

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, Deputy City Manager, Finance Supports

Subject: Corporate Asset Management Plan Development (RFP 2022-049)

Date: March 28, 2022

Recommendation

That on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken with respect to RFP 2022-049, Corporate Asset Management Plan Development:

- a) The proposal submitted by GM BluePlan Engineering Limited, Royal Centre, 650 Woodlawn Road W., Guelph, Ontario N1K 1B8, for the provision of professional services with respect to the development of the updated Corporate Asset Management Plan at their proposed fees of \$217,195.00 excluding HST, **BE ACCEPTED** in accordance with section 12.0 of the Procurement of Goods and Services Policy;
- b) The financing for the project **BE APPROVED** as set out in the Source of Financing Report attached hereto as Appendix "A";
- c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with the submitted proposal;
- d) the approval hereby given **BE CONDITIONAL** upon the City of London entering into a formal agreement or having a purchase order, or contract record relating to the subject matter of this approval; and,
- e) the Mayor and the City Clerk **BE AUTHORIZED** to execute any contract, statement of work or other documents, if required, to give effect to these recommendations.

Executive Summary

The City requires an updated Corporate Asset Management (CAM) Plan by July 2023 that aligns with O.Reg. 588/17. The timelines covered in this CAM Plan should align with the City's next Multi-Year Budget which will cover 2024 to 2027 and include a 10-year capital forecast from 2022 to 2031. The City of London issued a Request for Proposal (RFP 2022-049) to seek support from consultant firms who are both interested and capable of undertaking the project. GM BluePlan Engineering Limited was rated as the successful candidate through the City's procurement process. The required project cost as per RFP 2022-49 is \$217,195.00 excluding HST for supporting the City Corporate Asset Management Plan.

Linkage to the Corporate Strategic Plan

Council's 2019-2023 Strategic Plan for the City of London identifies 'Building a Sustainable City' and 'Leading in Public Service' as strategic areas of focus. Updating the Corporate Asset Management (CAM) Plan in 2023 supports these strategic areas of focus of all City infrastructure via the strategic priority "London's infrastructure is built, maintained, and operated to meet the long-term needs of our community" which include 'Maintain or increase levels of service', 'Manage the infrastructure gap for all assets', and 'Increase access to information to support community decision making' as strategic priorities. Respectively these strategies are ensuring the decisions for City's finances are transparent, comprehensive across all infrastructure owned by the City, and are well

planned to keep costs as low as possible with the intention to limit the burden on current and future rate payers.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- July 26, 2021, Report to Corporate Services Committee – Corporate Asset Management Plan 2021 Review
- May 31, 2021, Report to Corporate Service Committee - Agency, Board, and Commission Asset Management Maturity Assessment Review.
- September 8, 2020, Report to Corporate Services Committee – Corporate Asset Management Plan 2020 Review
- August 26, 2019, Report to Strategic Priorities and Policy Committee - 2019 Corporate Asset Management Plan
- April 8, 2019, Report to Strategic Priorities and Policy Committee – Corporate Asset Management Policy

1.2 Ontario Regulation 588/17

Ontario Regulation 588/17 – Asset Management Planning for Municipal Infrastructure, under the *Infrastructure for Jobs and Prosperity Act, 2015* (O.Reg. 588/17), came into force on January 1, 2018. It sets out requirements and deadlines for municipal asset management plans and policies. The regulation helps to improve the way municipalities plan for their infrastructure. It builds on the progress municipalities have made while bringing consistency and standardization to asset management plans to help spread best practices throughout the sector and enable the collection of comparable data.

As of March 15, 2021, the Ministry of Infrastructure has amended O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure to extend the timelines under the regulation by one year. The regulation now outlines the following timelines:

- July 1, 2022: an asset management plan in respect of the core municipal infrastructure assets
- July 1, 2024: an asset management plan in respect of all other assets
- July 1, 2025: an asset management plan with proposed level of services

The City of London prepared its Corporate Asset Management Plan (CAM Plan) in 2019 meeting Phase 1 of the Regulation for directly owned City asset well ahead of O.Reg. 588/17 timelines. O.Reg. 588/17 requires the City to update its CAM Plan every 5 years; however, the decision is to continue updating the CAM Plan every four years, in tandem with the multi-year budget process. The City of London requires an updated CAM Plan by July 2023 compliant with and ahead of the O.Reg. 588/17 Phase 3 to inform the next 2024-2027 Multi-Year Budget and include a capital forecast to 2031. The CAM Plan update is also to fulfil the commitment of providing comprehensive CAM Plan updates at regular intervals of four to five years as indicated in the CAM Policy commitments and as required by Ontario asset management regulation O.Reg. 588/17.

1.3 London's Corporate Asset Management Plan

The updated CAM Plan will leverage the 2019 CAM Plan and its annual updates when preparing the analysis of core and non-core assets. The CAM Plan will cover the following elements:

Introduction: It provides an overview of the CAM Plan; its purpose and goals, where it fits with other strategic planning initiatives of the City of London, the scope and duration, the development methodology with its limitations and the need for enhancements, and updates and monitoring.

State of London Infrastructure: It speaks to the asset inventory, its value, condition, age distribution, how London stores its asset data and lessons learned about current

asset management practices at the City of London. It also defines and projects the infrastructure funding gap between current investment plans and future infrastructure needs.

Current Levels of Service: It discusses the current level of service information, existing trends and what the future will look like. In addition, a risk analysis and criticality assessment will be conducted in the context of prioritizing expenditures to address any funding shortfalls for different service areas.

Proposed Levels of Service: It discusses the proposed level of service information and if it is affordable by the City. It will identify the proposed performance and cost for each level of service metric, per year, for a 10-year period (as applicable) separated into capital expenditures and significant operating costs.

Lifecycle Management Strategy: It defines the detailed measures, data sources, targets, and relevant criteria used to drive decisions; as well as how long-term capital plans are developed, including trigger points where condition, risk, and capacity drive the needs to rehabilitate or replace an asset. It further defines the set of lifecycle activities required to maintain the current level of service over the next 10 years.

Financing Strategy: It provides the approach to funding the needs of the asset base to achieve service delivery goals. Moreover, it aims to enhance existing financial practices to effectively fund infrastructure. In addition to sustaining service delivery, funding is needed to address the growing infrastructure gap identified in the State of Infrastructure section.

The consultant will perform duties to ensure the City of London is compliant with O.Reg. 588/17 Phases 1, 2 and 3 for the following five (5) service areas and nineteen (19) sub-services/divisions directly owned and managed by the City of London.

Service Area	Services	Sub-Services / Divisions	Area Type
Environment and Infrastructure	Water, Wastewater, and Stormwater Services	Water	Core Assets
		Wastewater – Sanitary	Core Assets
		Stormwater	Core Assets
	Transportation and Mobility Services	Roads & Structures	Core Assets
		Traffic	Non-Core
	Climate Change, Environment, and waste Management Services	Solid Waste	Non-Core
	Parks and Forestry Services	Parks	Non-Core
Urban Forestry		Non-Core	
Planning and Economic Development	Municipal Compliance	Parking Services	Non-Core
	Municipal Housing Development	Housing Development	Non-Core
Neighbourhood and Community-Wide Services	Recreation and Sport Services	Recreation	Non-Core
	Culture Services	Culture Facilities	Non-Core
	London Fire Department	Fire	Non-Core
Social Health and Development	Long Term Care	Long Term Care	Non-Core
Corporate-Wide Support	Fleet and Facilities Services	Facilities	Non-Core
		Fleet	
	Information Technology Services	Information Technology	Non-Core
	Emergency Management & Security Services	Emergency Management & Security Services	Non-Core
	Land	Land	Non-Core

2.0 Discussion and Considerations

2.1 Procurement Process and Consultant Selection

Corporate Asset Management in conjunction with Purchasing & Supply Operations advertised for Consulting Services for the Corporate Asset Management Plan through a Request for Proposal (RFP) process, section 12.0 of the Procurement of Goods and Services Policy. The RFP requested that Proponents submit a proposal with pricing to support the development of a CAM Plan supportive of O.Reg. 588/17. This method of procurement was selected to help ensure that staff could fairly evaluate the submissions in all of the key areas including any value-added factors that were to be considered as part of the final selection.

The submissions were reviewed by a panel of City of London representatives from Purchasing & Supply Operations, Finance Support, and Environment and Infrastructure divisions to ensure compliance with the requirements. The evaluation team received two submissions and scored the proponents based on a predetermined list of criteria and also considered the value-added elements that each proponent provided.

The evaluation panel selected the GM BluePlan Engineering Limited proposal at a price of \$217,195.00 excluding HST. The GM BluePlan Engineering Limited proposal scored the highest in the competition and offered the most complete package in the following key areas:

- Project Staff qualifications and expertise
- Previous Experience & Quality of Submission
- Project Understanding
- Approach and Methodology

The following table shows the list of evaluation criteria and their weights

Category	Weighting
Project Staff qualifications and expertise	15%
Previous Experience & Quality of Submission	25%
Project Understanding	10%
Approach and Methodology	25%
Financial Proposal	25%
Total	100%

3.0 Financial Impact/Considerations

3.1 Consultant Fees

The required project cost as per RFP 2022-49 is \$217,195.00 excluding HST, which is within the approved budget. The capital funds required for supporting the development of the Corporate Asset Management Plan was approved in the 2020 – 2023 Multi Year Budget.

Conclusion

Civic Administration is seeking the support of Council to award the contract for the Corporate Asset Management Plan Development to GM BluePlan Engineering Limited. After careful evaluation by a committee comprised of representation from Purchasing & Supply Operations, Finance Support, and Environment and Infrastructure divisions the CAM Plan proposal submitted by GM BluePlan Engineering Limited is being recommended.

Prepared by: Khaled Shahata, PhD, P. Eng.
Manager III, Corporate Asset Management

Submitted by: Paul Yeoman, RPP, PLE
Director, Capital Assets and Projects

Recommended by: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Financial Supports

Attached - Appendix "A" Source of Financing

Appendix "A"

#22043

March 28, 2022
(Award Contract)

Chair and Members
Corporate Services Committee

RE: RFP 22-049 Corporate Asset Management Plan Development
(Subledger NT22GG03)
Capital Project GG1346 - Corporate Asset Management Development
GM BluePlan Engineering Limited - \$217,195.00 (excluding HST)

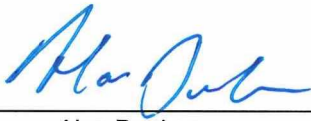
Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this purchase can be accommodated within the financing available for it in the Capital Budget, and that, subject to the approval of the recommendation of the Deputy City Manager, Finance Supports, the detailed source of financing for this purchase is:

Estimated Expenditures	Approved Budget	Committed To Date	This Submission	Balance for Future Work
Consulting	300,000	0	221,017	78,983
City Related Expenses	250,000	23,809	0	226,191
Total Expenditures	\$550,000	\$23,809	\$221,017	\$305,174
Sources of Financing				
Capital Levy	550,000	23,809	221,017	305,174
Total Financing	\$550,000	\$23,809	\$221,017	\$305,174

Financial Note:

Contract Price	\$217,195
Add: HST @13%	<u>28,235</u>
Total Contract Price Including Taxes	245,430
Less: HST Rebate	<u>-24,413</u>
Net Contract Price	\$221,017



Alan Dunbar

Manager of Financial Planning & Policy

HB