFP document. BCBC and the Evaluation Committee objectively applied the mandatory and desirable criteria, and acted consistently with each proposal.

George Macauley  
November 14, 2003