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**TO:** Committee of the Whole                      **MEETING:** October 8, 2019

**FROM:** Tom Armet  
Manager, Building & Bylaw Services                      **FILE:** 1220-20

**SUBJECT:** Property Maintenance and Management Services Contract

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### **RECOMMENDATIONS**

That the Regional District of Nanaimo enter into a contract with NAI Commercial, Central Vancouver Island Ltd. for a three-year term beginning November 1, 2019, with an option to extend up to an additional two years, for the management of building and property maintenance and other related services for the Main Administration Office building, Transit Administration building, and off-site premises including transit exchanges, respites and bus shelters, at total contract value of \$614,971.00.

### **SUMMARY**

Property maintenance and management services for the Regional District of Nanaimo (RDN) administration building, transit offices and off-site premises including transit exchanges, respites and bus shelters in the City of Nanaimo have been provided by NAI Commercial (formerly DTZ Nanaimo Real Estate Ltd.) since March 2007. Following the expiration of the current contract with NAI Commercial, a Request for Proposals (RFP) was issued, seeking proposals for property maintenance and management services from qualified property management providers. As a result, three companies attended the mandatory site visit of the facilities, and proposals for the RFP were submitted by two qualified firms.

The proposals were evaluated in accordance with the criteria outlined in the RFP and it is recommended that NAI Commercial be awarded the contract for a three (3) year term with an option for a two (2) year extension, commencing November 1, 2019.

### **BACKGROUND**

Property maintenance services for the Regional District of Nanaimo (RDN) main administration building, transit offices and off-site premises including transit exchanges, respites and bus shelters in the City of Nanaimo have been provided by NAI Commercial (formerly DTZ Nanaimo Real Estate Ltd.) since March 2007.

The contract includes janitorial services, grounds maintenance, security monitoring, and overall coordination of building maintenance services such as heating/ventilation/air conditioning (HVAC), electrical and lighting, plumbing, elevator/generator maintenance, fire and safety, snow removal, special projects, etc. The previous contract was for two years and provided for two,

two-year extensions with the mutual agreement of both parties. The contract was subsequently renewed two times and expired on March 31, 2019, with services being provided on a month by month basis pending a public process for soliciting bids for the service and Board approval of a new contract.

A Request for Proposals (RFP) seeking proposals for property maintenance and management services from qualified property management providers was issued on July 10, 2019 and closed on August 22, 2019. The RFP was advertised on BC Bid, CivicInfo BC, and RDN website. As a result, three companies attended the mandatory site visit of the facilities, and proposals for the RFP were submitted by two firms; NAI Commercial (Nanaimo) and Black & McDonald (Vancouver).

Proponents were asked to provide an estimate of costs for each of the three years including janitorial services, grounds maintenance, security monitoring, and management services which includes an annual asset maintenance report. Intermittent services for snow removal, HVAC maintenance, elevator/generator maintenance, electrical and lighting, plumbing, fire and safety, special projects, etc., will be addressed on an as-needed basis and will be invoiced accordingly.

The proposals outlining the annual cost for services from the two proponents is as follows:

| <b>Services:</b>             | <b>NAI Commercial</b>                                    | <b>Black &amp; McDonald</b>                                 |
|------------------------------|--|---|
| Cleaning/Janitorial          | Year 1: \$88,155<br>Year 2: \$90,799<br>Year 3: \$95,583 | Year 1: \$224,800<br>Year 2: \$229,296<br>Year 3: \$233,882 |
| Grounds/Landscaping          | Year 1: \$53,880<br>Year 2: \$55,740<br>Year 3: \$57,635 | Year 1: \$58,775<br>Year 2: \$59,950<br>Year 3: \$61,150    |
| Security/Monitoring          | Year 1: \$20,681<br>Year 2: \$20,681<br>Year 3: \$20,681 | Year 1: \$23,877<br>Year 2: \$24,355<br>Year 3: \$24,842    |
| Management Fees              | Year 1: \$36,816<br>Year 2: \$37,800<br>Year 3: \$38,520 | Year 1: \$31,271<br>Year 2: \$31,896<br>Year 3: \$32,534    |
| Three Year Total (plus GST): | \$614,971  | \$1,036,628   |

While both firms have extensive property management experience and supplier networks, the NAI Commercial proposal was better suited to the RDN's requirements and priced in range of current budget allocations. The costs proposed by Black & McDonald are considerably higher, particularly in the cleaning/janitorial service. NAI Commercial is well-qualified in property management services, meets all the requirements of the RFP, and has provided overall excellent property management services to the RDN for the past 12 years. In accordance with RDN Green Housekeeping and Green Building policies the proponent will use non toxic,

environmentally friendly products, recycled paper products and implement waste diversion and the collection of compostable materials through their activities. Given the proposal, price and conformity with RDN policies it is recommended that the contract for property maintenance and management services be awarded to NAI Commercial for a three-year term, with an option to extend up to an additional two years, commencing November 1, 2019.

## **ALTERNATIVES**

1. Award the contract to NAI Commercial, Central Vancouver Island Ltd. for a three year term beginning November 1, 2019, with an option to extend up to an additional two years, for the management of building and property maintenance and other related services for the Main Administration Office building, Transit Administration building, and off-site premises including transit exchanges, respites and bus shelters, at total contract value of \$614,971.00.
2. Provide alternate direction.

## **FINANCIAL IMPLICATIONS**

The annual cost of services proposed by NAI Commercial falls within current budget and future allocations. The budget also provides funds for the variable costs of intermittent servicing, repairs and special projects.

## **STRATEGIC PLAN IMPLICATIONS**

Growth Management - Provide effective regional land use planning and responsible asset management for both physical infrastructure and natural assets.



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September 27, 2019

Reviewed by:

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