



*Real Property 1:  
Property Management and  
Project Delivery Services (RP1)*

**INDUSTRY  
CONSULTATION**



December 13, 2012



Public Works and  
Government Services  
Canada

Travaux publics et  
Services gouvernementaux  
Canada

Canada

## Agenda

- 13:00 Welcome
- 13:05 Introductions
- 13:10 The background as to why we are here
- Consultation
  - AFD Background
  - Volumetrics for discussion
- 13:35 Setting the Stage for this Consultation - Principles
- 13:45 Discussion: “How to establish more than one contract”
- 14:25 Discussion: “How to guarantee the selection of more than one service provider”
- 15:05 Break - Refreshments
- 15:20 Discussion: “What is the right duration for the base contract and any options?”
- 15:45 Discussion: “How does industry propose to provide the greatest degree of transparency possible in their approach to sub-contracting?”
- 16:10 Round Table
- 16:25 Closing remarks



## Consultation is Critical to Success

- PWGSC continues to expand its use of consultation/engagement.
- Three key pillars of “Smart Procurement” are:
  - Engagement
  - Governance
  - Use of independent third parties
- Engagement
  - Listen to those who have a stake in the process: clients and suppliers.
  - Suppliers often have valuable ideas on how to efficiently supply the government with what it needs.
  - Procurement is always more successful with industry engagement. 3



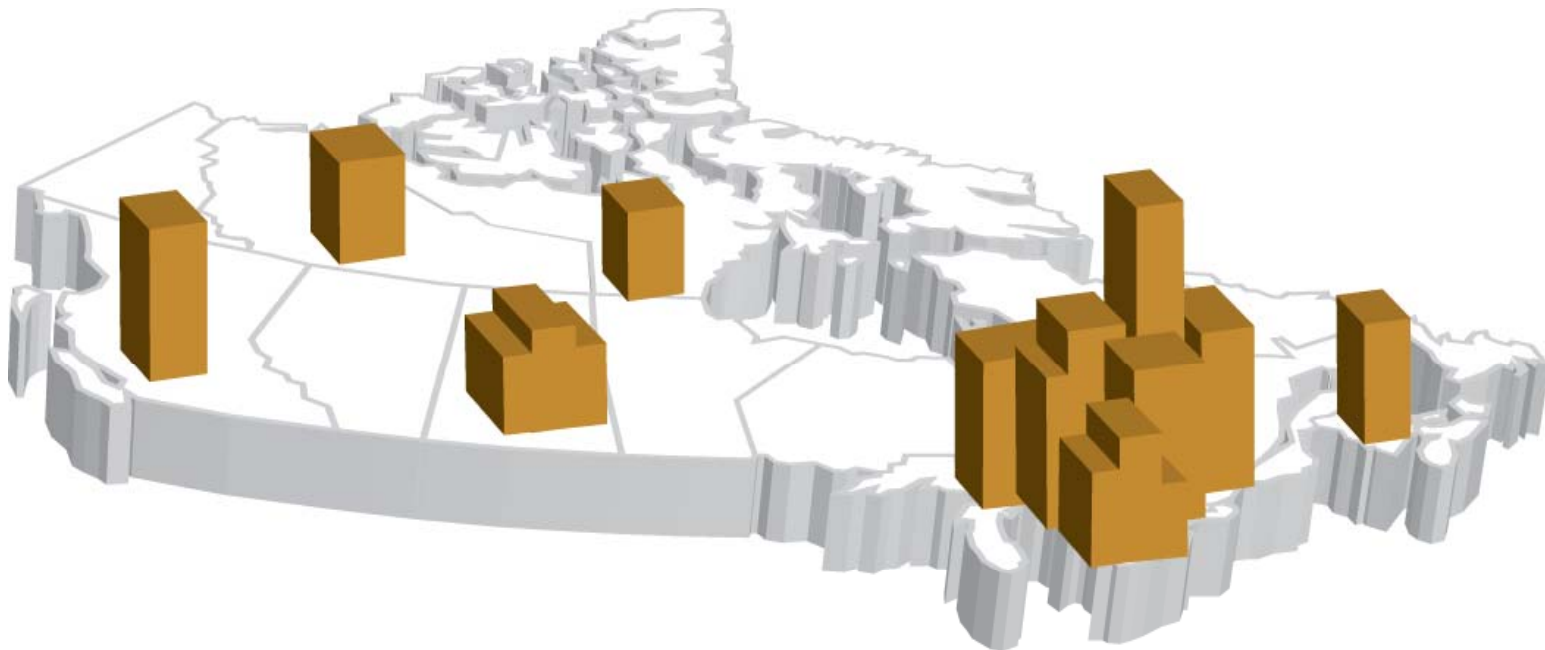
## What We Hope to Achieve Today

- Consensus on four key issues:
  - How PWGSC can establish more than one contract for RP-1;
  - How PWGSC can be guaranteed to obtain more than one service provider; and
  - The duration that PWGSC should set for the base contract and any options.
  - How does industry propose to provide the greatest degree of transparency possible in their approach to sub-contracting?
- If consensus cannot be reached, a good understanding of the issues and why consensus cannot be reached.



## Background

### *Overview of the RP-1 Requirement*



## Background

### *Alternative Forms of Delivery – 1998*

- In 1998, the Department undertook a large-scale initiative to leverage private sector expertise and capacity to provide property management and project delivery services in approximately 250 PWGSC office facilities across the country.
- There were 13 contracts (geographically based).
- One service provider won all 13 contracts.



## Background

### *Alternative Forms of Delivery – 2005 (to today)*

- There are currently over 1,000 facilities – including 300 PWGSC buildings and 745 Other Government Department facilities managed through PWGSC's Alternative Forms of Delivery contracts.
- A total of 3.34 million m<sup>2</sup> of space, including a wide variety of facilities located from coast to coast to coast.
- There are 8 contracts (geographically based).
- One service provider won all 8 contracts.



## Background

### *Evolution to Real Property 1*

- In 1998, the “Alternative Forms of Delivery” contract was a new and innovative way to leverage the private sector in delivering real property services for PWGSC.
- Since that time, the service delivery model has evolved to the point where leveraging the private sector is now considered the norm rather than an “alternative” way of delivering services.
- We expect the number and types of assets being managed through these kinds of contracts to evolve.





# Principles for the Discussion Today

1. Contracting processes must be open, transparent and fair and should reflect best industry practices.
2. The real property assets must be divided so that more than one contract can be awarded.
3. A contractor selection process is required that will guarantee service provider diversification: i.e. that more than one (different) service provider is awarded a contract.
4. All the assets must be included and there must be a reasonable expectation that industry will competitively bid for all groupings - PWGSC requires multiple competitive bids on each grouping to support best value.



# Principles for the Discussion Today

5. The grouping of assets and the selection methodology must be fair, open and transparent (in other words, a grouping of assets or selection methodology should not favour a single service provider).
6. The grouping of assets and the selection methodology should result in good value to Canadian Taxpayers.
7. The length of the initial contract and option periods should allow flexibility to Canada to reprocur should the requirements change or the contractor performance diminish.
8. The initial contract and option periods should be of appropriate durations to allow for good value to Canadian Taxpayers.

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**How should  
PWGSC divide the  
business such  
that there be more  
than one  
contract?**



**What selection methodology should PWGSC use to guarantee that there be more than one service provider?**



# What duration should PWGSC set for the base contract and options?



**How does industry  
propose to provide  
the greatest  
degree of  
transparency  
possible in their  
approach to  
sub-contracting?**



## Next Steps

1. Analyze feedback along with Departmental requirements in order to finalize the number and type of contracts to be awarded under RP-1.
2. Post DRAFT Statement of Work and Evaluation Criteria in order to receive industry comments.
3. Consideration being given to a Value Proposition.



# Thank you for your participation!

## Key Contacts

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