

Reply to the Attention of Joan M. Young
Direct Line 604.893.7639
Direct Fax 604.893.2672
Email Address joan.young@mcmillan.ca
Our File No. 63264v-0001
Date September 30, 2013

VIA COURIER

Vancouver School Board
1580 West Broadway Street
Vancouver BC, V6J 5K8

Attention: Ernest Fanthorpe

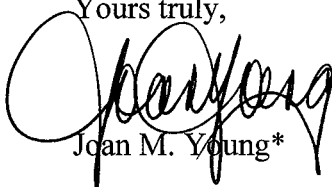
Dear Sirs/Mesdames:

**Re: Fairness Advisory Services for the Kitsilano Secondary
School Project**

Please find enclosed our original Fairness Report in connection with the RFP stage of the procurement.

As this now completes our work for the Kitsilano Secondary School Project, we will be taking steps to close our file. Thank you again for allowing us to be of assistance in this matter.

Yours truly,



Joan M. Young*

JMY/
Encls.

*Law Corporation

cc. Mark Pucsek, Partnerships BC

**BOARD OF EDUCATION OF SCHOOL DISTRICT No. 39 (VANCOUVER)
KITSILANO SECONDARY SCHOOL PROJECT**

**FINAL REPORT OF THE FAIRNESS ADVISOR ON THE PROCUREMENT PROCESS:
RFP STAGE**

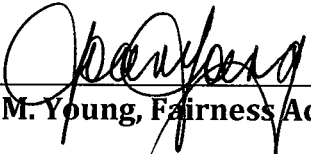
August 27, 2013

To: Project Board, Kitsilano Secondary School Project

This report covers the following issues:

1. The scope of the review;
2. The purpose of the review;
3. The framework for the review;
4. A statement that the review has been conducted in accordance with this framework;
5. Explanatory details regarding the variables which affect the review;
6. Project Background and Monitoring Activities by Fairness Advisor;
7. Recommendations to improve process for future procurements;
8. Any qualifications on the endorsement of the process;
9. A statement that the Fairness Advisor has fulfilled the terms of her engagement in order to express an opinion; and
10. Findings in the form of an opinion whether the process appears to have been undertaken in accordance with fairness principles expressed or implied in the procurement documents.

Respectfully submitted:



Joan M. Young, Fairness Advisor

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SCOPE OF REVIEW

I was retained on May 8, 2012 to act as the Fairness Advisor for the Kitsilano Secondary School Project. My role is to satisfy myself on the overall procedural fairness of the procurement process associated with the Kitsilano Secondary School Project.

The Board of Education of School District No. 39 (Vancouver) issued a Request for Qualifications ("RFQ") for the Kitsilano Secondary School Project on May 18, 2012. The opportunity was posted on the electronic bidding site BC Bid@. Three proponents were selected to advance to the Request for Proposals stage. On January 17, 2013 a Request for Proposals was issued to the three Proponent Teams.

The project is a design-build partnership model designed to maximize private sector innovation and expertise. The RFP stage is intended to solicit design-build solutions that best meet the needs of the owner as expressed in the Statement of Requirements contained in the RFP and do not exceed the Design-Build Price Ceiling. The Vancouver Board of Education intends to select one Preferred Proponent to negotiate a final design-build agreement.

My engagement covers the procurement process from the issuance of the RFQ to conclusion of the procurement with the selection of the Preferred Proponent. This second and Final Report covers the RFP stage of the procurement to the selection of the Preferred Proponent.

The terms of engagement state that as Fairness Advisor I was asked to do the following:

1. The Fairness Advisor will report to the Chair of the Project Board, which is composed of senior officials within the Vancouver Board of Education, Ministry of Education, Ministry of Transportation and Infrastructure, and Partnerships BC overseeing the Project.
2. The Fairness Advisor will act as an independent observer with respect to the fairness of the implementation of the Project's procurement processes.
3. The Fairness Advisor will provide advice to the Project team on matters of fairness.
4. The Fairness Advisor will be available to proponents to answer queries relating to fairness.

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5. The Fairness Advisor will provide formal written reports at specific points during the Project competitive selection process.

Access to Information

6. The Fairness Advisor will be provided full access to all of the Vancouver Board of Education's information related to the Project Competitive Selection Processes as the Fairness Advisor decides is required including documentation, personnel, premises, meetings, reports and minutes;

7. The Fairness Advisor will be permitted full access to any and all meetings, telephone conferences or other events as, in the discretion of the Fairness Advisor, are appropriate; and

8. The Fairness Advisor will be kept fully informed by the Partnership BC's Project Director of all documents and activities associated with the Project Request for Qualification and Request for Proposals processes.

Enquiries

9. The Project Team, through the PBC Project Director, may invite the Fairness Advisor to provide comment from time to time on issues related to the evaluation processes during the Project Competitive Selection Processes. The Fairness Advisor will not provide any comment or advice on any matter other than fairness of the procurement process.

10. During the Project Competitive Selection Processes, the Project Team may request comment on proposed action or circumstance related to the administration of the Project Request for Qualifications and the Project Request for Proposals.

11. The Fairness Advisor will be available to proponents to answer queries relating to fairness.

My role as the Fairness Advisor is not to validate the Evaluation Committee's recommendation of the Preferred Proponent; but, rather is to provide oversight and assurances regarding the processes applied in making the recommendation. The Fairness Advisor may meet these responsibilities by undertaking the steps she feels are most appropriate to meet her mandate.

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PURPOSE OF REVIEW

The purpose of my review is to provide arm's length advice to the Project Board and independent assurance for the Project as to the fairness and appropriateness of project management activities related to the procurement process for the Kitsilano Secondary School Project transaction.

FRAMEWORK FOR REVIEW

At each stage of the procurement process covered by my engagement, I undertook the following selected review activities in order to meet the terms of my review:

- (a) Review standards for handling of documents, security of documents, procedures for clarifying or rectifying errors by the owner and/or proponents,
- (b) Conduct a review of all documentation issued by Vancouver Board of Education and Partnerships BC to proponents including all procurement documents and addenda;
- (c) Ascertain whether each proponent was provided with access to the same information as other proponents for the purposes of responding to the various procurement stages;
- (d) Ascertain whether Evaluation Criteria were established in advance of evaluations being undertaken;
- (e) Ensure that adequate measures for avoidance of conflict of interest, unfair advantage and confidentiality were established in the procurement process as well as procedures for resolving issues which may arise during the procurement process;
- (f) Obtain information regarding rulings made by the Conflict of Interest Committee to ascertain whether the recommended course(s) of action have been fully implemented;
- (g) Review the Evaluation criteria proposed for the various stages of the procurement to determine that they were reasonably and rationally connected to the stated Project objectives;
- (h) Review responses, as necessary, submitted by proponents to ensure an adequate familiarity with the terms of the responses in order to

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undertake the Fairness Review;

- (i) Ensure that appropriate records regarding verbal and written contact with proponents were prepared and retained; and
- (j) Attend select meetings of the Evaluation Committee and any subcommittees;

REVIEW CONDUCTED IN ACCORDANCE WITH THIS FRAMEWORK

My review was conducted within the framework for review set out above.

PROJECT BACKGROUND AND MONITORING ACTIVITIES OF FAIRNESS ADVISOR

Kitsilano Secondary School has approximately 1,500 students in Grades 8 to 12, and 125 full and part time staff. Another 650 students are registered in extra-curricular activities and 800 adult students in Continuing Education and Heritage Language programs. The current buildings date back to 1927, with additions in 1957 and 1973.

The approximately 18,000 square metres school replacement project will be a neighbourhood learning centre that will provide specialty classrooms and fitness, arts and library facilities. Key features of the three story replacement school include the construction of a new academic wing; an all-weather playing field; three gymnasiums; a 350-seat theatre; green space for student learning; and space designed for individualized support and collaborative group work. A key element of the project is the preservation of the main historical facade that dates back to 1927. The 1,500 students in Grades 8 to 12 will benefit from the new 21st century learning environment that will be designed to achieve Leadership in Energy and Environmental Design (LEED) Gold certification.

The design principles for the new school include:

- Create a model 21st century school;
- Protect and enhance the school spirit and sense of place;
- Plan for sustainability;
- Ensure a safe and secure school facility;
- Improve the health and well-being of the entire school community;
- Create stronger connections with the Kitsilano War Memorial Community Centre;
- Plan the school with a Neighbourhood Learning Centre;
- Respect the 1927 Heritage Block;
- Provide great outdoor space;

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- Plan for implementation and fiscal visibility; and
- Plan to minimize phasing and construction time;

The replacement school will be completed in time for the September 2017 school year. The total cost of the project is expected to be in the range of \$62.2 million.

A. Appointment of Fairness Advisor

The role of Fairness Advisor is to provide oversight on the procurement process to ensure that the process for selecting a preferred proponent is open, fair and equitable. A Fairness Advisor also provides advice on issues which may arise during the procurement process which could impact on the overall fairness of the process. Fairness Advisors are typically used in public-private partnerships and, to a lesser extent but with increasing frequency, in other public sector procurements such as design-build procurements where a standard tendering process is not being utilized.

A Fairness Review typically follows four phases of the procurement process:

1. Before closing of the procurement process;
2. After closing of the procurement process;
3. Procurement Evaluation Stage; and
4. Post Procurement Evaluation.

As stated above, the role of the Fairness Advisor is not to validate the Evaluation Committee's recommendation to the Project Board of the selected proponent; rather, it is to provide oversight and assurances regarding the processes applied in making the recommendation.

B. Procurement Process for the Kitsilano Secondary School Project

This phase of the procurement process involved a Request for Proposals. In an earlier RFQ phase, the Vancouver Board of Education short-listed three qualified Proponents who were invited to prepare proposals in response to the Request for Proposals.

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C. Request for Proposals

Three Proponent teams were invited to participate in the RFP stage and to provide their design solution to design and build the Project. The three Proponent teams were:

- Bouygues Building Canada;
- EllisDon Corporation; and
- PCL Constructors Westcoast Inc.

The Request for Proposals (“RFP”) was issued on January 17, 2013 with a closing date of May 2, 2013 for Technical Submissions and June 14, 2013 for Financial Submissions. The closing dates for the project were amended from time to time during the course of the procurement, and eventually the closing dates were June 24, 2013 for Technical Submissions and July 31, 2013 for Financial Submissions.

All Proponents were required to agree to certain confidentiality provisions in order to participate in the opportunity. This was a reasonable and fair requirement in my opinion.

The owner held three sets of in-depth Collaborative Meetings between each Proponent and representatives of the Vancouver Board of Education and Partnerships BC. The purpose of the meetings was to allow each Proponent team to, in confidence, discuss their design-build solution with the owner’s representatives and address questions regarding the project. The Fairness Advisor was present for the entirety of those meetings to ensure that the process was fair and equitable for all Proponents.

The RFP had various revisions and clarifications during the RFP stage, which amendments were permitted by the terms of the RFP. In my view, there was no unfairness in the amendments made and they were permitted by the terms of the RFP.

Prior to the closing there were a few minor matters for which I was consulted or my advice was sought by the Project Director and Evaluation Committee. All of the issues raised were addressed to my satisfaction. No Proponents contacted me with any fairness issues.

One Proponent withdrew during the course of the procurement. I was advised of the withdrawal and was aware of the circumstances regarding the withdrawal. No fairness issues arose in connection with this event.

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Two Technical Submissions were received in order at the submission location on or before the deadline. No late submissions were received. Each of the Technical Submissions was subjected to a high level completeness review, and no deficiencies were noted. Several clarification questions were issued to both Proponents, which were permitted by the terms of the RFP. All clarification questions were answered by the Proponents.

An Evaluation Committee and Evaluation Team were established in advance of the closing date. The Evaluation Committee had the responsibility to evaluate and score the various Proposals based on their review of the Proposals and to recommend to the Project Board a Preferred Proponent. Evaluation Teams (i.e., sub-committees for technical and financial reviews) were also appointed to assist the Evaluation Committee in their work, although the ultimate responsibility of final evaluation and scoring was with the Evaluation Committee.

Each Evaluation Committee and Evaluation Team member was required to execute a Relationship Disclosure declaration and Confidentiality Agreement in advance of access to any information or proposals received in response to the RFP. An Evaluation Manual was developed for use by both the Evaluation Team and Evaluation Committee in advance of the closing date for the RFP. Training in the use of the Evaluation Manual, including scoring, was provided in advance of the evaluation. Evaluators were also apprised of the appointment of the Fairness Advisor and of the Conflict of Interest Committee for the project. Due Diligence advisors were also appointed for the process. An internal review process was established for identifying potential conflict or similar issues upon submission of the required documents from the various Committee members. There were no conflicts identified which prevented any party from participating in the evaluation or review of the RFP proposals.

The Evaluation Teams (the sub-committees) met on multiple occasions. The Fairness Advisor was apprised of all meetings and attended selected ones.

The Evaluation Committee met on multiple occasions during July and August, 2013 to evaluate the Proposals. The Evaluation Committee then held in-depth evaluation sessions on July 16, 17, 18, 19, 23, 29, August 2, and 6, 2013 to complete its evaluation of the Technical Submissions by reviewing each of the two Proposals individually. Both a vertical and horizontal assessment was done to ensure consistency and fairness of scoring.

In the interim, two Financial Submissions were submitted on August 1, 2013, and both were received on time in advance of the closing time. A Community Open House was held and the results of comments from the Open House were considered by the Evaluation Committee, prior to opening the Financial envelopes with the Financial

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Submissions. These Financial Submissions remained sealed until the entirety of the evaluation of the Technical Submissions was completed.

Once the Evaluation Committee had concluded the scoring for the Technical Submission, the Evaluation Committee then opened the Financial envelopes. The Financial Evaluation Team prepared initial comments on the two Financial Submissions, and the Evaluation Committee met again on August 6 and 9, 2013 to finalize the results of the competition.

The Fairness Advisor was present for all of the evaluation meetings and scoring sessions. The Evaluation Committee's scoring was consensus-based. The Evaluation Committee had lengthy discussions about the merits of each of the design proposals based on their submissions, responses to clarification questions, as well as the comments and analysis done by the sub-committee. While the work of the Evaluation team was informative, the members of the Evaluation Committee clearly understood that the ultimate responsibility for scoring was theirs. Each Proponent's Proposal was fully discussed and considered, and the Evaluation Committee applied the pre-determined scoring methodology to the responses with reference to the terms of the RFP. The Due Diligence advisors were involved with the evaluation process and were satisfied with the overall RFP evaluation.

The Evaluation Committee has recommended that one Proponent be identified as the Preferred Proponent. The recommendation was in accordance with the criteria set out in the RFP.

The Evaluation Committee's report to the Project Board reflects the decisions and scoring I observed in the evaluation process. By my observation, the process followed was in accordance with the terms of the RFP and appeared to be fair, transparent and unbiased.

RECOMMENDATIONS TO IMPROVE THE PROCESS FOR FUTURE PROCUREMENTS

No recommendations are suggested.

ANY QUALIFICATIONS ON THE ENDORSEMENT OF THE PROCESS

My fairness review has been based on: my own review of selected documentation and records; my discussions with the Evaluation Committee; my attendance during the activities of the Evaluation Committee and Evaluation Team; answers to questions posed by me and my observations of meetings. I have reviewed a sampling of project related documentation, but not all documents created by each and every staff member or advisor.

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FINDINGS

The RFP procurement process associated with this stage of the Kitsilano Secondary School Project has been conducted in a fair manner in accordance with the procedures established in the Request for Proposals stage.

I am satisfied that:

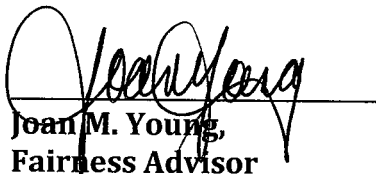
1. The Kitsilano Secondary School Project team members, and their advisors, followed the procedures and fairly applied the evaluation criteria specified in the procurement documents and subsequent documents;
2. Where judgment and interpretation were allowed or required, the project team exercised reasonable judgment and made interpretations in a fair and impartial manner; and
3. To the extent that amendments to the process were permissible, that decisions with respect to amendments were made in a fair and impartial manner.

I am satisfied that I have been provided with the appropriate access and information to render this fairness opinion to the Project Board.

FULFILLMENT OF REVIEW TERMS

I confirm that I have fulfilled the terms of my engagement based on the activities described to you above.

Respectfully submitted,


**Joan M. Young,
Fairness Advisor**

Dated at Vancouver, BC this 27th day of August, 2013