

Request for Decision City Council





Type of Decision									
Meeting Date	June 14, 2006				Report Date	June 8, 2006			
Decision Requested	X	Yes		No	Priority	X	High		Low
	Direction Only				Type of Meeting	X	Open		Closed

Report Title
Award of Contract for Update to Appraisals - Municipal Buildings

Budget Impact / Policy Implication		Recommendation	
X	This report has been reviewed by the Finance Division and the funding source has been identified.		
<p>Sufficient funding for this undertaking is available in the Property Evaluation Reserve which was established for this purpose.</p> <p>Future Budget Impact</p> <p>Sufficient funding exists within the operating budget.</p>		<p>THAT the RFP for Update of Building Replacement Cost Appraisal Services be awarded to Suncorp Valuations Ltd. in the amount of \$166,500 + GST; and</p> <p>THAT Suncorp Valuations Ltd. also conduct an Asset Management Audit on ten (10) identified buildings for an amount of \$60,100 + GST; and</p> <p>THAT appraisal update services be provided annually by Suncorp Valuations Ltd. for an additional four (4) years in the amount of \$12,000 + GST per annum.</p>	
X	Background Attached		Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Lorella Hayes Chief Financial Officer / Treasurer	 Mark Mieto Chief Administrative Officer

Date: June 8, 2004

Report Prepared By	Division Review
 David Canniff Risk Management/Insurance Officer	 Cheryl Mahaffy Manager of Financial Planning & Policy/Deputy Treasurer

BACKGROUND:

The City of Greater Sudbury has insurable assets in excess of \$765 million. These assets encompass numerous facilities required to provide and support municipal services. In accordance with a prudent risk management strategy, the City of Greater Sudbury undertook an RFP for Municipal Building Appraisal Services in 2003. Best practice suggests all buildings be physically inspected and reappraised every three (3) years to ensure that the City is not over insured and paying excess premiums or under-insured and being at risk in the event of a loss.

With this direction, the City of Greater Sudbury advertised and issued a Request for Proposal for Update to Appraisals - Municipal Buildings (Contract CPS06-04) on April 27, 2006 with a closing date of May 16, 2006. Bids were received by four (4) vendors.

Unlike the original RFP of 2003, the 2006 version additionally requested that an Asset Management Audit be undertaken for ten (10) identified buildings in order to gain some synergies. A Comprehensive Asset Management Plan provides an analysis and report of the expected life cycle costs of existing building infrastructure.

The Finance Division coordinated content and issuance of this RFP with Asset Division since there are many benefits of this service. The Finance Division is required to keep current insurable values on all buildings. The Asset Division has to commence an undertaking of Asset Management or life cycle costs of assets. Further, there will also be the need for Finance to capture information on tangible capital assets in response to the expected changes to financial reporting requirements. The detail of information that will be collected and shared from this Appraisal Service is very valuable and has benefit to all three endeavours.

The ten buildings scheduled for a review under the Comprehensive Asset Management Plan are:

- 1) Sudbury Arena
- 2) Tom Davies Square
- 3) Kelly Lake Waste Water Treatment Facility
- 4) Wahnapiatae Water Treatment Plant
- 5) Lionel Lalonde Centre
- 6) David Street Water Treatment Plant
- 7) Mackenzie Street Library
- 8) Ellis Water Reservoir
- 9) Val Caron Waste Water Treatment Facility
- 10) Chelmsford Waste Water Treatment Facility

Date: June 8, 2004

The Asset Management Plan consists of the development of expected life cycle costs for the above noted buildings. This includes the assessment of the age, physical condition, replacement cost and projected replacement date of the various building construction and services elements.

Results

The 2006 bids for building appraisal services varied from a low of \$134,200 to a high of \$347,220 before taxes. Proponents were scored on a maximum of 100 points based on experience of the firm (20), experience of lead person and staff involved (25), approach to meet our requirements and schedules (25), local storefront service (10) and cost (20).

The evaluation committee was comprised of David Canniff, Risk Management/Insurance Officer, Ed Stankiewicz, Coordinator of Current Budget, Ed Vildis, Capital Projects Coordinator and Darryl Mathe, Manager of Supplies and Services. Based on the scoring of the committee, Suncorp received the highest score with a total of 81. This was followed by Loss Control Consultants with a score of 76, Castellan + James Architects Inc in conjunction with Polestar CM Inc at 64 and Metrix Realty Consulting Inc with 47.

The bid by Suncorp was \$183,000 (including \$18,000 of disbursements) before taxes for building appraisals. The inclusion of the Asset Management Plan added another \$66,100 (including \$6,100 of disbursements) before taxes for a total of \$249,100.

The RFP had a requirement that all data and reports be submitted to the City by October 2, 2006. A Last and Final Offer was negotiated with the inclusion of an extended services delivery date of November 15, 2006 for a savings of 10% on fees (discount does not include disbursements) or a revised total of \$226,600 all in before GST. The extended deadline did not present any issue with internal conflicts or commitments to our insurers. The evaluation committee recommends acceptance of this revised offer.

Suncorp has been in business since 1960. It is a Canadian company with offices across the country, United States and alliances in Great Britain and Hong Kong (China). It serves a diverse group of corporate clients including numerous municipalities across Canada. Four of the recent Ontario clients includes the City of London, Sault Ste. Marie, Toronto and Dryden.

Annual Updates

Upon review of municipal practices across Canada and the business cases presented in the RFP, an option to include services for annual appraisal update services was considered. Update services address ongoing property and economic changes that impact insurance values. This includes building additions, modifications or upgrades. It also includes currency fluctuations, labour cost fluctuations, building materials price fluctuations and price changes for machinery equipment. As mentioned previously, best practices would require a full updated appraisal be completed every three years. By way of detailed annual appraisal updates, the period for appraisals can be extended to five years from the current three. In fact if price fluctuation factors are relatively low and steady over the five year period, a complete appraisal can be deferred another two years.

With annual updates, the City is still within recognized municipal best practices and also compliant with the commitments to our insurers.

Date: June 8, 2004

The updated appraisal services would cost an additional \$12,000 plus GST for each of the next 4 years, for a total of \$48,000 plus GST. Therefore, annual updates have been recommended.

SUMMARY

Two hundred and ninety-five thousand dollars (\$295,000) has been accumulated for this contract with the funding coming from the Property Evaluation Reserve. This amount was based on the need for appraisals to be done every three years.

The total cost of this proposed five year service agreement is \$274,600 plus GST - \$226,600 in 2006 and \$12,000 in 2007, 2008, 2009 and 2010. It includes 2006 building appraisal services, asset management services for ten itemized buildings and annual update services. This represents a significant savings going forward over the next 5 years. At present, we contribute just under \$100,000 per year to the reserve to purchase the appraisal service.

We recommend that the RFP for an update of Building Replacement Cost Appraisal Services, the development of an Asset Management Plan for the ten (10) identified buildings, and annual update services be awarded to Suncorp Valuation Ltd.

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Type of Decision									
Meeting Date	June 14, 2006				Report Date	May 24, 2006			
Decision Requested	x	Yes		No	Priority	x	High		Low
	Direction Only				Type of Meeting	x	Open		Closed

Report Title
Request for Proposal to Provide Security Patrol for Parks Services

Budget Impact / Policy Implication	Recommendation
<p>X This report has been reviewed by the Finance Division and the funding source has been identified.</p> <p>Provides for the awarding of the Parks Services security contract for 2006 in the amount of \$67,415.04. As part of the 2006 Budget Enhancement, City Council approved a one-time allocation of \$100,000 to provide security patrol for Parks Services. Therefore, there would be no budget impact. Should Council decide to continue security services beyond the one [1] year allocation and should the services be acceptable, the contract with Securitas Canada can be extended to 2010 as per the Request For Proposal's terms and conditions.</p>	<p>That Securitas Canada be awarded Contract #CDS06-11 in 2006 to provide security patrol for Parks Services and should the services be acceptable and funding be approved, the contract can be renewed for a period of up to five [5] years.</p>
<p>X Background Attached</p>	<p>Recommendation Continued</p>

Recommended by the Department	Recommended by the C.A.O.
<p><i>C Matheson</i></p> <p>Catherine Matheson General Manager of Community Development</p>	<p><i>Mark Mieto</i></p> <p>Mark Mieto Chief Administrative Officer</p>

Date: May 24, 2006

Report Prepared By	Division Review
 Kevan Moxam Manager of Parks Services	 Réal Garré Director of Leisure Services

BACKGROUND

The Community Development Department, Leisure Services Division, received complaints in 2004 and 2005 related to park security, particularly at the Bell Park walkway, Memorial Park, Nephawin Park Beach, Moonlight Beach and at several neighbourhood playgrounds located throughout the City. Council approved \$100,000 as part of the 2006 Budget Enhancement to implement a Park Security Program. This would include a Stationary Security Program at Bell Park from 6 p.m. to 2 a.m., seven days a week and two mobile guards on a schedule from 7 p.m. to 3 a.m., seven days a week, patrolling sites pre-selected by Parks Services. Sites would include Moonlight Beach, Memorial Park, Nephawin Park Beach, Civic Memorial Cemetery and other park facilities located throughout the City. The programs will operate for four [4] months [May to September].

In addition to the Parks Security Program, the department has worked closely with the Greater Sudbury Police Services to continue bicycle patrols at Bell Park, increase enforcement and to provide security training to parks staff.

Request For Proposal

The Request For Proposal #CDS06-11 was issued on May 2, 2006 to determine the successful bidder providing security patrol for Parks Services.

The following two bids were received and opened on May 16, 2006: Securitas Canada and G4S Security Services. These firms were evaluated on price, cost [30 pts], experience, reference [40 pts] and qualification of security staff [30 pts].

Out of 100 pts in the evaluation grid, Securitas Canada scored 86 pts and G4S Security Services scored 30 pts.

Award contract for 2006

During the 2006 budget deliberations, Council allocated a one-time funding in the amount of \$100,000 for security patrol for Parks Services. The lowest bid was \$67,415.04 and therefore, there is sufficient funding for 2006.

Award contract for 2006, 2007, 2008 with option for 2009 and 2010

Since funding has been allocated for 2006 only, Council may award the tender for the full term contingent on permanent funding for this service being approved in the 2007 budget. Therefore, it is recommended that Request For Proposal Contract #CDS06-11 be awarded to Securitas Canada for three [3] years with an option to renew for an additional two [2] years.