

# Annex J - Questions for Request for Information (RFI) Respondents

## 1 Statement of Work (SOW)

### 1.1 Service Levels for Different Asset Types

#### Context

Many of the buildings to be included under RP-1 provide general purpose office space. PWGSC may include other types of assets such as laboratories, warehouses, housing, heating plants, and assets in remote locations, for which a suitable approach to establishing property management service levels is required.

#### Question

Q-1. Could you suggest suitable approaches for establishing property management service levels for different types of assets?

### 1.2 Sustainability

#### Context

In previous dialogues with industry, PWGSC received valuable input regarding sustainability. As a result, PWGSC is considering placing additional emphasis on the contribution that real property services can make in improving the sustainability of its buildings, and associated performance measures.

#### Question

Q-2. Could you suggest ways to help PWGSC ensure its requirements and associated performance measures would foster improved sustainability of its buildings?

### 1.3 Acceptance of Contractor Service Delivery Regime

#### Context

PWGSC is considering providing flexibility and authority to the contractor to use industry processes and programs in delivering real property services, rather than prescribing these. PWGSC's focus would be on attainment of results rather than how services would be delivered. These processes and programs would be jointly reviewed and subject to acceptance by PWGSC, through a process referred to in the current draft SOW as a Collaborative Review Process. The purpose of acceptance would be aimed at promoting confidence that requirements would be met, that risks were manageable, and that PWGSC would receive best value.

#### Question

Q-3. Could you suggest ways to ensure that PWGSC requirements for acceptance of the contractor's service delivery regime would be effective?

## 1.4 Transition Requirements

### Context

The draft RP-1 SOW sets out requirements aimed at ensuring an effective transition of property management services from either government organizations, or from incumbent contractors managing buildings on behalf of PWGSC, to the successor contractor. The duration of activities and their sequencing is based on previous PWGSC experience.

### Questions

Q-4. Could you suggest improvements in the sequencing of transition activities outlined in the draft SOW?

Q-5. What do you consider should be the minimum and maximum duration required for the transition period from contract award to operational start date?

## 1.5 Environmental Management System Certification

### Context

As a reflection of the increasing maturity of industry in the area of environmental management systems, and the importance of environmentally sound processes, PWGSC is considering requiring the RP-1 contractor to have and to demonstrate certification of its environmental management system. Despite the potential benefits of this, PWGSC recognizes that there are challenges to contractors in this area because certain processes and particularly resource allocation decisions that would remain within the purview of PWGSC.

### Questions

Q-6. Do you foresee any issues if PWGSC were to require certification of contractor environmental management systems to ISO: 14001?

Q-7. Could you suggest improvements that would help PWGSC ensure that its Environmental Management System requirements are practical and would provide best value, including potential measures other than requiring certification of such systems?

## 1.6 Harmonization of Management Systems

### Context

PWGSC will continue to require that contractors operate ISO-9001 registered quality management systems. PWGSC is considering requiring that the contractor ensure that its other management systems are harmonized with the quality management system to rationalize system capabilities, to avoid overlap and duplication, and to provide best value.

### Questions

Q-8. Do you foresee any issues if PWGSC were to require harmonization of management systems?

Q-9. Could you suggest improvements that would help PWGSC ensure that management system requirements will result in best value?

## 1.7 Occupational Health and Safety (OHS)

### Context

The Government is committed to maintaining healthy and safe workplaces, and this is paramount among its requirements. PWGSC is considering requiring the contractor to assume responsibilities for construction OHS, for example, the Prime Contractor or Constructor role depending on the jurisdiction, and also to be responsible for other OHS matters within buildings where it provides real property services. PWGSC has referred to this latter role as that of OHS Control Authority in the current draft SOW.

### Questions

Q-10. Do you foresee any issues if PWGSC were to adopt such an approach?

Q-11. Could you make suggestions that would help PWGSC fulfill its commitment to OHS?

## 2 Basis of Payment

### 2.1 Delineation of Costs

#### Context

PWGSC intends to use a payment structure consisting of two components: Allowable Costs and Fees. The principle underlying this structure is that Allowable Costs would cover most of the direct costs involved in the delivery of services as set out in the SOW, and the Fees would cover all other costs incurred in providing the services, including profit.

#### Question

Q-12. Could you suggest means by which the contractor's total costs could be split between these two components in a manner that is fair and easy to administer and audit, considering, among other areas, the following:

- Financial and accounting functions;
- Administrative support;
- Information systems and data entry; and
- Procurement Functions

### 2.2 Inventory Adjustment Mechanism

#### Context

Under its current real property services outsourcing arrangements, the Management Fee is subject to a volume adjustment when the cumulative building inventory increases or decreases by 5% or more in square metres, from the inventory at the Contract Operational Start Date – which is referred to as the base inventory. The adjustment is made using a formula that is proportionate to the change in the base inventory.

PWGSC is interested in exploring whether there are alternatives to this approach that could be used for RP-1. PWGSC's objectives are to have an adjustment mechanism that is easy to

administer, provides cost predictability, and recognizes improvements in economies of scale as volumes increase.

Question

Q-13. Could you suggest potential adjustment mechanisms that would be appropriate for RP-1?

Q-14. At what % increase or decrease in inventory volumes would you recommend as the trigger for adjustment of the fee?

## 2.3 Lease Administration Fee

Context

Under its current real property services outsourcing arrangements, Lease Administration is an optional service. However, as a result of its experience, PWGSC is considering having a separate basis of payment. Lease Administration is different from other services, and the lease inventory is expected to experience more churn, as leases expire, are replaced, or move in and out of the inventory. Should PWGSC introduce a Lease Administration basis of payment, it is expected that the payment structure would follow a similar format to that of the other services with both Allowable Costs and a Fee.

Questions

Q-15. Could you comment on your experience regarding approaches to Lease Administration fees with other clients?

Q-16. Could you suggest other suitable approaches to the basis of payment for Lease Administration for RP-1?

## 2.4 Control of Resource Costs

Context

PWGSC is seeking ways to improve the control of resource costs as a means of improving predictability and ensuring best value.

Question

Q-17. Could you suggest ways to improve the control of resource costs and ensure best value, including feedback on the pros and cons of different methodologies?

### 3 Performance Measurement

#### 3.1 Generation of Performance Indicators

##### Context

Under its current real property services outsourcing arrangements, PWGSC specifies the Performance Indicators (PIs) associated with each Key Performance Indicator (KPI), develops the formulae used to calculate performance results and calculates PI performance results throughout the year. This is accomplished using information from various sources, including performance data provided by the Contractor and data provided by PWGSC from its National Service Call Centre, from critical incidents and from tenant surveys. The Technical Authority meets annually with the Contractor to review and identify opportunities for continual improvement of the PI performance minimums and benchmarks for the coming year.

In previous dialogues, industry suggested they could assume responsibility for generating performance data, developing PI equations and calculating PI results, including accommodating PWGSC quality monitoring activities related to PI calculations and associated performance data. PWGSC has listened to industry and is contemplating adoption of the latter approach.

##### Question

Q-18. Could you suggest ways to ensure the accuracy and objectivity of performance results that would withstand public scrutiny, if the contractor were responsible for producing these results?

#### 3.2 Determination of Tenant/Occupant Satisfaction

##### Context

Historically, PWGSC has engaged a third party to conduct surveys on its behalf to track tenant/occupant satisfaction as an input to performance measurement. PWGSC is considering including the conduct of such surveys in the contractor's scope of work.

##### Question

Q-19. Could you suggest ways to ensure the transparency of the process and independence of those responsible for determining levels of tenant/occupant satisfaction, if the contractor were responsible for conducting such surveys?

#### 3.3 Two-tier Performance Fee

##### Context

Under its current real property services outsourcing arrangements, the Contractor's Property Management Service Fee and Project Delivery Service Fee are payable at 85% of the fee component of the approved invoice with the remaining 15% of the fee payable at the end of the fiscal year, subject to the Contractor's performance. The remaining 15% of the fee is the performance fee portion for each of the Property Management Service Fee and Project Delivery Service Fee which is further apportioned in relation to each KPI. Currently there are three KPIs: i.e. Asset Integrity, Satisfaction and Financial each of Property Management and Project

Delivery Services. PWGSC is considering an additional KPI called Information Integrity for RP-1.

The performance fee portion payable to the Contractor is determined in relation to the Contractor's performance during the preceding year as reflected by KPI scores.

PWGSC is considering adopting a two-tier performance fee holdback approach, involving a holdback at the overall contract level and one for each of the portfolios making up the contract. The reason for the two-tier approach is as follows:

- a) that the contract includes assets of individual custodians who are each accountable for the performance of their respective assets and for tracking associated funds; and
- b) to ensure a balanced approach to the attainment of objectives for all contract portfolios.

PWGSC is considering a 10% fee holdback at the overall contract level and a 15% fee holdback for each of the portfolios making up the contract. The 15% holdback would be payable assuming that performance requirements were met at the individual portfolio level. The 10% holdback would be payable provided that performance requirements have been met across all of the portfolios in the contract.

### Questions

Q-20. Do you foresee any issues if PWGSC were to adopt a two-tier performance fee approach?

Q-21. Could you suggest ways to improve the proposed performance fee approach?

## 4 Information Management

### 4.1 Improving the Management of Information

#### Context

PWGSC is seeking ways to improve the management of information over the term of the RP-1 contract, including:

- improving the approach to transferring building-level information during transitions, either from government organizations, or from incumbent contractors managing buildings on behalf of PWGSC, to the successor contractor, including for example:
  - historical and current operational and maintenance data,
  - records,
  - drawings, and
  - other related information;
- simplifying information management and technology requirements through the application of open standards; and
- building on the contractor's capabilities to generate, structure, manage, use and host information, enabling PWGSC to:
  - submit, comment on and accept deliverables throughout the term of the contract,
  - view and access contractor information for quality monitoring, reconciliation, and auditing purposes through information utilities provided by the contractor, with appropriate security measures, including:

- financial information,
- maintenance management information,
- work management information,
- quality management information, and
- environmental management information, and
- having timely, direct access to building data, maintained by the contractor, with associated tools and application licenses to enable the information to be used as needed, for business continuity and transition purposes, including:
  - operational and maintenance data,
  - records,
  - drawings, and
  - other related information.

Questions

Q-22. Could you suggest ways to improve the management of information for RP-1?

Q-23. What are your views on the best approach to transferring information on an ongoing basis and at the end of the contract?

Q-24. Could you share insights into trends related to client information access requirements?

Q-25. What information would you require regarding information management and technology requirements to be able to bid effectively, assuming that fulfilment of these requirements would be included in the fixed management fee?