

**Minutes of the Operational Review Committee
Meeting Held
Monday, October 17, 2016**

Present:

Councillor Maroosis, Committee Chair
Councillor Anthony, Committee Member
Councillor King, Committee Member
Councillor Serran, Committee Member
Councillor Bain, Committee Member
Mayor McDonald, Committee Member
Councillor Forgette
Councillor Vrebosch
Councillor Mayne (5:50 – 6:41 pm)
Lea Janisse, Interim Chief Administrative Officer
David Euler, Managing Director of Engineering, Environmental Services and Works
Adam Lacombe, Senior Capital Program Engineer
Jason Whiteley, Fire Chief
Jaclyn Bucik, Communications Officer
Gord Mulcahey, Executive Member North Bay Professional Firefighters'
Association

Regrets:

Brian Phillips, President CUPE Local 122

Special Review Committee Chair, George Maroosis, called the meeting to order at 5:14 p.m.

1. Adoption of Minutes:
The Minutes of September 26, 2016 and Minutes of October 3, 2016 were approved by the Committee and will be presented to Council on October 31, 2016.
2. Business Arising from Minutes:
There was no business arising from the Minutes.
3. Operational Review of Corporate Services.
David Euler re: Engineering, Environmental Service and Public Works.
Adam Lacombe was present in relation to the "Capital Works" and "Development Review" presentations. Copies of the PowerPoint presentations were provided to the Committee.
 - (i) "Capital Works"
 - A pictorial description of the Lakeshore Overpass Project, the Worthington Street/Ferguson Street Intersection Project and the John Street Project was provided.
 - Engineering oversees many core phases in Capital Projects: Environmental Assessment, Design, Scheduling and Quality Assurance to name a few.
 - Are parts of Capital Works contracted out?

- ❖ Yes. We do not have all of the necessary resources in-house therefore do contract out for some services.
- Engineering Services works on an average of 34 projects per year with 4-5 staff leads overseeing the projects.
 - How far back is the project backlog?
 - ❖ The oldest project dates back to 2009 however most projects are dated 2014-2015.
 - Are the 2016 projects going to be added to the backlog?
 - ❖ Not all projects are construction. The budget gets readjusted as priorities shift. We have very few projects that are shovel-ready.
 - There are 37 projects in the 2016 budget recommendation. How many are new?
 - ❖ The Budget shows how each project is ranked. More information can be provided next week.
 - Are new builds ranked higher than re-builds?
 - ❖ The Projects are not all growth and rehabilitation. The need is reviewed and presented to council.
 - ❖ We don't prioritize all 200 active projects according to ranking. We look at strategic investment, new build/growth, rehabilitation and maintenance
 - Who makes the decision according to new build verses rehabilitation?
 - ❖ Recommendations are made to the Chief Administrative Officer, Chief Financial Officer and Senior Management Team for presentation to Council. Ultimately it is Council who makes the final decision.
 - Will the Burn Building scheduled for 2016 be moved to 2017?
 - ❖ Every year is a new budget year and priorities are determined by Council.
- In-House vs. Contracted Services. We are still contracting out quite a bit of work. Although we contract out for some services such as soil samples there is still a requirement for City Project managers.
 - Why don't we contract out?
 - ❖ It is more expensive. We could end up spending considerable time on quality control and managing time overseeing the consulting firm.
 - Is their work warrantied? Are we covered?
 - ❖ We do require that contactors have Errors and Omissions Insurance when working on all projects otherwise the costs will pile up.
 - Is there a way that we can RFP vs. Tender? Do we include a request for their qualifications?
 - ❖ In one example the contractor was not able to meet the design request. We conduct an evaluation process when determining successful proponents based on past practice.
 - Is RFP the way to go?
 - ❖ Tender is what we do but for a design project we go RFP.
 - Do you require specialized skills? I.e. a Bridge Engineer?

- ❖ We have contracted out for resources we have in house however we do not have these resources internal.
- Have we done a cost comparison with other northern cities?
 - ❖ The rates are expected to be similar. We do meet with our counterparts frequently and we do discuss and compare costs. We are average in what we are doing. If we can get our projects out first we can get a better price.
- When you do a project do you assess what is needed in advance?
 - ❖ Yes. We complete a geo-technical survey to determine what is needed. The success of which is determined on the number of drills made in the process. We have learned that if we do a good job on the geotechnical phase then the chances of delivering in the overall project are better.
- How much of the project estimates include potential extras?
 - ❖ In a \$4 million job we might have a contingency of about \$200,000.00-\$300,000.00 plus reserve other items that ensure that risks are covered. For example, in a linear project, a provisional item is added to ensure that we could handle capacity in the event of risk. i.e. The Water Plant project.
- Warranty is where we often get feedback from the public such as the quality of asphalt in roads. Could you explain the warranty aspect of projects?
 - ❖ Generally speaking we seek a one year warranty, sometimes a 2 year warranty. This depends on what we pay for the completion of Quality Assurance testing of the asphalt.
- Who completes the Quality Assurance testing?
 - ❖ A Geo-technical Consultant. They test the compaction and asphalt degradation etc. Before laying the asphalt a sample of the base compaction and depth is measured.
- Have we decided to go for a better asphalt quality?
 - ❖ When we see cracking in roads it is not always the asphalt. Sometimes it is the compacting and the base that is falling apart. In some cases it is a good idea to "shave and pave". In other cases it is not a good idea. Our inspections are done by third party companies. They check the base compaction of the granular "A" and granular "B" during the process.
- If we are working on a project and after 3-4 years the streets are falling apart do we have any recourse?
 - ❖ No. That is why quality assurance inspections are so important. Some of these inspections are contracted out and where possible our Inspectors are checking the process. This is a key part of the Capital Program.
- When completed work starts falling apart do we investigate the details to learn even if it is nothing to do with warranty?
 - ❖ Yes. When something goes wrong we review to see what happened. There are a lot of factors that may cause a failure.

- Do we have enough Inspectors?
 - ❖ Typically not. We have 5 Inspectors but if we have 7-8 projects on the go we do not have enough resources. This is one factor to consider. The Design Consultant will also inspect projects. They are sometimes when they are too close and agree to changes in the process.
- If there is something that the Engineering Department needs we can add an action item. Can we help solve this problem?
 - ❖ Resurfacing projects are challenging but a complete reconstruct is usually less difficult. Subdivisions are one area where we are ramping up inspections and working with local contractors.
- Do we deal with that in the agreement?
 - ❖ Yes. We are testing during the process.
- About 3-4 years after a project is completed can we go back on the Developers?
 - ❖ Not successfully.
- How much do we spend on consultants? Is there value to bringing this task in-house?
 - ❖ We can get that answer for you.
- From a business perspective if it costs \$300,000.00 and we have in-house resources at \$80,000.00 we could save money on a bridge engineer for example?
 - ❖ The contracting out is good for maintaining resources. We do not do a lot of in-house design for facilities. This is contracted out.
- Would it be better to bring this in-house?
 - ❖ In the last three years we have been bringing a lot of services in-house.
- People who want to bid on projects do they have to subscribe to MERX?
 - ❖ Everyone has to go through MERX. You can go to the website and review projects however all addendums, etc. are through MERX. Smaller projects are available through the Purchasing Department at City Hall. MERX has resulted in a cost saving by reducing the amount of paper, printing, courier fees, etc. This standardized process has resulted in cost savings through assisting the contractors to know what is expected.
- Based on a \$44,000,000.00 in Capital proposed this year, how much can be handled in-house and at what point do we go outside?
 - ❖ Once the budget is set, we have already done a preliminary review. We could have one project at \$10,000,000.00 and that person is then dedicated to it full time. Other smaller projects may be managed by one person. This is all reviewed on a month-by-month basis. We have looked at the potential of a contract position. What we do is plan the best we can, evaluate where the vacancies exist and

determine the internal resources verses the need for contractors.

- Do we have qualified people in Public Works?
 - ❖ We have a lot of people who could do the job but they are already busy.
- When we start ramping up we may not have any choice do we?
 - ❖ No. Over the past few years we have been trying to reduce costs but still keep quality up. All departments have the same issue.

(ii) "Development Review"

- Inspection requirements placed on Developers

This is the way that we work with Developers to make it attractive to develop here in North Bay. We reviewed the process and we created a rigid list of what is required. Developers can have their own third party review and determine that the subdivision meets the standards.
- New Development Process

It is attractive and balanced with a basic level of what is delivered. In the past a Developer did the pre-development phase and we had two agreements. Now we have one agreement with two phases.

 - Can we have a warranty on the development?
 - ❖ It is a one year warranty currently.
 - Who pays the Inspector cost?
 - ❖ Previously we received a percentage for the administrative and inspection process.
 - Who appoints the Inspector?
 - ❖ The Developer appoints the Inspector according to the qualifications we require.

4. Action Items:

- Review Inspection staffing and resources.

Next Meeting: Monday, October 24, 2016– 5:15 p.m.

Agenda Item: (i) Engineering, Environmental Services and Works Unit
Review David Euler

Meeting adjourned at 6:41 p.m.

Councillor George Maroosis
Chair Operational Review Committee

Judy Bechard
Deputy City Clerk