

REPORT

REPORT TO: Chair and Members of the Community and Corporate Affairs Committee

REPORT FROM: Dharmen Dhaliah, Corporate Asset Manager

DATE: February 4, 2019

REPORT NO.: RP-2019-0005

RE: Capital Investment Planning Optimized Decision Making Tool Implementation – Award of Single Source Contract

RECOMMENDATION:

THAT Report No. RP-2019-0005 dated February 4, 2019 regarding the Town's Capital Investment Planning Optimized Decision Making Tool Implementation – Award of Single Source Contract be received;

AND FURTHER THAT the Manager of Purchasing be authorized to issue a single source purchase order to GM BluePlan Engineering, 410 Lewis Road, Unit 18, Stoney Creek, ON. L8E 5Y7, to an upset limit of \$61,570 plus HST.

BACKGROUND:

To meet the requirements of **O.Reg.588/17: Asset Management Planning in Municipal Infrastructure** the Town of Halton Hills is progressing with the development and implementation of its Corporate Asset Management (CAM) program. On June 25, 2018 Council endorsed the Town of Halton Hills Corporate Asset Management Policy through Resolution 2018-0114. The Policy outlines the Town's commitment and mandated requirements for asset management to meet the strategic objectives and priorities.

Another major component of the CAM program has just been completed, namely the Town's State of Infrastructure (SOI) Report (also on the Community and Corporate Affairs Agenda: Report No. RP-2019-0001). The SOI Report developed by R.V. Anderson Associates Limited provides a 'snapshot' of the current state of infrastructure repair and includes a comprehensive asset inventory, the current condition and risks of the assets, the estimated asset service life, and estimated rehabilitation and replacement costs required to maintain these assets in order to maintain required levels of service while minimizing risks.

On July 20, 2018 GM BluePlan Engineering was awarded a contract in the amount of \$48,960 through the Town's bidding process (RFP No. P-066-18) to develop a Corporate Fleet Management Strategy in order to streamline and standardize current fleet management practices across all service areas as well as recommend an implementation strategy to create a more efficient and cohesive Town wide fleet management approach. Part of the deliverables of the Corporate Fleet Management Strategy project is an Optimized-Decision Making (ODM) application that will help the Town make better informed decisions on when to invest in fleet assets based on fleet condition, levels of service and risk consequences. It allows to build different scenarios of capital investment and to see the short-term and long-term impacts on the Town's assets/Levels of Service (LOS) and capital budgets.

The ODM application is a specialized and innovative tool developed by GM BluePlan Engineering and is already being implemented in Waterloo Region, Peel, Guelph, London, and Metro Vancouver. GM BluePlan is a leader in Ontario in developing and implementing the ODM tool.

GM BluePlan (GMBP) Engineering also supported the Town to develop a LOS Framework for all service areas that are supported by infrastructure assets as part of the FCM's Municipal Asset Management Program LOS project.

As part of the CAM program the Town would like to roll out the same ODM tool in a standard manner to all its other asset classes and service areas as part of its Capital Investment Planning (CIP) process.

COMMENTS:

Currently the Town is in the process of reviewing its Capital Investment Planning (CIP) process for its current assets to include all the elements of the SOI Report, the levels of service requirements and risk consequences. This will help better understand the financials, identifying the impact on the Town's budget plans and make informed decisions in putting together future capital budgets for existing assets.

Optimized Decision Making tool is a key component of the CIP process and the linchpin to bring all the above elements together (See Appendix A). Forward focused asset investment planning provides time to make good decisions and plan and coordinate activities in an effective and efficient manner. At the core of the investment planning process is the ODM application, which will provide information and rationale to better understand the relationship between infrastructure-related expenditures, levels of service (LOS) provided and risks.

So far the SOI Report has compiled a robust data set on the current state of infrastructure. This combined with the LOS metrics provide a strong foundation on which to develop a tailored analytical process that will enable the Town to forecast LOS in future years based on planned expenditures, which is one of the core requirements of

O.Reg.588/17. Understanding the consequence of an asset failing to provide its intended service is foundational to prioritizing infrastructure expenditures. The ODM tool provides an operationalized approach to Level of Service that results in the delivery of capital and operating budget line items complete with priorities, costs and timing over both a short and long-term horizon. The Tool will provide the ability to determine the best way to spend money on the Town's assets to prevent condition/LOS from decreasing over a project time horizon.

The ODM Tool will help the Town in its Capital Investment Planning process to determine how to best spend its money to manage assets affordably and achieve optimized Level of Service targets over time.

Capital Investment Planning is a key component of the Town's Strategic Asset Management Plan (SAMP) and Long Range Financial Plan (LRFP) as shown in Appendix A.

RELATIONSHIP TO STRATEGIC PLAN:

The ODM Tool is an integral part of the CAM Program which aligns with the Town of Halton Hills Strategic Action Plan related to Municipal Service Delivery, Financial Sustainability and Sustainability:

1. Effective, efficient and economical delivery of the Town's existing services;
2. Establish sustainable financing, asset management and master plans to acquire, operate, maintain, renew and replace infrastructure;

FINANCIAL IMPACT:

There is no direct financial impact associated with this report. Funding for this scope of work was approved as part of the 2019 Capital Budget (Asset Management Data Analysis). The cost of the project will be funded from the Ontario Community Infrastructure Fund (OCIF) for which this type of project is fully eligible under asset management planning expenditures.

CONSULTATION:

The CIP process and ODM approach has been discussed and reviewed with Town staff as part of the CAM program road map during the Asset Management Network Team, Corporate Asset Management Steering Committee, Senior Management Team and other departmental meetings. The Manager of Purchasing is in agreement with this award.

PUBLIC ENGAGEMENT:

Not applicable.

SUSTAINABILITY IMPLICATIONS:

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report advances the Strategy's implementation.

This report supports the Economic Prosperity pillar of Sustainability and in summary the alignment of this report with the Community Sustainability Strategy is Good.

COMMUNICATIONS:

Staff from all departments submitting capital plans including Finance will be involved in the roll out of the ODM tool.

CONCLUSION:

The Optimized Decision Making Tool will be a key source of information to be used during the development of the Town's capital budget and ten-year capital plan. It will play an instrumental role in prioritizing capital projects and ensuring that capital investment are made based on an optimized decision making model to make best use of the Town's available funds.

Staff recommend the approval of the sole source award to GM BluePlan as they are currently engaged by the Town through a competitive process, and offer a specialized and innovative decision making tool. The scope of work will allow staff to continue progress with the CAM program and be in compliance with the O.Reg.588/17: Asset Management Planning in Municipal Infrastructure.

Reviewed and Approved by,



Dharmen Dhaliah, Corporate Asset Manager



Warren Harris, Commissioner of Recreation and Parks



Brent Marshall, CAO