

This Agreement dated the 20th day of October, 2010

CORPORATE REAL ESTATE ADVISORY SERVICES AGREEMENT

BETWEEN

THE CORPORATION OF THE CITY OF LONDON
(hereinafter called the "City")

and

CB RICHARD ELLIS LIMITED
(hereinafter called "CBRE")

WHEREAS the City issued a Request for Proposals to engage an Agency of Record to provide real estate services (the "RFP");

AND WHEREAS CBRE submitted a proposal dated August 25, 2010 (the "CBRE Proposal");

AND WHEREAS the City wishes to engage CBRE as its Agency of Record for the provision of real estate services in accordance with the terms of the RFP and CBRE's Proposal);

NOW THEREFORE WITNESS THAT in consideration of the mutual covenants contained herein and other valuable consideration exchanged by the parties (the receipt and sufficiency of which is hereby acknowledged), the City hereby agrees to enter into a Services Agreement (hereafter referred to as the "Agreement") whereby CBRE will as the City's Agency of Record, provide to the City real estate services, the nature of which are set out in this Agreement. During the currency of this Agreement and any extensions thereof, the City agrees to engage CBRE for the provision of such real estate services on an as needed basis.

This Agreement will outline the scope of services, method of delivery, compensation for services and duration of contract provided to the City by CBRE.

1.00 INTENTIONS OF THE PARTIES

The City currently owns and leases premises in the City of London ("London") and The City's Realty Service Division is seeking a wide range of real estate services from CBRE in the area of strategic advisory consulting, research & analysis, reporting, project management and other services as required. CBRE has agreed to provide these real estate services to the City.

2.00 ENGAGEMENT

The City does hereby engage CBRE as its sole and exclusive Agency of Record for the purposes of providing real estate services including planning and implementing strategies for its facilities needs in London. The real estate services required by the City and to be provided by CBRE are set out in detail in Schedule "A" attached hereto, and shall be referred to herein as the "Services".

set out in detail in Schedule "A" attached hereto, and shall be referred to herein as the "Services". Furthermore, the City agrees, on a project by project basis, to enter into and execute such other agreements that may be required by CBRE to provide the Services.

3.00 ADDITIONAL SERVICES

Additional services may be provided to the City from time to time at an additional charge. Prior to providing any additional service, CBRE will advise the City of the nature of the service and the associated fee structure and obtain the City's written approval to proceed.

4.00 REPORTING

CBRE will provide regular status reports, in a form satisfactory to the City.

5.00 FEES AND EXPENSES

CBRE will be entitled to fees for the performance of the Services. The specific fees for the Services are detailed in Schedule "B", attached hereto. The fees outlined in Schedule "B" represent hourly rates for professional services required by CBRE to complete the Services and are exclusive of disbursements, and applicable taxes. Disbursements, such as travel costs, will be charged at cost without markup.

6.00 TERM

6.01 The term of this Agreement shall be three years, commencing on the date hereof and expiring on December 31, 2013 (the "Term"). This Agreement may be extended for an additional three year term by written notice from the City to CBRE.

7.00 FIDUCIARY RELATIONSHIP/CONFLICTS

7.01 Duty to The City: Nothing stated in this Section shall be construed to relieve CBRE of its obligations with respect to Confidential Information (as defined below) described in this Agreement or of its fiduciary obligations to the City. The City acknowledges that CBRE has fiduciary relationships to other parties, and nothing in this Agreement shall be construed to require CBRE to breach its duties to any third party.

7.02 Other Parties: The City acknowledges that from time to time CBRE may provide to other persons services that are similar to the Services. In addition, the City acknowledges that CBRE is an international brokerage firm and that in some cases, where the City is seeking to sell or lease property as landlord, CBRE may represent prospective purchasers and tenants or, where the City is seeking to purchase or lease property as tenant, CBRE may represent an owner or landlord of property that is suitable for the City's consideration or represent or work with other principals interested in acquiring or leasing such property. The City acknowledges that such representation may include CBRE's dual representation of the City and a third party with respect to a particular transaction.

In the event of a conflict between CBRE's representation of the City under this Agreement with respect to such transaction and the obligations of CBRE or its affiliate to another party with

respect to such transaction, at the City's request, CBRE shall establish appropriate internal procedures to prevent any communication or collusion between those employees of CBRE or CBRE's affiliates who represent parties in such transactions in which such a conflict of interest may exist, or the City may require that CBRE withdraw from its representation of the City with respect to such transaction.

7.03 Notification: When CBRE becomes aware of a potential conflict of interest, CBRE shall notify the City immediately or as soon thereafter as practical, and CBRE and the City shall attempt to agree on the terms of CBRE's continued representation of the City with respect thereto.

8.00 CONFIDENTIALITY

8.01 Confidential Information: "Confidential Information" means information provided by the City to CBRE that the City designates in writing as confidential at the time it is provided to CBRE. Confidential Information does not include information that (i) was known to CBRE at the time it was provided by the City, (ii) was publicly available at the time it was provided by the City or thereafter becomes publicly available without breach by CBRE of its obligations hereunder (iii) becomes available to CBRE on a non-confidential basis from a source other than the City or its representatives; or (iv) is required to be disclosed pursuant to an order of a court or tribunal having jurisdiction.

8.02 Obligation To Maintain Confidentiality: For a period of two (2) years from the date of disclosure of any Confidential Information to CBRE, CBRE agrees to hold such Confidential Information in trust and confidence for the City, and agrees not to use Confidential Information other than as required in the performance of its obligations under this Agreement, which shall include disclosure to CBRE's personnel who have a need to know.

9.00 THE CITY TRADEMARK AND PUBLICITY

Without the City's prior written approval, which it may withhold in its sole discretion, CBRE shall have no right to use the City's trademark or trade name in advertising copy or other promotional materials.

10.00. CBRE'S PERSONNEL

10.01 Relationship of Parties: Nothing contained herein shall be construed to indicate that CBRE and the City are partners or joint venturers. Persons employed by CBRE will not, for any purpose, be considered the City's employees or agents of the City. CBRE hereby assumes full responsibility for the actions of these persons while they are performing Services hereunder and shall be responsible for their supervision, daily direction and control, payment of compensation (including withholding of income taxes and social security), workers' compensation, disability benefits, and the like except to the extent that the City has an obligation to pay Fees and Reimbursable Expenses.

10.02 Control of Services: CBRE shall perform the Services through able, qualified and trained personnel of CBRE, including without limitation supervisory and support personnel, in sufficient number to properly render the Services in the manner required by this Agreement. CBRE shall

have the exclusive right to hire, direct, discipline, compensate and terminate the personnel of CBRE, and shall exercise complete and exclusive control over the conduct of CBRE's personnel.

11.00 RIGHT IN DELIVERABLES

Except to the extent otherwise agreed by the parties in a separate written agreement signed by authorized representatives of each party, nothing contained in this Agreement is intended to confer upon The City any right, claim, title or interest in or to any of CBRE's intellectual property including, without limitation, CBRE's methodologies, systems, procedures, management tools, workshops, software, concepts, ideas, inventions, know-how and other intellectual property. Further, nothing contained in this Agreement shall preclude CBRE from providing to third parties services and/or deliverables similar to the Services and/or deliverables provided hereunder. This Section shall survive the expiration or termination of this Agreement.

12.00 CBRE NOT AN ACCOUNTANT OR TAX ADVISOR

The City acknowledges and agrees that neither CBRE nor any affiliate thereof is making any representation, nor is it required to make any disclosure, now or in the future, with respect to the City's tax or accounting treatment of the transactions contemplated hereby, nor is CBRE or any affiliate thereof responsible, nor will it be responsible in the future, for tax and/or accounting advice with respect to the transactions contemplated hereby. The City further acknowledges and agrees that the City has had and will have the benefit of the advice of its own independent tax, accounting and legal advisors with respect to such matters. In its provision of Services to the City under this Agreement, CBRE shall assume that all information, documentation, estimates and opinions furnished to CBRE and its affiliates by the City or by third parties are reliable, accurate, true, correct and complete, and CBRE shall incur no liability to the City with respect to any error, misstatement, inaccuracy or incompleteness of any such item

13.00 CBRE'S LIABILITY

13.01 No Warranty or Representation. The City acknowledges and agrees that CBRE shall make no warranty or representation as to the accuracy of information supplied by the City or any third party and that CBRE shall not be held liable for any misstatement or misrepresentation of fact related thereto.

13.02 Limitation of Liability.

- (a) CBRE shall provide the Services contemplated hereunder in good faith but shall not be liable to the City in any way except for the gross negligence or willful misconduct of CBRE.
- (b) CBRE shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against the City (including, without limitation, any payment missed or made incorrectly, whether by date, amount, payee, address or otherwise) arising out of, based upon or resulting from any erroneous data provided by the City or any third party or otherwise contained in the City's databases, or the City's failure to provide accurate information or complete documentation regarding any property.
- (c) The City agrees that CBRE shall bear no liability for any damages, claims and liabilities arising out of the City's failure to comply with its obligations under this Agreement.

(d) Notwithstanding any provision of this Agreement to the contrary, neither party to this Agreement shall be liable for any lost or prospective profits or any other indirect, consequential, special, incidental, punitive, or other exemplary losses or damages, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, regardless of the foreseeability or the cause thereof.

(e) In addition, in no event shall CBRE incur liability under this Agreement or otherwise relating to, arising out of, or in connection with the provision of the Services hereunder beyond the fees actually received by CBRE under this Agreement.

(f) Except to the extent expressly set forth in this Section 13.02, the City shall be fully responsible for its use of the work product and deliverables provided by CBRE under this Agreement.

13.03 Survival. The provisions of Section 13.02 shall survive the expiration of the term or termination of this Agreement.

13.04 City's Right to Decide. CBRE acknowledges and agrees that the City shall decide whether or not to implement the recommendations and advice given by CBRE as part of the Services in the City's sole discretion, and CBRE shall bear no liability to the City as a result of any such decision of the City.

14.00 INDEMNITY

The City and CBRE will each indemnify, defend and hold harmless each other and each other's officers, directors, employees, contractors and subcontractors from and against any and all damages, claims and liabilities arising from or in connection with the death or bodily injury of any agent, employee, customer or other person, or the damage, loss or destruction of any real or physical personal property, caused by the tortious conduct of the indemnifying party or its representatives, or any inaccurate information given by the City or CBRE to the other of them, or for any breach of this Agreement by the either of them.

The City further agrees to indemnify, defend and hold harmless CBRE and its officers, directors, employees, contractors and subcontractors from and against any and all damages, claims and liabilities arising from the accuracy of information supplied by the City, to CBRE and any misstatement or misrepresentation of fact related thereto.

The indemnity provided herein shall include all reasonable legal fees, disbursements and related H.S.T., or other taxes payable, in connection therewith.

15.00 TERMINATION

Subject to section 8.02, this Agreement and the Services provided hereunder may be terminated by the City or CBRE, if CBRE or the City defaults in any material respect in the due performance or satisfaction by the City or CBRE of any material term, covenant or agreement contained in this Agreement to be performed or satisfied by the City or CBRE, including non-performance of the Services, and if such default is not remedied within thirty (30) days of receipt by the party in default of written notice from the other party of such default, by delivering to the

defaulting party a termination notice, such termination to be effective three (3) months following the date of the termination notice.

16.00 NOTICES

All notices or other communications required or permitted under this Agreement shall be in writing and shall be sent by a nationally recognized courier service or personally delivered (including by means of professional messenger service), or sent by registered or certified mail, postage prepaid, return receipt requested, or sent by facsimile transmission and promptly confirmed in writing, or sent by means of electronic mail to the addresses set forth below, and shall be deemed received when actually received.

To The City: The City of London Realty Services
220 Dundas St. 6th Floor
London, Ontario
N6A 1H2

Attn: Manager of Realty Services
Telephone: 519 661-2500 ext. 5445
Facsimile: 519 661-5087
Email: xxxxx

To CBRE: CB Richard Ellis Limited
150 Dufferin St.
Suite 602
London, Ontario
N6A 5N6

Attn: Peter Whatmore
Telephone: (519) 673-6444
Facsimile: (519) 673-6948
Email: peter.whatmore@cbre.com

17.00 GENERAL PROVISIONS

17.01 Governing Law: This Agreement shall be governed by and construed and interpreted in accordance with the Laws of the Province Ontario. In addition, the parties hereto agree to comply with all applicable federal, provincial and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties.

17.02 Amendment and Modification: This Agreement may be amended or modified only by written agreement of CBRE and the City.

17.03 Assignment. This Agreement is a contract for Services to be provided by CBRE for the benefit of the City. The rights hereunder may not be assigned, nor the duties delegated, to any third party without the prior written consent of the City, except that the Services may be performed by employees of CBRE or its affiliates.

17.04 Severability. If any one or more of the provisions contained in this Agreement shall be adjudged illegal or unenforceable in whole or in part, such adjudication shall not affect the validity of any other provision of this Agreement. Each provision of this Agreement is severable from every other provision and constitutes a separate and distinct covenant.

17.05 Entire Agreement: This Agreement sets forth the entire Agreement and understanding of the parties hereto in respect of the subject matter contained herein, and supersedes all prior agreements, promises, covenants, arrangements, communications, representations and warranties, whether oral or written, by any officer, employee or representative of any party hereto.

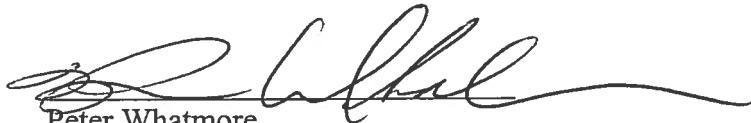
17.06 Counterparts: This Agreement and any Schedules attached hereto may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement.

Dated at London this 2 day of November, 2010.

CB RICHARD ELLIS LIMITED

Per:



Peter Whatmore
Vice President, Managing Director
Southwestern Ontario

Dated at London this 11th day of November, 2010.

**THE CITY CORPORATION OF THE
CITY OF LONDON**

Per:




Anne Marie DeCicco-Best, Mayor

Per:



Catharine Saunders, City Clerk

CITY SOLICITORS OFFICE CITY OF LONDON	
DATE	<u>Nov 3/2010</u>
APPROVED AS TO FORM ONLY	

SCHEDULE "A"

Scope of Services

CBRE, in its capacity as the City's Agency of Record, through its account team will provide the following scope of services to The City's Realty Service Division (and related service lines) as required in its effort to maximize savings, efficiencies and communications. The description below is of a general nature, and where the city has a specific requirement, CBRE will prepare a written proposal governed by the terms of this Agreement, which describes the details of the services which are to be delivered, including the proposed deliverables, work plan, schedule and team. CBRE will provide the City with regular reports on any activities and work being undertaken for the City, as outlined in the written proposal provided.

Strategic Advisory and Consulting:

- Portfolio optimization
- Requirements definition, occupancy and needs analysis
- Location analysis
- Workplace and headquarters solutions
- Real estate organization and strategy, including the potential establishment of a Development Corporation
- Development of options analysis, business case and financial modeling and analysis to support decision-making

Transaction Management, Brokerage

- Transaction requirements definition
- Definition of search criteria and objectives
- Analysis of suitability of individual properties for the City's use
- Management of the offer and negotiation process for purchase, lease or sale of real estate
- Documentation of the transaction

Research and Analysis:

- Market research and analysis
- Preparation of reports on real estate market conditions
- Land use and site analysis

Project Management:

- Strategic planning for major projects
- Program of works requirements
- Support to site selection and capital program development
- Assembly of a project team, including specialist consulting expertise like architects, engineers, interior designers etc,
- Project / program budget and schedule development
- Service and materials procurement
- Design and construction oversight
- Relocation oversight
- Commissioning and certification
- Value Engineering and constructability reviews

SCHEDULE "B"

Fee Schedule

CBRE will be entitled to the following fees for the performance of services pursuant to this Agreement.

Transaction Management / Brokerage	Hourly Rate
Senior Vice President	\$300
Senior Broker	\$250
Agent	\$150
Research/Analysis/Reporting	
Senior Research Analyst	\$200
Research Analyst	\$100
Strategic Advisory/Consulting	
Managing Director	\$250-\$300
Director	\$200-\$225
Senior Consultant	\$150-\$175
Analyst	\$100-\$150
Subject Matter Experts (if required)	\$200-\$350
Project Management	
Senior Executive	\$200
Director	\$175
Senior Project Manager	\$145
Project Manager	\$110
Project Coordinator	\$80

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TO:	CHAIR AND MEMBERS BOARD OF CONTROL SEPTEMBER 29, 2010
FROM:	TOM JOHNSON MANAGING DIRECTOR CORPORATE ASSTS
SUBJECT	REQUEST FOR PROPOSAL 10-25 REALTY SERVICES AGENCIES OF RECORD

RECOMMENDATION

That, on the recommendation of, the Managing Director of Corporate Assets, on the advice of the Acting Manager of Realty Services the following actions **BE TAKEN** with respect to the Request for Proposals 10-25, Realty Services Agency of Record:

- a) The proposal submitted by C B Richard Ellis in response to the Request for Proposals for Realty Services Agencies of Record, **BE ACCEPTED**;
- b) The Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with this project, and
- c) The approval hereby given **BE CONDITIONAL** on the Corporation entering into a formal contract with the successful proponent, or having purchase orders issued relating to the subject matter of this approval.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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None

BACKGROUND

Request for Proposals:

As a result of a need for support services in real estate a Request for Proposals was issued to identify individuals or organizations in the real estate industry that could provide real estate services support to the City on an as needed basis in an Agency of Record capacity. The successful proponent would be expected to provide support in the following areas:

- Evaluation and negotiation of leasing or property acquisition opportunities for the City, including future locations for City staff and services;
- Research and analysis with respect to the possible redevelopment opportunities in the downtown including the potential acquisition of properties in the downtown area;
- Coordination of strategic partnerships between the City and external parties;
- Analysis of offers to purchase or lease received by the City;
- Regular reporting on progress to Council and senior management.

Purchasing Process:

A Request for Proposal was issued August 25, 2010 for Realty Services Agency of Record. In total six (6) submissions were received.

The Proposals were evaluated using criteria that required each evaluator to comprehensively

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review several factors within a number of key areas including:

- Experience of the Proponent and, if applicable, its employees;
- Proven ability of the Proponent to respond quickly to the City's requirements;
- Proponent's experience with the evaluation, negotiation and processing of realty transactions;
- Proponent's proven ability to analyze information and provide recommendations.
- Proponent's proven experience in effective project management.
- Proponent's proposed hourly rates/fees structure.
- Track record of providing quality service.

Based on the review of the submitted proposals, the proponants were shortlisted to three (3) to be interviewed. Following the interview stage, C B Richard Ellis (CBRE) is being recommended.

CBRE is the largest commercial real estate company in Canada and is a leading provider of real estate outsourcing services and provides real estate and economic consulting services to public, private and not for profit sector clients throughout Canada, including municipal, provincial and federal entities.

The evaluation and interview process was completed by representatives from the City's Asset Management, Realty Services, Legal and Purchasing departments.

Financial Impact:

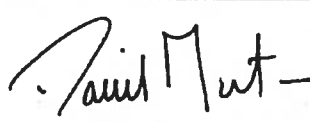

Operating costs associated with this project will be based on the hourly rates provided in the CBRE submission. Funding for this project will be allocated from within existing budgets. No new funding is required.

Conclusion:

Comprehensive, transparent and open, the Agency of Record process provided the City with an opportunity to identify a well qualified agency. CBRE clearly demonstrated that they can effectively respond to the City's needs on very short notice.

Acknowledgements

This report was prepared with assistance of Terri Sue Wyatt, Purchasing and Supply.

PREPARED BY:	RECOMMENDED BY:
	
DAVID MOUNTEER ACTING MANAGER REALTY SERVICES	TOM JOHNSON MANAGING DIRECTOR, CORPORATE ASSETS

DGM
c.c. John Freeman

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TO:	CHAIR AND MEMBERS FINANCE AND ADMINISTRATION COMMITTEE MEETING ON AUGUST 17, 2011
FROM:	TOM JOHNSON MANAGING DIRECTOR - CORPORATE ASSETS
SUBJECT:	UPDATE ON REALTY SERVICES AGENCY OF RECORD

RECOMMENDATION

That on the recommendation of the Managing Director – Corporate Assets, this report **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Municipal Council Resolution October 5, 2010 appointing C B Richard Ellis as Agency of Record for Realty Services

BACKGROUND

In August 2010, we issued an RFP for an Agency of Record to support Realty Services in the following activities:

- Evaluation and negotiation of leasing or property acquisition opportunities for the City, including future locations for City staff and resources;
- Research and analysis with respect to the possible redevelopment opportunities in downtown, including the potential acquisition of properties in the downtown area;
- Coordination of strategic partnerships between the City and external parties;
- Analysis of offers to purchase or lease received by the City; and
- Regular reporting on progress to Council and senior management.

In October, 2010, the proposal of CB Richard Ellis (CBRE) was accepted for a term of 3 years expiring on December 31, 2013. The RFP contemplated annual fees in a range of \$75,000 to \$90,000. Any fees incurred were to be accommodated within existing budgets.

Since their appointment, we have been utilizing the expertise of CBRE to assist in the development of options for the renovation or relocation of City Hall. CBRE presented their report to Finance and Administration Committee in February of 2011.

Following that report, CBRE have continued to provide assistance in responding to Council's direction to undertake the development of a strategic master plan for the City's space needs. The scope of the work for this project is greater than what was originally anticipated at the time of the RFP and has included, for example, significant consultation with community leaders to determine if opportunities for partnerships existed in the redevelopment of space needs, as well as, assisting with the planning and delivery of the Downtown Core Summit.

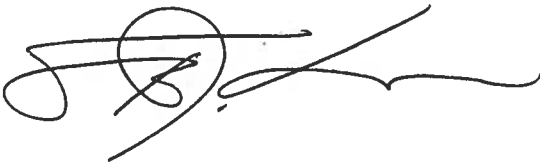
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In 2011, we have incurred fees for this work to June 30 of approximately \$90,000 with a further \$80,000 estimated to be required for the completion of this phase of the work. Any further fees in 2011 will depend on what further actions Council takes following the tabling of the report which is planned for September, 2011.

All fees incurred to date and projected to be incurred for the remainder of this phase of the study will be accommodated within existing budgets.

RECOMMENDED BY:

TOM JOHNSON - MANAGING DIRECTOR CORPORATE ASSETS

Copy to: Jeff Fielding, Chief Administrative Officer
Bill Warner, Manager, Realty Services
Judy Amoils, CB Richard Ellis