

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 19, 2013

Item 9, Report No. 9, of the Committee of the Whole, which was adopted, as amended, by the Council of the City of Vaughan on March 19, 2013, as follows:

By approving the following in accordance with Communication C6, from the Commissioner of Engineering and Public Works, dated March 12, 2013:

- 1. That GHD Inc. be retained to provide professional consultant services for Asset Management Strategy (Phase 1) in the City of Vaughan (RFP13-001) in the amount of \$411,255.16, plus applicable taxes and administration recovery;***
- 2. That a contingency allowance in the amount of \$45,000.00, plus applicable taxes and administration recovery be approved within which the Commissioner of Engineering and Public Works or his designate is authorized to approve amendments to the contract;***
- 3. That the amounts of the above recommendations, illustrated within this report, be funded by Capital Budget Project No. EN-1958-13, including all contingency allowances, applicable taxes and administration recovery; and***
- 4. That the Mayor and City Clerk be authorized to sign the appropriate documents.***

**9 SELECTION OF PROFESSIONAL CONSULTANT SERVICES
FOR ASSET MANAGEMENT STRATEGY (PHASE 1) IN THE CITY OF VAUGHAN
RFP13-001**

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Commissioner of Engineering and Public Works, dated February 26, 2013:

Recommendation

The Commissioner of Engineering and Public Works in consultation with the Director of Purchasing Services recommends:

- 1. That Request for Proposal 13-001 for the Asset Management Strategy (Phase 1) in the City of Vaughan be brought forward to Council on March 19, 2013, for authorization of award.**

Contribution to Sustainability

An integral part of a sustainable city is effective asset management, assuring the management of the City's assets maximize the return on the capital and operating investments, and continue to provide optimal service to its residents. Phase 1 of the City's corporate asset management initiative is to develop a strategy to build the processes, tools and resources for the long-term.

Economic Impact

The economic impact to the City is unknown at this time, however, all costs associated with this assignment will be established and brought forward to the March 19, 2013 Council meeting.

Communications Plan

Not applicable at this time.

CITY OF VAUGHAN

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Purpose

To inform Council of the status of award of Request for Proposal 13-001, Asset Management Strategy (Phase 1) in the City of Vaughan.

Background - Analysis and Options

The development of a Corporate Asset Management System is a strategic initiative identified within Vaughan Vision 2020

One of the strategic initiatives identified by Council, within the Vaughan Vision 2020, is the implementation of a corporate asset management system. A corporate asset management system will create a consistent and standardized approach throughout the organization for the management of infrastructure and equipment, while allowing the flexibility to interpret and apply different practices for the various infrastructure classes.

Asset management can be defined as an integrated, lifecycle approach to effective stewardship of infrastructure assets that will maximize benefits, manage risk and provide appropriate levels of service to the public, in a sustainable and environmentally responsible manner.

The City owns a variety of assets which will be included in this initiative

The City owns a significant portion of public infrastructure that encompasses many different asset classes. As identified through the reporting requirements of PSAB 3150, a variety of assets, varying in both age and value, have been included in this initiative, including:

- Municipal Buildings – Community Centres, Libraries and Fire Halls
- Parks – Trees, Playground Equipment, and Benches
- Fleet – Vehicles and Equipment
- Road Network – Bridges, Sidewalks and Streetlights
- Water Distribution System – Hydrants, Valves and Water Services
- Storm Water System – Storm Water Management Ponds, Inlet/Outlet Structures
- Waste Water Collection System – Manholes, Pumping Stations
- Information Technology – Computers, Servers, Telephones and Equipment

Staff throughout the organization manage all of the City's assets

Municipalities are the stewards of the infrastructure they own. The value of the assets owned by the City exceeds \$2.89B. These assets are actively managed by a variety of departments within the organization. In the absence of a corporate asset management strategy, each department may manage assets differently applying varying levels of asset management principals. As a result, staff have identified the following benefits of a corporate asset management system.

- Integrate information across departments and commissions
- Optimize decision making
- Enrich long-term asset management planning
- Consistent and uniform financial reporting
- Present comparable information between competing projects

Future Provincial capital funding requests will be dependant on municipalities having a detailed asset management plan

The Government of Ontario – Ministry of Infrastructure recently released “Building Together, Guide to Municipal Asset Management Plans”. This plan sets out a strategic framework that will

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 19, 2013

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guide future investments in ways that support economic growth, are fiscally responsible and respond to changing needs. In addition, the document states *“We are moving toward standardization and consistency in municipal asset management. The first step is requiring any municipality seeking provincial capital funding to prepare a detailed asset management plan and show how its proposed project fits within it.”* As a result, the corporate asset management strategy will align with this provincial document to ensure that the City can capitalize on any potential future funding opportunities.

An integrated Corporate Asset Management approach will be implemented in three phases over the next four years

The Asset Management Strategy will outline a structured set of actions to be undertaken by the City to modify or improve its asset management capabilities and implement the most appropriate asset management system. Phase 1, the focus of this assignment, will include the following:

- Developing common goals and objectives
- Define the City's future vision of asset management
- Document and assess current status of City's asset management practices
- Refine the data requirements and level of service for all City assets
- Analyze the gap between the required level and current status of the City's asset inventory to achieve the future vision
- Identify and evaluate strategies and actions required to close the gaps, including resource requirements and timeframes, and
- Recommend the most appropriate asset management governance model for the City and strategies to implement the preferred model

Phases 2 and 3 will take the recommendations of Phase 1 and form the basis for the implementation phases of this initiative. Phase 2 of the asset management initiative will include procurement of the required resources, including the asset management system software and further data collection required for the system. Phase 2 is scheduled to commence in 2014. Phase 3 will include system implementation and integration, lifecycle optimization of assets, ongoing system refinement and ongoing data collection. Phase 3 is scheduled to commence in 2015.

Request for Proposal 13-001 was issued and recommendation for award will be brought forward for Council's consideration at the March 19, 2013 meeting

Proposals were solicited from qualified consultants to assist in the preparation of a comprehensive corporate asset management strategy. Award of this project will be recommended to the highest ranked proponent.

In response to the Request for Proposal 13-001, that was issued on January 14, 2013, submissions were received from the following consultants:

1. GHD Inc.
2. KPMG
3. Optimus SBR Inc.
4. Prior & Prior Associates Ltd.
5. Urban & Environmental Management Inc.

A meeting was held on February 20, 2013 with the Evaluation Committee, comprising of representatives from Engineering Services, Public Works, Parks and Forestry Operations, Information and Technology Management, Budgeting & Financial Planning and Purchasing Services, to review and evaluate the submitted proposals.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 19, 2013

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A standardized two stage scoring and ranking system is being used, whereby:

Stage 1 – Proposal Evaluation: 100 Points

Stage 2 – Presentation/Interview Evaluation: 25 points

The highest scoring proposals were short-listed for consideration in Stage 2 – Presentation/Interview Evaluation. The presentation/interview will serve as the mechanism for further evaluation of the Proposals of short-listed Proponents at an in-depth and more detailed level in order to establish the finalist for Preferred Proponent status. The Stage 2 evaluations are scheduled for the week of February 25, 2013.

Additional information will be provided for this item, after the proposals have been evaluated, for Council's consideration at the March 19, 2013 meeting. The assignment is scheduled to commence in early April, with an anticipated completion date in November, 2013.

Relationship to Vaughan Vision 2020/Strategic Plan

In consideration of the strategic priorities related to Vaughan Vision 2020, the recommendations of this report will assist in maintaining assets and infrastructure; priorities previously set by Council. The overall asset management process will take into account the City's objectives and strategic initiatives, such as Vaughan Vision 2020, Green Directions Vaughan and Vaughan's Financial Master Plan, and determines how these rely on infrastructure, and then develop a plan to provide the supporting infrastructure services at the lowest lifecycle cost.

Regional Implications

Not Applicable.

Conclusion

To be submitted to Council at the March 19, 2013 meeting, after the received bids have been evaluated.

Attachments

Not Applicable.

Report prepared by:

Vince Musacchio, P. Eng., PMP, Manager of Capital Planning and Infrastructure, ext. 8311



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Item # 9
Report # 9

DATE: March 12, 2013

TO: Mayor and Members of Council

COUNCIL – March 19, 2013

RE: **COUNCIL MEETING – MARCH 19, 2013
SELECTION OF PROFESSIONAL CONSULTANT SERVICES
FOR ASSET MANAGEMENT STRATEGY (PHASE 1) IN THE CITY OF VAUGHAN
RFP13-001**

Recommendation

The Commissioner of Engineering and Public Works in consultation with the Director of Purchasing Services and the Director of Budgeting and Financial Planning recommends:

1. That GHD Inc. be retained to provide professional consultant services for Asset Management Strategy (Phase 1) in the City of Vaughan (RFP13-001) in the amount of \$411,255.16, plus applicable taxes and administration recovery;
2. That a contingency allowance in the amount of \$45,000.00, plus applicable taxes and administration recovery be approved within which the Commissioner of Engineering and Public Works or his designate is authorized to approve amendments to the contract;
3. That the amounts of the above recommendations, illustrated within this report, be funded by Capital Budget Project No. EN-1958-13, including all contingency allowances, applicable taxes and administration recovery; and
4. That the Mayor and City Clerk be authorized to sign the appropriate documents.

Contribution to Sustainability

An integral part of a sustainable city is effective asset management, assuring the management of the City's assets maximize the return on the capital and operating investments, and continue to provide optimal service to its residents. Phase 1 of the City's corporate asset management initiative is to develop a strategy to build the processes, tools and resources required.

Economic Impact

The total project cost of \$480,000.00 falls within the approved budget amount and as such, there is no additional economic impact to the 2013 Capital Budget Project No. EN-1958-13.

Communications Plan

Not applicable at this time.

Purpose

To obtain approval to retain GHD Inc. for Asset Management Strategy (Phase 1) in the City of Vaughan, as detailed in the Terms of Reference for RFP13-001.

Background - Analysis and Options

Proposals were evaluated and staff recommends that the City of Vaughan Corporate Asset Management Strategy (Phase 1) be awarded to GHD Inc.

Proposals were solicited from qualified consultants to assist in the preparation of a comprehensive corporate asset management strategy. Award of this project will be recommended to the highest ranked proponent.

The Request for Proposal was advertised on Bidding and OPBA website on January 14, 2013 and CityPage on January 17, 2013, with a closing date of February 8, 2013. Two (2) Addenda have been issued to clarify Proponent's questions and extend the closing date to February 11, 2013. The RFP document was picked up by thirty-two (32) firms, and Proposals were received from the following five (5) Proponents:

1. GHD Inc.
2. KPMG
3. Optimus SBR Inc.
4. Prior & Prior Associates Ltd.
5. Urban & Environmental Management Inc.

A meeting was held on February 20, 2013 with the Evaluation Committee, comprising of representatives from Engineering Services, Public Works, Parks and Forestry Operations, Information and Technology Management, Budgeting & Financial Planning and Purchasing Services, to review and evaluate the submitted proposals.

The proposals were evaluated using the following criteria:

Item	Criteria	Points
1	Qualifications and Experience	30
2	Quality of the Proposal	15
3	Project Management	25
4	Financial	30
	Sub-Total	100
5	Short-List Discussions/Interviews/Presentations	25
	GRAND TOTAL	125

Three (3) highest scoring proposals were short-listed for Discussions/Interviews/Presentations. The Discussions/Interviews/Presentations served as the mechanism for further evaluation of the proposals of short-listed Proponents at an in-depth and more detailed level in order to establish the finalist for Preferred Proponent status. The Discussions/Interviews/Presentations of the evaluation process was conducted on February 28 and March 1, 2013.

The proposal from GHD Inc. reflected the best balance of a project team demonstrating a high degree of qualifications and expertise with a high level of experience undertaking similar studies with other municipalities/organizations. The GHD Inc. proposal outlined a comprehensive approach to developing a targeted corporate strategy reflecting Vaughan's current practices and future needs with all of Vaughan's stakeholders. Finally, the GHD Inc. proposal reflected the most appropriate allocation of the necessary

resources to the various phases or study tasks to ensure the completion of this undertaking within the City's aggressive timelines.

Based on the evaluation of the proposals, it is recommended that the proposal submitted from GHD Inc. be accepted and that an Agreement be executed.

The total estimated cost for the corporate asset management strategy – phase 1, including all applicable taxes is \$480,000.00, and is calculated as follows:

GHD Inc. fee (excl. H.S.T.)	\$411,255.16
Contingency Amount (approx. \pm 10%)	\$ 45,000.00
Sub-Total	\$456,255.16
Non- recoverable H.S.T. (1.76%)	\$ 8,030.10
Total	\$464,285.26
Administration Recovery (3%)	\$ 13,928.56
Net Total Cost	\$478,219.82

ROUNDED \$480,000.00

PROJECT FUNDING POSITION SUMMARY	
CAPITAL PROJECT	EN-1958-13
Approved Budget	\$500,000.00
Less: Total Assignment Cost	\$480,000.00
Balance Remaining	\$ 20,000.00

A total contingency amount of \$45,000.00 (approximately 10% of the bid price) is requested to address any unforeseen work in completing the scope of this project. Upon the completion of the project, any residual funds will be transferred back to the original funding source to be utilized for the future phases of the corporate asset management initiative.

Relationship to Vaughan Vision 2020/Strategic Plan

In consideration of the strategic priorities related to Vaughan Vision 2020, the recommendations of this report will assist in maintaining assets and infrastructure; priorities previously set by Council. The overall asset management process will take into account the City's objectives and strategic initiatives, such as Vaughan Vision 2020, Green Directions Vaughan and Vaughan's Financial Master Plan, determines how these rely on infrastructure and develop a plan to provide the supporting infrastructure services, at the lowest lifecycle cost.

Regional Implications

Not Applicable.

Conclusion

Staff recommends that the Asset Management Strategy (Phase 1) in the City of Vaughan assignment be awarded to GHD Inc., in the amount of \$411,255.16, plus applicable taxes and administration recovery.

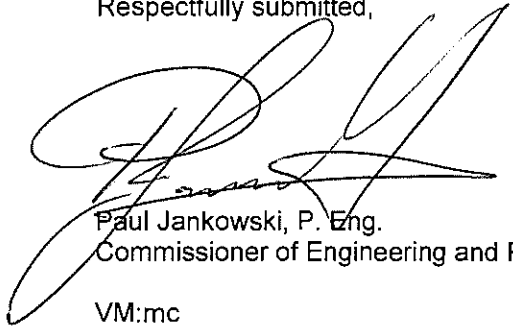
Attachments

Not Applicable.

Report prepared by:

Vince Musacchio, P. Eng., PMP, Manager of Capital Planning and Infrastructure, ext. 8311 27

Respectfully submitted,

A large, stylized handwritten signature in black ink, likely belonging to Paul Jankowski. The signature is fluid and cursive, with a prominent loop at the end.

Paul Jankowski, P. Eng.
Commissioner of Engineering and Public Works

VM:mc

A handwritten signature in black ink, likely belonging to Jack Graziosi. The signature is cursive and includes a small mark at the end, possibly a dash or a flourish.

Jack Graziosi, P. Eng.
Director of Engineering Services

COMMITTEE OF THE WHOLE - FEBRUARY 26, 2013

SELECTION OF PROFESSIONAL CONSULTANT SERVICES FOR ASSET MANAGEMENT STRATEGY (PHASE 1) IN THE CITY OF VAUGHAN RFP13-001

Recommendation

The Commissioner of Engineering and Public Works in consultation with the Director of Purchasing Services recommends:

1. That Request for Proposal 13-001 for the Asset Management Strategy (Phase 1) in the City of Vaughan be brought forward to Council on March 19, 2013, for authorization of award.

Contribution to Sustainability

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Regional Implications

Not Applicable.

Conclusion

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Attachments

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Report prepared by:

Vince Musacchio, P. Eng., PMP, Manager of Capital Planning and Infrastructure, ext. 8311

Respectfully submitted,

Paul Jankowski, P. Eng.
Commissioner of Engineering and Public Works

Jack Graziosi, P. Eng.
Director of Engineering Services

VM:mc