



Ontario Association of Architects

Title: Design Build Standing Offer

Solicitation No: EP008-210016/A

Closing date: June 5, 2020

Respondent: Ontario Association of Architects  
111 Moatfield Drive  
Toronto ON M3B 3L6

Contact: Kathleen Kurtin, Architect  
OAA, FRAIC  
President

E-mail: [President@oaa.on.ca](mailto:President@oaa.on.ca)

Phone: 416-449-6898





Ontario Association of Architects

**June 5, 2020**

Ricky Chan  
Public Works and Government Services Canada  
Ontario Region  
10th Floor, 4900 Yonge Street  
Toronto Ontario  
M2N 6A6

Dear Mr. Chan,

**Re: Solicitation EP008-210016/A  
RFI for Design-Build Standing Offers for Office Fit-up Projects.**

The OAA has reviewed the RFI for Design-Build Standing Offers for Office Fit-up Projects. Within our response to the general questions attached, we have identified some serious concerns regarding the approach toward project procurement outlined in the RFI.

In our opinion many of the desired DSBO outcomes indicated will not be achieved, and in many cases will likely produce the opposite effect. Specifically,

- *increasing the overall quality of work while reducing overall project risk* – having so many layers between the client and design team would reduce quality as this would dilute the responsibility of all involved;
- *Enabling risk to be assumed and managed by the parties best positioned to do so* – all parties, including the client, have risks that can not be assumed by other parties; this process adds another layer to managing the risk and as a result, additional costs
- *Increased efficiency in the award of individual work packages* – the same amount of work will be required in any competitive bidding process regardless of the number of participants; the proposed process transfers the work and the costs associated with that work, and those costs will be transferred back to the owner, with a markup at each transfer, resulting in increased costs.
- *Increased overall project delivery capacity* – many larger architecture and construction firms are not set-up to undertake small scale projects as many small firms are equally not set-up to undertake very large projects and therefore efficiencies are lost in both scenarios if the other group is not allowed to participate;
- *Cost certainty including fixed or per unit pricing wherever possible* – there are numerous factors that contribute to a projects cost, many of which are driven by specific site conditions, unknown conditions and Owner changes and therefore cost certainty is somewhat of a fallacy in construction projects. The goal of cost

certainty results in prices that try to anticipate all of the variables, resulting in premium pricing for all projects rather than just the premium projects.

I welcome further discussions with you on this matter of great importance to the delivery of architectural services in Ontario.

Sincerely,

Kathleen Kurtin, Architect  
OAA, FRAIC President

attach: OAA response to general questions from Solicitation EP008-210016/AF



## Appendix A – Information Requested

**Please provide a general profile of your organization including Provinces or Territories served within Canada, years of experience in your field and in design-build and expertise (e.g. architecture, engineering and/or construction). Your response should also include any information that could be helpful in demonstrating your organization's expertise in the context of design-build methodologies.**

Answer: The Ontario Association of Architects is a self-regulating organization governed by the *Architects Act*, which is a statute of the Government of Ontario. The Association is dedicated to promoting and increasing the knowledge, skill and proficiency of its members, and administering the *Architects Act*, in order that the public interest may be served and protected.

- 1. Would you have the capacity to respond to the RFSO on your own or would you need a partner? If you were to partner, what form might that take? Does your firm have in-house design capabilities? If so, please describe them.**

Answer: Not applicable as we are a regulator for the architecture profession in Ontario.

### **2. Partnerships**

- a) **How much time would it take for you to find partners?**
- b) **Would the formation of formal partnerships occur before or after successful qualification?**
- c) **What is the capacity within your particular region(s) to establish a partnership/joint venture in order to respond to a DB Request for Standing Offer?**
- d) **Are there certain elements of the requirement that may be more challenging to source than others (e.g. furniture, cabling, etc.)? Please elaborate.**

Answer: Not applicable as we are a regulator for the architecture profession in Ontario.

### **3. Design Build Standing Offer**

- a. **In a DB Standing Offer, who should lead: the designer or the construction contractor (or another party)? Why?**
- b. **Who would carry the professional liability insurance for the design?**

Answer: Not applicable as we are a regulator for the architecture profession in Ontario.

- 4. Does the design-build approach have any impacts on your ability to obtain contract security (e.g. Performance Bond and Labour and Material Payment Bond)? If yes, please elaborate.**

Answer: Not applicable as we are a regulator for the architecture profession in Ontario.

- 5. What is your team's capacity to handle one or multiple \$10M requirements at the same time? \$10M-\$25M requirements? \$25-\$60M requirements? Figures include taxes.**

Answer: Not applicable as we are a regulator for the architecture profession in Ontario.

- 6. What would you recommend as a suitable period for the Standing Offer with the expectation that the team be the same throughout the *entire* duration of the Standing Offer? Would you be able to maintain the same team for 3 to 5 years?**

Answer: refer to answer to question 15)

**7. Request for Standing Offer Submission**

- a. **What challenges would you face in submitting proposals? What can PSPC do to reduce or eliminate these challenges?**
- b. **Are there any areas of work within design and construction that your team would not have the capacity and suitability to complete or would prohibit your team from submitting a response to the RFSO?**
- c. **To encourage the participation of local design-builders, what steps do you recommend PSPC take? If there is sufficient demand, are there any advantages or disadvantages of PSPC establishing separate lists for specific sub-regions of Canada (e.g. divide Ontario (excluding NCA) into four separate sub- regions such as the North, Southwest, Central and East.).**

Answer: refer to answer to question 15)

- 8. What is the capacity of your firm to incorporate employment and/or contracting opportunities for indigenous communities? Please elaborate.**

Answer: Not applicable as we are a regulator for the architecture profession in Ontario.

- 9. How do you see PSPC evaluating and selecting Design-Builders? What combination of technical evaluation and price competition do you believe would yield best value for PSPC?**

Answer: refer to answer to question 15)

**10. Sample Basis of Payment**

- a. **Could a unit price per square metre for one site be used and enforced as a Basis of Payment for other sites? If not, please elaborate.**
- b. **What comments do you have on the sample Basis of Payment?**
- c. **As per the sample Basis of Payment, for the RFSO, PSPC is considering providing an actual project for Proponents to develop a cost proposal that will be evaluated during the RFSO. This cost proposal could form the basis of the terms of payment for all call-ups under the resulting SOs. Do you see any concerns with this**

- approach? What information (standards, level of design, site conditions etc.) would the DB need to be able to provide a unit price per square metre?
- d. How do you propose individual construction changes be priced (on what basis) and how can we obtain this pricing during the RFSO?
  - e. How do you propose other work described above (i.e. base building, treatment of designated substances, fit-up work exceeding the standard) be priced under a Standing Offer?
  - f. Which aspects of base building work attributed to fit-up does your firm typically sub contract versus deliver with own forces?

Answer: refer to answer to question 15)

**11. Accounting for your response to the previous question, do you have any other recommendations or considerations for PSPC's development of a basis of payment under a design-build methodology, given Canada's objective of achieving cost certainty where possible?**

Answer: refer to answer to question 15)

## **12. Managing Design Revisions**

- a. Handling client changes: How would you propose to effectively manage client-driven changes after contract award if the parties cannot agree on costs to accommodate these changes?
- b. How would you propose to manage situations where, once the design is complete, the cost is determined to be higher than the contracted price, excluding any client requested changes?
- c. If an agreement cannot be reached, would it be acceptable for PSPC to buy the design and proceed with another contractor?

Answer: refer to answer to question 15)

**13. Risks and Concerns: Accounting for your responses to the prior questions, are there any other challenges, issues or risks (technical, environmental, operational, organizational, financial, etc.) that you believe could impact the success of the DBSO? Do you have any suggestions on other types of contracting vehicles that could address Canada's requirements?**

Answer: refer to answer to question 15)

**14. If restrictions on movements and social distancing stay in place is your firm able to prepare a response?  
Are your teams able to work from home? Could you participate in bidder conferences etc. via video conference?**

Answer: Not applicable as we are a regulator for the architecture profession in Ontario.

**15. Is there other information, specific to this RFI that is deemed important by your organization or is there any additional information you wish to provide regarding the proposed Design – Build procurement approach?**

- None of the 6 desired outcomes listed on Page 4 of the main RFI document is unique to design-build. All can be achieved using other procurement methods.
- Fixed or unit pricing is made more difficult in renovation work because of the unique site conditions likely to be encountered in different buildings. E.g. 3 levels of previous partially demolished ceilings concealed above the current ceiling. Heritage buildings just add another level of uncertainty. Unknowns and uncertainty equate to risk, and risk results in higher fees. Is trading increased project cost predictability worth the added cost to every project because of risk transfer.
- Involving Project Management Service Providers (PMSP) adds another layer of Management between the Client and the Design/Builder and often results in more complicated communications.
- This approach appears to favor large Canada wide design and construction companies rather than local small or medium size companies. The vast majority of architectural practices are one or two-man operations and only have one office location. Bundling of projects would likely preclude many firms who are otherwise capable from participating.
- A great deal more thought and consultation with the industry other than 3 RFI's needs to take place before anything like a BDSO is implemented. We recommend that PSPC form a task force with representatives from the design and construction community to develop an office fit out tender approach.
- Where consultants are hired directly by PSPC, the consultants have a contractual responsibility to PSPC and take direction from PSPC. Where consultants are hired by a design-builder, the consultants are responsible to the design-builder and have no contractual responsibility to PSPC. The design-builder then looks out for PSPC's interests.
- A Design- Build approach will require the preparation of Design Standards and Output Specifications by Consultants on behalf of the Client for the Design-Builder to bid on.
- The expectation of shorter project time frames seems illusory. PSPC still needs to develop or hire a consultant to develop a program of requirements for each project, similar to what a compliance architect would do on a 3P project.
- The expectation also seems to ignore the time required to transfer the project knowledge from PSPC or a compliance architect to the design-build architect, and for PSPC to review any proposed solution before it is built.
- If the performance spec for a project is tight and the intent is to match existing furniture and finishes, then where is the flexibility to allow the design-builder to provide a more cost effective solution?
- In a design-build scenario, who monitors the design-builder's performance on PSPC's behalf? It won't be the design-build architect.
- Unless the scope of work goes beyond the scope of interior design, the design-build architect won't be on site at all, because the design-builder won't pay for the service.
- Who will act as payment certifier? It won't be the design-build architect because of a conflict of interest.
- Any contract for DBSO in Ontario will of necessity be with a contractor rather than with an architect. Actual construction and the provision of other services being requested are not considered part of the normal practice of architecture and can't be provided by an architectural practice, nor would they be insurable under professional liability insurance.
- Some architects have an interest in contracting firms in order to be able to provide design-build services, but the contract with PSPC would still be with the contracting firm, not the architect. In such circumstances, is PSPC prepared to accept any inherent conflicts of interest or would the conflicts preclude such firms from participation?
- All-in-all, the DBSO seems like an idea that would be championed by project management service providers to create gaps in the services provided by others so they can step forward to fill in the gaps; gaps which don't exist in other procurement methods.