

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 3, 2011

Item 1, Report No. 12, of the Finance and Administration Committee, which was adopted, as amended, by the Council of the City of Vaughan on May 3, 2011, as follows:

By approving the recommendation of the Commissioner of Finance/City Treasurer, the Commissioner of Legal & Administrative Services & City Solicitor, the Commissioner of Engineering & Public Works and the Operational & Compliance Auditor, dated April 29, 2011; and

By receiving Communication C9, from the Commissioner of Finance/City Treasurer, the Commissioner of Legal & Administrative Services & City Solicitor, the Commissioner of Engineering & Public Works and the Operational & Compliance Auditor, dated May 2, 2011.

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**REQUEST FOR PROPOSAL AWARD – RFP 11-135
PROFESSIONAL CONSTRUCTION COST AUDIT SERVICES
FOR THE NEW CITY HALL CONSTRUCTION PROJECT**

The Finance and Administration Committee recommends:

- 1) That consideration of this matter be deferred to the Council meeting of May 3, 2011; and
- 2) That the following deputations be received:
 1. Mr. Richard Lorello, 235 Treelawn Blvd., P.O. 927, Kleinburg, L0J 1C0;
 2. Mr. Nick Pinto, West Woodbridge Homeowners Association, 57 Mapes Avenue, Woodbridge, L4L 8R4; and
 3. Ms. Maxine Povering, 48 Ohr Menachem Way, Thornhill, L4J 8X7.

Recommendation

The Commissioner of Finance/City Treasurer, the Commissioner of Legal & Administrative Services & City Solicitor, the Commissioner of Engineering & Public Works and the Operational & Compliance Auditor, in consultation with the City Manager and the Director of Purchasing Services, recommend:

That Commercial Cost Control Inc. be retained to conduct a Professional Construction Cost Audit for the New City Hall Construction Project, for a cost of \$148,195 (Excluding HST), subject to satisfactory reference checks.

Contribution to Sustainability

Not Applicable.

Economic Impact

The cost of the audit of the New City Hall overrun will be charged to the 2011 revised capital budget of \$122.6M for the new city hall. The revised budget includes \$4.3M of estimated additional costs, which are still under review. Subsequent to the finalization of the additional construction costs relative to the \$4.3M of budgeted estimated costs, it will be determined if there is a requirement for additional funding for the audit.

Communications Plan

The final audit report will be available to the public as an agenda item for the Finance and Administration Committee.

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Purpose

The purpose of this report is to seek Council approval to retain Commercial Cost Control Inc. to complete an audit of the New City Hall cost overrun based on the results of Request for Proposal (RFP) 11-135.

Background – Analysis and Options

On March 8, 2011 Council passed a resolution to conduct an audit with respect to the New City Hall project cost overrun. The terms of reference for the request for proposal (RFP) were confirmed by Council on March 29, 2011.

The RFP for the audit was released on April 4, 2011 and closed at 3:00 pm on April 20, 2011. The RFP was advertised on the Electronic Tendering Network (Bidingo), the Ontario Public Buyers Association website and the City of Vaughan website.

A total of 16 sets of RFP packages were picked up. On April 20, 2011, the City of Vaughan received 5 compliant bids from the following companies:

- Deloitte & Touche
- Commercial Cost Control Inc.
- Altus Group
- Mutual Gain Inc.
- Duggan Rhodes Group

In addition, a proposal from Fort Hill Associates was received 36 minutes after the bid closing time, and was rejected and returned unopened to the proponent.

The evaluation team, comprised of the Commissioner of Finance/City Treasurer, the Commissioner of Legal & Administrative Services & City Solicitor, the Commissioner of Engineering & Public Works and the Operational & Compliance Auditor reviewed the submissions on April 21, 2011. Manager of Purchasing/Contracting Services coordinated the RFP, proposal submissions, evaluation and interview processes. The proposals were evaluated based on the following criteria as provided in the RFP document:

- Qualification and Experience of the Team – 40%
- Experience of the Firm – 15%
- Methodology, Work Plan and Timelines – 30%
- Cost/Fee – 15%

Based on the evaluation team's review, the two highest ranked proponents were short listed and invited to an interview with the evaluation team to clarify and confirm their proposals. The interviews took place on April 27, 2011.

Following the interviews the evaluation team re-confirmed the original RFP review ranking, that Commercial Cost Control Inc. (CCC) scored the highest ranking for the cost overrun audit for the New City Hall project. The evaluation team is satisfied that CCC has met the required qualifications and has the necessary experience to complete the audit. The evaluation team recommendation to retain CCC is subject to the reference checks that are being conducted at the time of writing this report.

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Commercial Cost Control Inc.

Commercial Cost Control Inc. is a construction advisory firm, with offices in Georgia, Michigan, Texas, Arizona and Pennsylvania. CCC has been in business since 1996 and specializes in providing owners with financial recovery, audit and professional services in the areas of construction and cost segregation. CCC’s construction consulting practice performs construction controls and costs assessment, project planning, project process improvement and project reviews for both domestic and international project owners.

CCC’s proposal and interview presentation demonstrated their clear understanding of the RFP’s requirements, and their relevant knowledge, professionalism and experience in the construction audit field the evaluation team met and interviewed CCC’s team lead, who will be on-site in Vaughan for much of the audit engagement. The CCC team lead is located in Pennsylvania, and has extensive experience in consulting engineering, construction audits and project control and project management for projects between \$50M to \$1.2B.

The total cost to complete the audit, inclusive of reimbursable expenses, and applicable fees and taxes (HST) is summarized in Table 1 below:

RFP 11-135 Professional Construction Cost Audit for the New City Hall Construction Project	
Financial Summary	Commercial Cost Control Inc.
CCC Fees	\$141,520.00
CCC Reimbursable Expenses	\$6,675.00
Sub-total	\$148,195.00
Non-Rebateable Portion of HST (1.76%)	\$2,608.23
Sub-total	\$150,803.23
Treasury Administration (3%)	\$4,524.10
Total Cost	\$155,327.33

The above bid from CCC is a “Not to exceed” engagement price.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council.

Regional Implications

Not applicable.

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Conclusion

The evaluation team recommends that Commercial Cost Control Inc, the highest ranking proponent for RFP 11-135, “Professional Construction Cost Audit for the New City Hall Construction Project” be retained.

Attachments

Not applicable.

Report prepared by:

Barb Cribbett, Commissioner of Finance/City Treasurer