



**C15**  
**Communication**  
**Council – September 24, 2024**  
**CW(1) – Report No. 27 Item No. 6**

**DATE:** September 24, 2024

**TO:** Mayor and Members of Council

**FROM:** Vince Musacchio, Deputy City Manager, Infrastructure Development

**RE: COMMUNICATION – COUNCIL - September 24, 2024**

**Item 6, Report 27**

**PREPARATION OF CONSTRUCTION COST INDEX FOR DEVELOPMENT PROJECTS**

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## **Background**

Staff have been asked by Council to provide additional information further to the report to Committee of the Whole 1 regarding the Single Source procurement of the preparation of the construction cost index for development project. Specifically, Council asked for further information related to the feasibility of the work being completed by internal City Staff in lieu of an external consultant and how the recommended Consultant was determined.

## **Analysis**

Staff have reviewed and analyzed the feasibility of completing the Construction Cost Index Study (CCIS) internally and externally. Ultimately there are two (2) factors that the analysis focused on: overall schedule and impact to service levels. Staff also reviewed and analyzed the discussions surrounding the intent behind the single source award of the CCIS. Staff do not recommend having the work done internally as conducting the work internally would impact current service levels for day-to-day business and may delay delivery of the study.

### *Schedule and Service Levels*

The scope of the CCIS requires a wide range of multi-disciplinary expertise from professionals in civil and electrical engineering, landscape architecture, and financial sectors. This is required in order to more accurately review and evaluate these costs to generate the respective development agreements with a land developer to secure for municipal lands and infrastructure. While City Staff have the required expertise to review these items as part of development agreement production, leading this assignment would impact development application review response times.

The schedule of the CCIS is anticipated to take 9 months to complete if managed by an external consultant. Alternatively, it is expected to take internal staff one year to complete the assignment. An alternative approach could be to procure and hire new staff to complete this work in 2025, including a dedicated project manager and varying subject matter experts. However, it is Staff's opinion that this is not an efficient approach to simply complete a one-time study, or ultimately open a new bid process which will delay the project start.

### *Single Source Award Questions*

Council also asked about the rationale for providing a single-source award of the CCIS. In particular, Mayor Del Duca asked for additional information related to HDR's rationale for not responding to the original RFP. As noted within the original report to the Committee of the Whole, the bid process was open for three weeks where City received questions regarding the RFP and provided responses through issuing an addendum to the RFP. Given that the bid closed without receiving submissions, Staff contacted the plan takers, including HDR Corporation, to determine the justification for not bidding. HDR Corporation was the only firm to respond to staff's questions where they noted some concerns with the City's standard contract language within the original contract. A clarification was provided and was sufficient for HDR Corporation to want to submit a bid for the work. Given their abilities as a multi-disciplinary organization with relevant experience of completing studies for the City of Vaughan and other municipalities in the Greater Toronto Area, it was Staff's view that that a Single Source Award is justified to prevent risk of delaying the project.

Council further asked whether Staff considered if a competitive bid was now not possible. Council could direct Staff to proceed with a new competitive process, or, in the alternative, Staff could proceed with an invitational tender to the three original plan takers. In any event, either undertaking a new RFP or invitational tender would likely take upwards of 8 weeks to complete.

### *Financial Correction*

Staff had originally identified that the funding for the CCIS would be provided by the Streamline Development Approval Fund (SDAF) through the Province of Ontario. However, it was identified that the project is already funded through an approved capital project and therefore the SDAF is not available for this project.

## **Conclusion**

Based on the Analysis provided, it is recommended that Council direct Staff to proceed with the Construction Cost Index Study (CCIS) via a Single Source Award to HDR Corporation. This recommendation considers the ability for internal staff to undertake this work under service level and scheduling considerations and concludes that the CCIS completed by an external consultant provides better value to the City.

For more information, contact Frank Suppa, Director, Development Engineering Department, ext. 8255

Respectfully submitted by

A handwritten signature in black ink, appearing to read "V. Musacchio". The signature is fluid and cursive, with a prominent initial "V" and a long, sweeping underline.

Vince Musacchio, Deputy City Manager, Infrastructure Development