REPORT FOR ACTION

Contract Award – Asset Management Implementation (2024-CS-VAR-2030.30)

Date: July 3, 2024
To: Board of Directors, Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

SUMMARY

This report seeks the Board's approval to award an asset management contract to develop a comprehensive Asset Management (AM) Program at the Toronto Parking Authority (TPA).

Implementing AM aligns with ISO 55000 standards and aims to maximize asset value through consistent maintenance practices. Moreover, a comprehensive AM Program directly reflects TPA's vision to be the best provider of parking, bike share, and last-mile mobility experiences, making this proposal a natural fit for our organization.

As identified in TPA's Enterprise Risk Management (ERM) program, aging infrastructure, equipment, and technology pose significant risks. The AM Program is crucial to managing assets effectively, modernizing equipment, and ensuring sustained operational quality. Compliance with Ontario Regulation 588/17 mandates municipalities and their division and agencies establish an AM Program by July 1, 2025, requiring an Asset Management Plan (AMP) submission.

In 2023, TPA contracted CIMA+ to review and assess our initial AM position. CIMA+ determined that TPA's maturity level was at 1 - 'Aware'- significantly below the regulated expectation of level 3 - 'Competent.' Based on these findings, CIMA+ presented TPA with a structured implementation roadmap divided into distinct phases: establishing frameworks, conducting training, pilot implementation, software integration, and continuous improvement efforts (see Appendix A - Asset Management Briefing July 19, 2024).

With the CIMA+ report, the TPA issued a request for proposal (RFP) contract for the development of a TPA-wide AM Program. The selection process for the contract involved a comprehensive evaluation of bids, technical proposals, pricing, project history, and reference checks, resulting in the recommendation to award the contract to WSP Canada Inc. for a total sum of $2,881,380.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Toronto Parking Authority Board of Directors provide authority to the President, Toronto Parking Authority, to award the 2024-CS-VAR-2030.30 - Asset Management Implementation Project to WSP Canada Inc., meeting all specifications in conformance with the nRFP requirements, in the amount of $2,881,380 inclusive of contingency but excluding Harmonized Sales Tax (HST).

FINANCIAL IMPACT

The amount to award the construction contract for the 22024-CS-VAR-2030.30 - Asset Management Implementation is $2,401,380 in base scope, plus $480,000 as a contingency allowance, being the sum total of $2,881,380 excluding Harmonized Sales Tax (HST).

Funding for this work is available in the approved TPA 2024 Capital Budget, TPA909079-1, CPK472-1, Internal Order 700509.

DECISION HISTORY

At its meeting on November 9, 2021, City Council adopted Corporate Asset Management Plan as set out in Appendix 1 to the report (September 23, 2021) from the City Manager and the Chief Financial Officer and Treasurer. In this report outlines, “By July 2025 it will be expected that all City Programs, Agencies and the TCHC will be able to also identify the proposed service levels and asset performance that will result in asset investments as well as the financial strategies required to fund those asset investments.” Additional information on this report can be found at the following link: https://secure.toronto.ca/council/agenda-item.do?item=2021.EX27.3

COMMENTS

The purpose of this paper is to seek the board's approval to award an asset management contract for the development of a comprehensive AM Program for the TPA.

AM, as defined in ISO 55000, involves an organization’s coordinated efforts to maximize the value of its assets. By following AM best practices (including Asset Registry, Asset Life Cycle Management, Risk Management, Levels of Service, Demand Management, Maintenance Management, Governance Plans, Communication Plans and Financial

Strategies), the TPA will ensure consistent maintenance of assets to prevent costly repairs and replacements. This commitment aligns with TPA’s vision to enhance Toronto’s transportation system and become the world’s best provider of sustainable parking, bike share, and last-mile mobility experiences.

Aging parking infrastructure, parking equipment, and technology management have been identified as a significant risk in TPA's Enterprise Risk Management (ERM) program. This AM Program is essential for the TPA to effectively manage our hardware and facilities and ensure that equipment modernization and state of good repair (SOGR) initiatives are sustainable and long-lasting. Effective AM is crucial for maintaining our operation in optimal condition and mitigating organizational risk. Our current suboptimal performance is largely due to deficiencies in our AM practices over the past decade.

As an agency of the City of Toronto, the TPA is mandated and regulated to establish an AM Program. Ontario Regulation 588/17: Asset Management for Municipal Infrastructure, under the Infrastructure for Jobs and Prosperity Act, 2015, administered by the Ministry of Infrastructure, requires all municipalities to establish an AM Program. This regulation was amended in March 2021 under Ontario Regulation 193/21, adjusting milestone timelines for reporting. Under this regulation, all remaining non-core infrastructure assets, which include the TPA, must have an AMP in place by July 1, 2025 (scope in Phase 1 listed below).

On November 21, 2021, City Council adopted report EX27.3 on Core Infrastructure Asset Management Plans, outlining future AMP reporting dates to City Council. An excerpt from EX27.3 states:

> “By July 2024, all other City Programs, Agencies (except Toronto Parking Authority), and the TCHC will be required to submit their respective asset management plans to City Council for approval. By July 2025, it will be expected that all City Programs, Agencies, and the TCHC will also identify the proposed service levels and asset performance that will result in asset investments, as well as the financial strategies required to fund those asset investments.”

TPA confirmed with the City’s Corporate AM team that it must submit its AMP directly to the Ministry of Infrastructure by July 1, 2025, rather than through the City's report. TPA also needs approval from the TPA Board, City Executive Council, and City Council before this deadline.

In 2023, TPA successfully completed the initial phase of its AM Program in collaboration with its consultant, CIMA+. Key achievements during this phase included a maturity baseline assessment, a list of implementation requirements, and a roadmap.

TPA’s consultant conducted an ISO 55000 AM Baseline Maturity Assessment, adhering to industry standards. The assessment process included workshops, interviews, and a review of supporting documents across all TPA’s functional divisions.

Based on the assessment, TPA received an average score of 1.4 (see Figure 1 for the maturity scale). This score places TPA in the ‘Aware’ category, indicating that the organization's AM program is in its early stages. For reference, a ‘Competent’ organization typically achieves a rating of 3.

Figure 1: ISO 55000 AM Maturity Scale

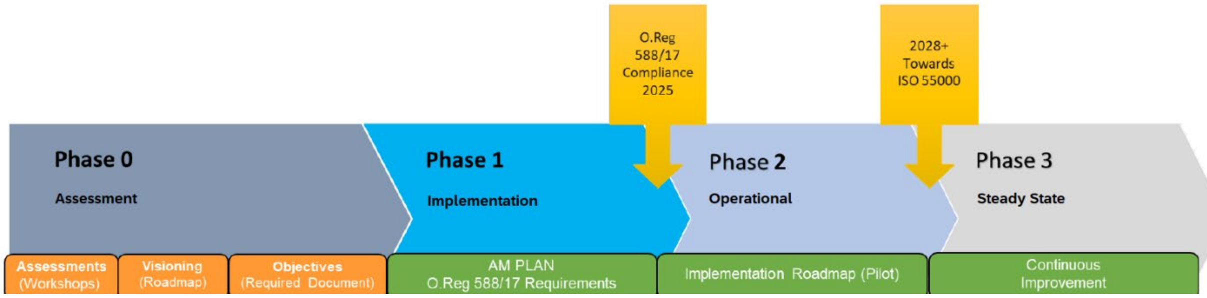
Current Situation | **Vision for the Future**

Innocent	Aware	Developing	Competent	Optimising	Excellent
Maturity Level 0	Maturity Level 1	Maturity Level 2	Maturity Level 3	Beyond	
The organization has not recognized the need for this requirement and / or there is no evidence of commitment to put it in place	The organization has identified the need for this requirement and there is evidence of intent to progress it	The organization has identified the means of systematically and consistently achieving the requirements, and can demonstrate that there are being progressed with credible and resourced plans in place	The organization can demonstrate that it systematically and consistently achieves relevant requirements set out in ISO 55001	The organization can demonstrate that it is systematically and consistently optimising its asset management practice in line with the organization’s objectives and operating context	The organization can demonstrate that it employs the leading practices, and achieves maximum value from the management of its assets in line with the organization’s objectives and operating context

With the guidance of the consultant, TPA has structured its implementation roadmap into the following phases:

1. **Phase 1 – Implementation (2024-2025)**:
    - Establish frameworks and policies
    - Author the AMP
    - Conduct training
    - Complete O.Reg. submission (July 1, 2025)
2. **Phase 2 – Operational (2026-2027)**:
    - Pilot implementation with TPA’s core assets
    - Roll out the program across TPA
    - Integrate AM software
3. **Phase 3 – Steady State (2028)**:
    - Achieve steady-state operations
    - Focus on continuous improvement

Figure 2: Phased Approach to TPA's AM Program



The consultant's (CIMA+) recommendations were transformed into a request for proposal (RFP) to engage a consultant for the Phase One (1) - the Asset Management Implementation Project. This initiative aims to fulfill regulatory requirements outlined in the regulation by Jul 1, 2025 and establish a centralized TPA-wide AM system. This system will consolidate asset information, maintenance tracking, financial data, and standard operating procedures.

Based on the submission of a compliant bid, technical proposal and bid price evaluation, ability to complete the work within the prescribed timeframe, recent project history, reference checks, and conformance to tender requirements, TPA recommends awarding the contract for 2024-CS-VAR-2030.30 Asset Management Implementation to WSP Canada Inc..

The RFP package was issued on MERX on April 5, 2024. We received three (3) bids upon the RFP close on May 10, 2024. Each of the three (3) bids was compliant and evaluated by TPA staff. The selection was guided by the technical proposal evaluation, fee evaluation, adherence to submission requirements, reference checks, and acceptance of the terms and conditions noted in the RFP. A summary of the scoring and costs for the base scope is provided in Table 1.

Table 1: Summary of Bids Received (2024-CON-VAR-2030.30 Asset Management Implementation)

	Company	Phase 1: Mandatory Submission Requirements	Phase 2: Technical Submission Score (Out of 90)	Phase 2: Technical Submissi on Result	Phase 3: Financial Score Total Proposal Cost	Phase 3: Financial Score (Out of 10)	Total Score (Out of 100)
1	WSP Canada Inc.	Passed	85.33	Passed	$2,401,380	10	95.33
2	GEI Consultants Canada Inc	Passed	77	Passed	$2,943,075	8.16	85.16
3	KPMG LLP	Passed	75.67	Passed	$5,464,999	4.39	80.06

CONTACT

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SIGNATURE

W. Scott Collier, President
Toronto Parking Authority

ATTACHMENTS

Appendix A – Asset Management Briefing July 19, 2024.

APPENDIX A: ASSET MANAGEMENT BRIEFING JULY 19, 2024

ASSET MANAGEMENT JOURNEY – AM BACKGROUND

- Ontario Regulation 588/17: Asset Management for Municipal Infrastructure (the "Regulation"), under the Infrastructure for Jobs and Prosperity Act, 2015 is administered by the Ministry of Infrastructure that mandates that all municipalities to establish an Asset Management Program.

- The Regulation was subsequently amended in March of 2021 under Ontario Regulation 193/21 to change milestone timelines for reporting under the Act.

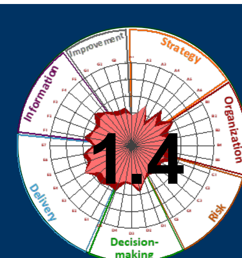
- On November 21, 2021, City Council adopted report EX27.3 on the Core Infrastructure Asset Management Plans, which outlines future Asset Management Plan (AMP) reporting dates to City Council. Excerpt from EX27.3 states.

  "By July 2024, all other City Programs, Agencies (except Toronto Parking Authority) and the TCHC will be required to submit their respective asset management plans to City Council for approval.

  By July 2025 it will be expected that all City Programs, Agencies and the TCHC will be able to also identify the proposed service levels and asset performance that will result in asset investments as well as the financial strategies required to fund those asset investments."

3

ASSET MANAGEMENT JOURNEY – CONSULTANT FINDINGS



- Consultant Assessment of TPA completed in Q4 2023 TPA's AM maturity score of 1.4 vs industry standard is 3.

- TPA score is representative for an organization starting asset management.

- TPA can not meet all requirements for implementation of AM program by the July 1, 2025 deadline.

- Recommended July 1, 2025 submission: Meet the intent of Regulation:

  - Create a road map + AM Corporate Policy + Business cases and submit for approval to TPA Board and City Council
  - Feedback and vet with the City on TPAs proposed AM action plan.
  - Implement aspects of the Road map that are prioritized to meet the O.Reg requirements.

4

ROAD MAP FOR ASSET MANAGEMENT PROGRAM

Phase 1 (2024 to 2025): Building the AM Foundational Structure

Develop Policy → Create Framework → Staff Training

- AM Framework Develop [illegible]
- [illegible]

5

ROAD MAP FOR ASSET MANAGEMENT PROGRAM

Phase 2 (2026 to 2027): Implementation Phase

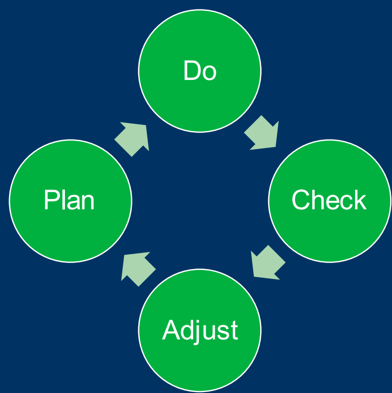
Pilot Implementation with TPA core assets → Evaluate & make adjustments → Rollout TPA wide and include all TPA assets

- See what works and adjust to suit before TPA wide rollout
- Pilot Implementation Phase includes AM software

6

ROAD MAP FOR ASSET MANAGEMENT PROGRAM

Phase 3 (2028+): Steady State Phase - Continuous Improvement



Adjust	Lessons learned
Plan	New/revised procedures, processes, financial planning, policy
Do	Implement and execute, continuous training
Check	KPIs, continuous feedback

7