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**Subject:** Engineering Roster Extension – Water, Wastewater, Transportation, Waste Management and Facilities

**Report to:** Corporate Services Committee

**Report date:** Wednesday, July 14, 2021

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## **Recommendations**

1. That the 2019 Niagara Region engineering roster for Water, Wastewater, Transportation, Waste Management and Facilities (2019-RFPQ-173) **BE EXTENDED** from July 31, 2021, to December 31, 2021 (5 months).

## **Key Facts**

- The purpose of this report is to seek Council's approval to extend the current roster of engineering service providers which is set to expire on July 31, 2021, to December 31, 2021 (5 months).
- Niagara Region remains committed to improving service delivery and driving efficiency through the implementation of the initiatives outlined herein, which support successful outcomes for Regional projects.
- In accordance with Section 20 (h) of Niagara Region's Procurement 02-2016 (as amended on February 28, 2019), the roster for professional or specialized services shall be updated at least once every two (2) years.
- There are no formal agreements associated with the Roster which would need to be amended to reflect the extension (if approved, the commencement of next consultants roster will better align with Niagara Region's 2022/2023 planned/scheduled capital program.)

## **Financial Considerations**

The Successful Roster Listing shall be utilized by Regional staff for projects as needed. Staff may utilize the list to issue Request for Quotes (RFQ), Request for Tenders (RFT), Request for Proposals (RFP) or direct award any assignment as prescribed by the Regions Procurement By-Law.

Under the current engineering roster, Procurement confirms that since July 31, 2019, a total of 88 separate procurements have been completed with an award value of \$13,100,610.

## **Analysis**

The purpose of this report is to seek Council's approval to extend the current roster which is set to expire on July 31, 2021, to December 31, 2021. In accordance with Section 20 (h) of Niagara Region's Procurement 02-2016 (as amended on February 28, 2019), the roster for professional or specialized services shall be updated at least once every two (2) years, hence the report and the recommendation herein.

On April 26, 2019, Niagara Region issued Request for Supplier Qualifications 2019-RFPQ-173, an invitation to prospective firms to pre-qualify for eligibility to provide Management Consulting Services for Water, Wastewater, Transportation, Waste Management & Facilities projects in 2019-2021.

The Procurement process closed on May 24, 2019, and at the conclusion of the evaluation process, a successful roster listing was established with a commencement date of August 1, 2019. The current roster is segregated into twenty-nine (29) distinct Categories: ten (10) distinct categories for Water and Wastewater, seven (7) for Transportation, one (1) distinct category for Waste Management and eleven (11) distinct categories for Facilities.

Procurement confirms that in the time between the expiration of the previous roster (June 30, 2019) and the commencement date of the current roster (August 1, 2019), Niagara Region entered a "grey period" whereby the then current roster was allowed to expire and was not leveraged further during the month of July 2019 (no roster procurement/assignments).

As the current procurement was a non-binding Request for Pre-Qualification process, no agreements were executed between Niagara Region and the successful Proponents and as such any extension to the current roster (if approved) would not result in any amending agreements.

On December 17, 2020, a committee of representatives from Procurement and Public Works met to commence preparation for the new roster procurement. To date, meetings have been held to consider improvements and innovative approaches to this latest iteration of the roster at both the initial pre-qualification and subsequent 2<sup>nd</sup> stage processes.

Staff remain committed to improving the overall roster process and to date, those conversation continue to evolve on matters related to the flexibility of the roster process

and the ability for staff to further leverage the roster in a manner that is consistent with the current procurement by-law. Staff are confident that this up-front investment in time will directly result in an improvements in use of the roster over this and future roster assignments.

Staff have engaged in discussions on how to best optimize the functionality of the roster. The primary objective is to implement a roster system which is efficient, flexible, delivers best value to Niagara Region, and is compliant with procurement policies and retains the integrity of the roster process. The benefits of the revised roster system include issuing a larger number of projects, reducing the time required to issue a project, simplifying the process for rostered firms, and increasing effective administration and management of the roster.

There are several examples of Ontario municipalities that employ a roster system to select engineering consultants. Both the City of Hamilton and City of Toronto have long-standing consultant rosters as part of their procurement options. Staff are modelling Niagara Region's roster on the successful roster system both of these municipalities have employed over the last ten (10) years.

A number of key principles are required for a roster to function effectively. It is the goal of staff that Niagara Region's roster abides by the following principles: fair vendor registration; impartial evaluation of all vendors; selection of competent firms; fair evaluation of rostered candidates; equal distribution and responsible management of roster assignments; and maintaining proper documentation and administration of the roster including compliance with all applicable Procurement policies and by-laws.

Staff is proposing that three key components of the current roster require adjustment:

1. A crucial element to improve the efficiency and effectiveness of the roster would be to increase the direct assignment limit. The current limit of \$25,000 is insufficient since a large proportion of potential roster assignments exceed the current direct award limit which means those assignments become a formal Request for Quote process.
2. The implementation of a comprehensive oversight structure related to the administration of the roster. This would include dedicated roster captains being responsible for overseeing their respective roster categories; tracking of roster assignments; conducting regular roster audits; and annual reporting.
3. It is proposed that the revised roster system be adjusted to include a financial evaluation which is based on an average score. It is anticipated that employing

average scoring for financials will improve the quality of submissions, and the cost of assignments should be more reflective of the actual work required to complete the assignment. Further, this change should assist in reducing or eliminating the number of requests for added or expanded costs once the work has commenced.

Staff are currently reviewing all of the elements identified above. It is anticipated that over the next several months a new system will be developed which will serve to optimize the Niagara Region's current roster.

### **Alternatives Reviewed**

Similar to 2019, the current engineering roster could expire. Staff would enter a period where the current roster would not be leveraged and any interim procurements would be facilitated outside of the roster as open and formal, until such time as the new roster procurement is complete.

Staff are not recommending this option as:

- It would increase the workload for Project Managers as it would likely trigger an increase in the number of proposals (i.e. between 15-20 in some cases) received from Proponents for most assignments which would need to be reviewed and evaluated between now and the end of the year;
- During the construction season, Project Managers spend the majority of their time managing projects on-site. The remainder of their time is applied to managing staff, managing future projects that are in the design phase and supporting projects that are in the Environmental Assessment planning phase. It is not effective to use more of their time to review multiple proposals for each assignment; and
- If the roster remains in place, staff can take a subset of the project list and send the RFP's out in an equitable manner, which cuts down on the amount of reviews per assignment.

### **Relationship to Council Strategic Priorities**

While Procurement & Strategic Acquisitions and its related activities align with many of Council's 2019-2022 Strategic Priorities, the engineering consulting roster aligns with Sustainable and Engaging Government, specifically objective 4.1: High Quality, Efficient and Coordinated Core Services, which promote an organizational culture that values continuous improvement, collaboration, and innovation.

## **Other Pertinent Reports**

N/A

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### **Submitted by:**

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## **Appendices**

N/A