

**APPENDIX A**

**ONTARIO COURT OF JUSTICE  
PROVINCIAL OFFENCES OFFICE  
HALTON COURT SERVICES**

**2016 BUSINESS PLAN AND  
BUDGET**

**City of Burlington  
Town of Halton Hills  
Town of Milton  
Town of Oakville  
Regional Municipality of Halton**

**September 2016**

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## RECOMMENDATIONS

1. **Recommendation:** Local Councils pass a resolution to request that the Ministry of the Attorney General undertake a review of POA set fines and court costs with a view to implementing increases to offset the increase in judicial and monitoring fees.
2. **Recommendation:** The 2016 Halton Court Services budget is approved as presented.
3. **Recommendation:** A full time Administration Clerk be hired to replace the current part-time Administration Clerk to manage the increasing number of charges and increased workload related to the Early Resolution program.
4. **Recommendation:** A contribution of \$50,000 from net revenues is made to the Reserve Fund during 2016 to ensure that requirements of the Reserve Fund Policy are met.
5. **Recommendation:** \$185,000 in capital spending is approved for the undertaking of next steps in the Growth Management Plan including costs for external and internal consulting and support.

## SECTION I

### OVERVIEW OF 2015 PERFORMANCE

#### 1. BUDGET PERFORMANCE

##### Revenues to End of June

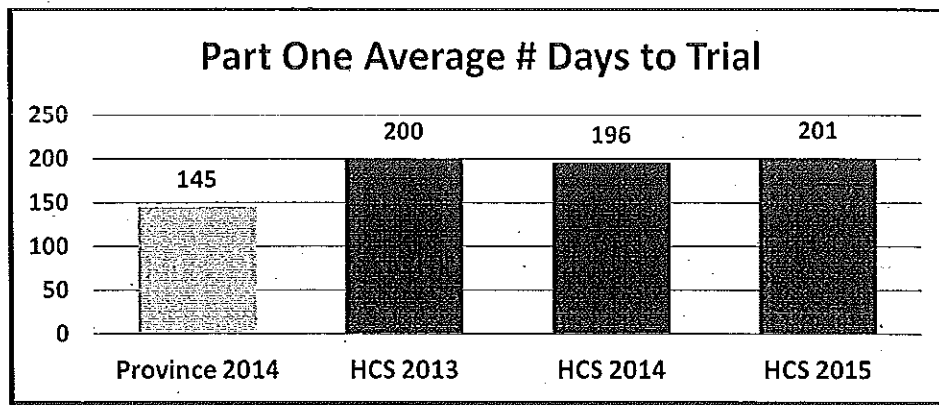
The Municipal Partners had budgeted gross revenues of \$7.93 million for 2015. The following chart summarizes results by end of June and projections for the remainder of the year:

COMPARISON OF OVERALL PERFORMANCE TO BUDGET for the year ending December 31, 2015					
	2015 Budget	Actual June 30/15	Actual % of Budget	Projection Dec 31/15	Projection % of Budget
Gross Revenue	7,928,600	4,413,983	55.7%	8,446,696	106.5%
Operations	(4,009,865)	(2,016,921)	50.3%	(4,032,744)	100.6%
Reserve Fund Contribution	(50,000)	(25,000)	50.0%	(50,000)	100.0%
<b>Net Revenue</b>	<b>3,868,735</b>	<b>2,372,062</b>	<b>61.3%</b>	<b>4,363,951</b>	<b>112.8%</b>

#### 2. OPERATIONAL PERFORMANCE

1. **Total number of charges** filed by end of June reached 54.1% (37,323 charges) of the 69,000 number projected for 2015 and it is expected that charges will exceed target by 3% by year-end.
2. **Time-to-trial** for Part Three charges and especially Part One charges continues to pose problems for HCS as compared to the provincial average given that the three courtrooms are at 100% capacity.
3. **Time-to-Early Resolution meetings** is at a critical stage. Available meeting dates are six to seven months from date of request. As a result, all cases (approximately 13%) where a resolution is not reached are at risk.

Time-to-trial for Part One offences (tickets) was sitting at an average of 201 days by end of June as compared to the provincial average of 144 days. This issue is compounded when Early Resolution meetings are added to the mix. The demand for ER meetings continues to rise which places further demand on court time, ultimately driving the time-to-trial further out. The following illustrates the time-to-trial issue for tickets at HCS:



Administration continues to work closely with local judiciary and prosecution to consider a number of scheduling initiatives to address the time-to-trial issue. The Municipal Partners will continue to treat this issue as a priority and every effort will be made to ensure that the possibility of losing charges is kept to a minimum until additional courtrooms become available with the transition to the new larger court facility in January 2019.

### 3. AUDITS

#### External Audit

An audit of HCS was performed by Deloitte during April 2015 for the period ended December 31, 2014.

There were no items of concern to report to the Partnership by way of an auditors' management letter. Deloitte maintains a practice of issuing qualified opinions for all of its POA court clients due to the inability to review cash procedures at other POA courts accepting fine payments on behalf of HCS, and to review controls of the provincial ICON system utilized by all POA courts across the province. A follow-up with the province indicated that, although audits of court services are performed regularly, it appears there has never been an ICON-specific audit. MAG is planning to conduct a review of risk assessment reports as a result of inquiries by HCS staff.

Further to the Area Treasurers' direction, HCS' staff will be undertaking a RFQ during fall 2015 for audit services to be contracted specifically for HCS rather than continue with the practice of utilizing the services of an area municipality on a rotation basis. The successful proponent will carry out the 2015 audit of HCS.

#### Internal Audit

An internal audit was not conducted at HCS during 2014.

### 4. REVENUE SHARING

According to the established revenue-sharing agreement between the Municipal Partners and the Region, the Region receives 50% while the Municipal Partners receive a percentage of the 50% balance based on annual assessment rates.

Following is a five-year overview of net revenue distribution since 2011 including the estimated annual distribution for 2015:

<b>Historical Annual Revenue Sharing % Based on Tax Assessment</b>					
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Burlington	16.80%	16.75%	16.61%	16.40%	16.25%
Halton Hills	4.80%	4.75%	4.67%	4.75%	4.70%
Milton	7.40%	7.60%	7.81%	7.90%	8.05%
Oakville	21.00%	20.90%	20.91%	20.95%	21.00%
Region of Halton	50.00%	50.00%	50.00%	50.00%	50.00%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Historical Annual Revenue Distribution to Partnership</b>					
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015*</b>
Burlington	475,039	420,785	474,528	453,119	628,669
Halton Hills	135,725	119,327	133,416	127,436	181,831
Milton	209,243	190,923	223,122	213,257	311,433
Oakville	593,799	525,039	597,374	570,595	812,434
Region of Halton	1,413,808	1,256,075	1,428,441	1,364,407	1,934,367
<b>TOTAL</b>	<b>2,827,614</b>	<b>2,512,149</b>	<b>2,856,881</b>	<b>2,728,814</b>	<b>3,868,735</b>

\*2015 budget to be realized

## SECTION II

### 2016 OPERATING BUDGET AND PROGRAM CHANGES

#### 1. 2016 BUDGET

The following chart provides a summary of total revenues and expenditures projected for 2016 as compared to the 2015 budget:

COMPARISON OF 2016 BUDGET TO 2015 BUDGET						
	REVENUE			EXPENSES		
	2015 Budget	2016 Budget	% Difference	2015 Budget	2016 Budget	% Difference
Administration	6,127,600	6,682,703	9.1%	3,179,291	3,590,548	12.9%
Collections	1,801,000	1,851,000	2.8%	292,250	246,146	-15.8%
Prosecution	0	0	0.0%	538,325	545,468	1.3%
TOTAL	7,928,600	8,533,703	7.6%	4,009,864	4,382,163	9.3%

The 7.6% increase in net revenue over the 2015 budget can be attributed primarily to the projected 2.8% increase in number of charges during 2016 (73,000 vs. 71,000). The Municipal Partners are not proposing any major budget changes or increases beyond the base budget for HCS during 2016.

The 12.9% increase in administration expenses is primarily due to an increase in provincial costs. The province has advised that, effective January 1, 2016, judicial costs will rise to \$300/hour as compared to the \$200/hour current fee. This increase will impact the budget by approximately \$225,000 per year. The provincial monitoring and enforcement fee will increase by 100%, bringing the cost to \$48,800 per year from the current \$24,400 per year.

As a result, the Area Treasurers are recommending that Local Councils pass a resolution to ask the province to increase current POA fines and court/default fees (the majority of which have not increased since 1994) to offset the substantial increase in judicial and monitoring fees that have been passed along to their municipal partners.

**Recommendation #1:** Local Councils pass a resolution to request that the Ministry of the Attorney General undertake a review of POA set fines and court costs with a view to implementing increases to offset the increase in judicial and monitoring fees.

### **Proposed Increase in Court Administration Staff**

Currently there are nine Administration Clerks responsible for all court administration functions at the Burlington and Milton courts. Staffing at HCS has always taken into consideration the provincial staffing recommendations which include a ratio of 7,000 charges to one staff for those POA courts where data entry is outsourced.

The last increase to the administrative staff complement was in 2009 where approval was granted for the hiring of a part-time Administration Clerk (2.5 days/week). Total number of charges at that time was 56,260.

The projected number of charges for 2015 totals 71,000 which represent a 26.2% increase in number of charges since 2009 and a current ratio of almost 8,000 charges to one staff. Additionally, the introduction of the Early Resolution program in 2012 resulted in additional administrative responsibilities due to increased scheduling and interpreter coordinating. For example, there has been an approximate 40% increase in Interpreter assignments since the introduction of Early Resolution given that there is a legislative requirement to provide interpretation services for Early Resolution meetings.

The increase in workload over the last several years has been managed by increasing the hours of the part-time staff person, especially during the summer vacation period. This solution is no longer satisfactory in offsetting the additional pressures faced in court administration and the recommendation is to replace the one part-time staff with one full time staff, thereby increasing the overall administration complement of staff to 9.5 rather than nine staff and revising the staffing/workload ratio to 7,475 charges to one staff.

The net budget impact of this increase in staff is approximately \$32,500 per year. Of note is that there will be no requirement to purchase additional IT or office equipment since all required resources are currently available for the part-time staff.

### **Overall Revenues**

The Municipal Partners are projecting gross revenues based on actual/projected number of charges and average fine values over the last three years. Although population continues to grow at a fair rate across Halton, local enforcement has risen at a slower rate since 2011. Based on the current year's performance, an increase of an additional 2,000 charges for a total of 73,000 is projected for 2016. Gross revenue for HCS in 2016 is budgeted at \$8.53 million as compared to \$7.93 million during 2015. *See page 10 for a copy of the overall 2016 POA Budget.*

### **Overall Expenditures**

Total expenditures in 2016 are budgeted at \$4.38 million compared to the \$4.01 million budgeted for 2015. This represents an overall increase of 9.3% in expenditures.



**Recommendation #2:** The 2016 Halton Court Services budget is approved as presented.

**Recommendation #3:** A full time Administration Clerk be hired to replace the current part-time Administration Clerk to manage the increasing number of charges and increased workload related to the Early Resolution program.

## 2. 2016 OVERALL BUDGET

# HALTON COURT SERVICES

## 2016 OVERALL POA BUDGET

15-Feb-16

OVERALL 2015 BUDGET	Projection to Dec 31/15	Expenditures	Cost Element	ADMINISTRATION Milton/Burlington 461110	Collections 461113	PROSECUTION 461140	TOTAL	2016 vs 2015
1,525,420	1,477,091	F/T Salaries	11111	1,108,300	111,200	376,600	1,596,100	
73,696	73,696	Part-time/Temp	11122	16,744	-	32,727	49,471	
-	-	Overtime	11131	-	-	-	-	
8,107	8,107	Vacation Pay - PT	11248	1,842	-	3,600	5,442	
264,700	261,747	Fringe benefits - FT/PT	11300	192,198	21,500	60,800	274,498	
146,302	140,097	Additional Benefits - FT/PT	11302	105,399	11,300	31,500	148,199	
20,300	19,389	Professional development	11410	12,350	750	10,000	23,100	
2,750	2,560	Employee memberships	11412	2,300	-	400	2,700	
2,041,275	1,982,687	<b>Total Human Resources</b>		1,439,133	144,750	515,628	2,099,510	2.9%
3,310	2,580	Books and subscriptions	22220	1,300	200	1,800	3,300	
1,000	1,000	Meeting expenses	22223	1,000	-	-	1,000	
24,370	19,940	Printing and Reproduction	22233	20,000	250	60	20,310	
13,580	11,514	General office supplies	22242	10,350	840	900	12,090	
45,100	52,920	Hydro/Water/Heat	22511	55,550	-	-	55,550	
-	-	Furniture and office equipment	37102	1,000	-	-	1,000	
55,400	55,776	Computer Software/Hardware	37105	10,515	22,700	5,689	38,904	
408,700	408,472	Building facility lease	33115	419,880	-	-	419,880	
20,250	19,640	IT lines	33150	21,270	-	-	21,270	
7,072	6,143	Equipment rental (photocopier)	33172	4,850	-	2,352	7,202	
21,400	16,025	Bldg repair and maintenance	33210	17,200	-	-	17,200	
5,950	7,605	Equipment maintenance	33240	8,650	-	-	8,650	
30,900	36,240	Courier/Postage services	33250	33,800	2,000	1,440	37,240	
29,600	30,585	Telephones/Cell Phones	33253	21,800	5,186	5,520	32,486	
9,400	6,203	Travel Exp/Mileage	33320	1,800	100	7,600	9,500	
11,100	10,180	External audit	33359	10,200	-	-	10,200	
8,750	6,720	Armoured car services	33366	6,500	-	-	6,500	
120,000	118,260	Interpreters	33367	119,000	-	-	119,000	
271,950	272,000	Burlington cost recoveries	33368	346,800	-	-	346,800	
654,400	652,577	Provincial Recoveries	33369	904,150	-	-	904,150	
110,460	206,760	Contract/External services	33450	86,200	65,140	4,480	155,820	
36,900	36,770	Janitorial Services	33467	37,100	-	-	37,100	
2,000	4,908	Court Related Fees	33510	-	5,000	-	5,000	
14,000	11,970	Witness fees	33516	12,000	-	-	12,000	
108,000	125,270	Point of sale-service charges	36194	125,500	-	-	125,500	
(45,000)	(70,000)	Reserve Fund offset for expenses	96306	(125,000)	-	-	(125,000)	
1,968,591	2,050,057	<b>Total Other Expenditures</b>		2,151,415	101,396	29,839	2,282,651	16.0%
4,009,865	4,032,744	<b>TOTAL EXPENDITURES</b>		3,590,548	246,146	545,467	4,382,163	9.3%
(10,000)	(22,280)	Parking Fees	90852	(5,000)	-	-	(5,000)	
(6,055,000)	(6,559,334)	Fines (Gen)	91122	(6,601,000)	-	-	(6,601,000)	
(1,800,000)	(1,800,000)	Fines (Collections)	91122	-	(1,850,000)	-	(1,850,000)	
117,400	117,159	Bylaws Distributed	91124	106,500	-	-	106,500	
(400)	(400)	External recoveries	91410	-	(400)	-	(400)	
(2,440)	(6,599)	Miscellaneous Revenue	91154	(6,000)	-	-	(6,000)	
(21,000)	(15,852)	Transcripts	91207	(16,000)	-	-	(16,000)	
(600)	(700)	Interest Earned	92010	-	(600)	-	(600)	
(156,560)	(158,590)	Federal subsidy	92705	(161,203)	-	-	(161,203)	
(7,928,600)	(8,446,696)	<b>TOTAL REVENUE</b>		(6,682,703)	(1,851,000)	0	(8,533,703)	7.6%
(3,918,735)	(4,413,952)	<b>Net Operating Budget before Reserve Fund</b>		(3,092,155)	(1,604,854)	545,467	(4,151,541)	5.9%
50,000	50,000	Contribution to Reserve Fund	45100	50,000	-	-	50,000	
-	-	Contribution to Stabilization Fund	45100	232,806	-	-	232,806	
(3,868,735)	(4,363,952)	<b>NET OPERATING BUDGET</b>		(3,042,155)	(1,604,854)	545,467	(3,868,735)	(0.0)%

2016 Requisitions  
(Partnership Sharing based on 2015  
weighted average assessment)

Region	(1,934,367)
Burlington	(628,669)
Halton Hills	(181,831)
Milton	(311,433)
Oakville	(812,434)
Total	(3,868,735)

### 3. WRITING-OFF OF UN-COLLECTABLE FINES

In accordance with the Write-Off Policy, the Municipal Partners are seeking approval from the Area Treasurers and the Joint Management Board to write-off those defaulted fines that have accumulated during 2015 where it has been determined there are no viable means of collection. Write-offs scheduled during 2016 will total approximately 830 cases with a total value of approximately \$538,000.

### 4. REVENUE STABILIZATION FUND

Following the request of the Area Treasurers, a Municipal Partner Revenue Stabilization Fund (MPRSF) was created in early 2014 to assist the partners in protecting against the impact of volatility in fine revenue, and to provide a source of funding to stabilize revenue sources annually, including the impacts related to the new court facility.

Net revenue has exceeded budget each year since 2013 and net revenue surplus has been transferred to the MPRSF. Interest is allocated to the MPRSF on an annual basis.

#### Flat-Lining Net Revenue Distribution

The Area Treasurers have recommended that, on a go-forward basis, any net revenue in excess of the 2015 net revenue distribution also be transferred to the MPRSF in order to further increase available funding following the transition to the new court facility.

The following chart incorporates 2016 net revenue projections and outlines the status of the MPRSF up to the transition to the new court facility in 2019:

STABLIZATION FUND FOR THE YEARS 2013-2018						
Year	Explanation	2015 Net Revenue Cap Difference	Net Revenue Over Budget	Use of Funds	Interest (1.5%)	Balance
2013	Balance Forward		\$358,855			\$358,855
2014	Admin charges		\$1,186,372	(\$413)	\$23,642	\$1,568,456
2015*	Admin charges		\$495,217	(\$413)	\$23,527	\$2,086,787
2016*	Admin Charges	\$232,806		(\$413)	\$31,302	\$2,350,483
2017*		\$359,362		(\$413)	\$35,257	\$2,744,689
2018*		\$497,194		(\$413)	\$41,170	\$3,282,641

\*Projected

## 5. RESERVE FUND

### Expenditures During 2015

There was an additional expenditure of \$25,000 to contract external realty advisory expertise to assist with the preparation of the RFP, evaluation of the RFP submissions and the development of reasonable commercial lease terms for the design/build/leaseback business relationship.

### Contribution During 2016

The Municipal Partners conduct an annual review of the Reserve Fund in order to ensure that future capital cost requirements are reflected and that the required minimum balance of \$300,000 is maintained. The Municipal Partners are recommending that the minimum contribution of \$50,000 continue to be made to the Reserve Fund during 2016.

### Expenditures During 2016

The Municipal Partners are recommending that a total of \$125,000 in expenditures be budgeted for the undertaking of next steps in the Growth Management Plan including reimbursement of staff time and resources.

### Reserve Fund Forecast

Following is the Capital Budget Forecast for the period 2015 to 2020:

CAPITAL BUDGET FORECAST FOR THE YEARS 2015 THROUGH 2020				
Year	Requirements	Use of Funds	Annual Contributions Including Interest	Projected Year-End Balances
	Balance Forward			\$2,327,047
2015	GMP-staff chargebacks	(\$35,000)	\$96,541	\$2,353,588
	GMP-Consultant for RFP Process - Realty Advice and Services	(\$25,000)		
	Carpet Replacement in Milton	(\$10,000)		
2016	GMP-Staff chargebacks/consulting	(\$125,000)	\$97,072	\$2,325,660
2017	GMP-Staff chargebacks/consulting	(\$125,000)	\$96,513	\$2,297,173
2018	GMP-Staff chargebacks/consulting	(\$125,000)	\$95,943	\$2,268,116
2019	GMP-Move/Furnishings/Fittings/Equip	(\$1,600,000)	\$45,362	\$663,479
	Computer Hard/Soft Replacements	(\$50,000)		
2020	TBD		\$13,270	\$676,748

**Recommendation #4:** A contribution of \$50,000 from net revenues is made to the Reserve Fund during 2016 to ensure that requirements of the Reserve Fund Policy are met.

**Recommendation #5:** \$125,000 in capital spending is approved for undertaking of next steps in the Growth Management Plan.

## SECTION III

### GROWTH MANAGEMENT PLAN

#### **Background**

Identifying a number of outstanding growth-related issues since 2006, including a need for additional courtrooms and auxiliary space and the increasing demand for operational efficiencies, the Municipal Partners approved a service delivery model that consolidates court services into one facility with increased space provisions for long-term accommodation requirements.

Following a recommendation in the 2015 Business Plan, the project team was authorized to proceed with next steps of the Growth Management Plan (GMP) including:

1. Issue a *Request for Expressions of Interest* in late 2014 which would invite prospective builders to propose alternate court site locations in central Halton, raise awareness of the opportunity and maximize interest in the market place to participate.
2. Report back to the JMB in early 2015.
3. Issue an RFP for the building of the new court facility in early 2015.
4. Extend the Burlington and Milton court leases for two years.

A revised target date of January 2018 for the relocation to the new courthouse was confirmed.

#### **Update**

The project team incorporated both a Request for Expressions of Interest (RFEI) and a Request for Pre-Qualification (RPQ) into the procurement process prior to the issuance of a Request for Proposal (RFP). The decision to undertake a RPQ process was made to further identify the qualified proponents in the market place while continuing to raise interest and maximize the interest of qualified proponents to participate in the eventual RFP process.

Both the RFEI and RPQ were posted on the City of Burlington's website, The Ontario Buyers Association website and the Biddingo website. Proponents known to have an interest were also notified.

In February 2015 the project team reported to the JMB on the outcome of the RFEI which included:

- 98 copies of RFEI picked up by interested parties
- 18 proponents responded which included one Milton site, three Oakville sites and 13 Burlington sites (8 of which were Palladium Way)
- 9 of the above 17 sites were within the area identified as central Halton.

In May 2015 the project team reported to the JMB on the outcome of the RPQ which included:

- 11 submissions received
- 8 compliant responses including one Oakville site and seven Burlington sites (all Palladium Way)

The JMB agreed to proceed with the Palladium Way site and to seek approval from two remaining Councils (Burlington and Halton Hills) regarding next steps. Halton Hills affirmed the direction of their Corporate Affairs Committee on June 22<sup>nd</sup> and City of Burlington Council affirmed the direction of their Community and Corporate Services Committee on July 15<sup>th</sup>.

A revised project timeline has been implemented including an RFP to be issued to the five pre-qualified proponents in mid-November 2015, and the new courthouse to be ready for occupancy by end of 2018 as per the following:

	PROJECT DELIVERABLE	TIME DURATION	CALENDAR END DATE
1	RFP to Pre-qualified Proponents	16 Weeks	November 15, 2015
2	Return of RFP Proposals	16 Weeks	March 15, 2016
3	Staff Review of RFP/Prepare Staff Report	4 Weeks	April 15, 2016
4	Report to JMB		April 15, 2016*
5	Approval from Area Councils	8 Weeks	June 30, 2016
6	Proponent Notified		July 1, 2016 - December 31, 2018
7	Agreement Preparation/Execution and Design	28 Weeks	
8	Approvals (Municipal and Authorities/Permits	17 Weeks	
9	Build	77 Weeks	
10	Commission/Fit-ups/Move in	8 weeks	



## APPENDIX B

### Resolution

WHEREAS the Ministry of the Attorney General has increased POA cost recovery rates for adjudication services from \$200 to \$300 per in-court hour effective January 1, 2016; and

WHEREAS the Ministry has increased the monitoring and enforcing of the POA Transfer Agreement cost recovery from a 50/50 cost sharing to full cost recovery for the delivery of these services effective January 1, 2016; and

WHEREAS the majority of court costs associated with POA fines and conviction have not increased since 2009; and

WHEREAS these increases will impact the net POA revenue for the Town/City/Region of \_\_\_\_\_.

Therefore, the Town/City/Region of \_\_\_\_\_ resolves that:

1. THAT the Ministry carries out a review of POA costs set out in Ontario Regulation 945 with a view to increasing the court costs parallel with other provincial ministry programs to help offset the increase in judicial and monitoring fees.
2. THAT the Ministry considers other POA related costs that are not already covered by Ontario Regulation 945 with a view to implementing new costs and/or fees related to the delivery of POA court services and the collection of defaulted POA fines.
3. THAT a copy of this resolution be forwarded to the Minister of the Attorney General.

## Project Plan

1

### Halton POA Courthouse Replacement Project

December 9, 2015

700021-0013 (3.0)

## 1.0 Purpose

This Project Plan describes:

- the objectives of the Halton Provincial Offences Administration (POA) Courthouse Project (the Project) - the WHY - and;
- The process by which the Project will be managed - the HOW.

It will be revised and updated as required throughout the project phases. It will be controlled by the Project Manager.

## 2.0 Objectives

### 2.1. Background

The City of Burlington (City), acting on behalf of the Joint Management Board (JMB) for the municipalities in Halton Region, is responsible for obtaining a new courthouse facility to replace the existing leased facilities at the end of the leases.

The Joint Management Board has defined a strategy to enter into a Design-Build-Leaseback contract for space designed to suit the needs of the municipalities in Halton Region.

In March 2015, the City issued a public Request for Pre-Qualification (RPQ) for interested parties to express interest to become a Pre-qualified Proponent eligible to respond to a Request For Proposal (RFP) to design-build-leaseback a new Municipal Court House Facility. The RPQ specified the desired target area for location of the new facility and it specified a 25-year lease period. The RPQ included a Schematic Site Plan and a Space Needs Analysis that described the requirements of the new facility.

The City's Internal Evaluation Team has reviewed the RPQ submissions and created a short-list of pre-qualified RFP Proponents. The City expects that it would take approximately 7 to 8 months to select the Successful Proponent with whom the City will execute the lease agreement.

On July 15, 2015, City Council adopted the recommendations in Report CM-9-15 to proceed with the RFP process for the POA courthouse on the site at 4085 Palladium Way. According to the Council report, the revised timeline for this project is to have the new courthouse ready for occupancy by end of 2018.

- The proposed building will be a two storey public occupancy building of about 34,000 gross sq. ft. (17,000 sq. ft. footprint) without a basement.

## **2.2. Objectives and Success Criteria**

The objectives of the Project are to:

- Achieve occupancy and operational readiness by October 2018 for the first court dates scheduled for January 7, 2019;
- Enter into an agreement that is consistent with the business case approved by the JMB;
- Meet the functional requirements of the POA administration, the Justices of the Peace, and the Halton Regional Police.

## **2.3. Business Case Assumptions**

- The number of charges will grow at 2.7% per year to 2021 and at 2% per year thereafter in spite of higher population growth;
- The cost to construct the new courthouse will be in the order of \$xxxxx;
- The Administrative Monetary Penalty system proposal under review by the Ministry will not be implemented until after 2020.
- Court dates will not be booked on Friday December 21, 2018 through to January 4, 2019

# **3.0 Scope Management**

## **3.1. In Scope**

The scope of this Project includes the following:

- Identify the site characteristics and the requirements for Site Plan Approval to minimize the risk for potential Proponents;
- Procure the services of a landlord that will design and build a courthouse to meet the POA requirements;
- Sever and sell to the selected landlord, the portion of the site required for the courthouse;
- Monitor construction to confirm the building will meet the identified requirements and will be available by the defined turnover date;
- Provide fixtures, furniture and equipment to fit out the courthouse for operations;
- Provide moving services to relocate courthouse functions from existing premises in Burlington and Milton into the new facility.

## **3.2. Not In Scope**

The scope of the Project does not include:

- Achievement of Site Plan Approval and issuance of Building Permits by the landlord.
- Provision for future expansion of the Courthouse;
- Sale of the balance of the City site.

**3.3. Roles and Responsibilities between City and Landlord:**

The following responsibilities will be applied through the RFP and Design-Build-Leaseback agreement.

Scope / Risk	DBL Co	Shared	City
<b>LAND SALE</b>			
Survey			✓
Schematic Site Plan and Schematic Design			✓
Geotechnical			✓
Phase 1 ESA and some Phase 2 ESA testing			✓
Parcel severance			✓
<b>DESIGN-BUILD, LEASE</b>			
Functional Program			✓
Output Specs (DB, FM)			✓
Proponent's Design Solution during RFP (to 30% design)	✓		
<b>POST COMMERCIAL CLOSE</b>			
Site Plan Approval, building permits	✓		assistance
Design	✓		
Ground Conditions	Post-sale		Pre-sale
Utility relocation		TBD	
Design quality	✓		
Energy design	✓		
Construction (to time / budget)	✓		
Defects (due diligence item)	✓		
FF&E	Coordination		✓
Commissioning	✓		
Move-in			✓
Lifecycle (to what standard?)	✓		
<b>OPERATIONS</b>			
Maintenance			
Hard			
Preventative repairs/maintenance	✓		
Corrective repairs/mtnce (incl touch-ups)	✓		
Demand mtnce (reactive/emergency)	✓		
Soft			
Window washing	✓		
Cleaning services (Sunshine Building Mtc)	Emergency cleanup		TBD
Mats Services (Swan Dust Control)			TBD
Janitorial Supplies (Wood Wyant)			TBD
Pest Control (E-Safe Pest Control)	✓		
Safety Supplies (Levitt Safety Ltd)			TBD
Sanitary Waste Disposal (Cannon Hygene)			TBD

## Project Plan

### Halton POA Courthouse Replacement Project

December 9, 2015

700021-0013 (3.0)

4

Scope / Risk	DBL Co	Shared	City
Insurance – Builders Risk, Property	√		
Insurance – Operations		√?	
Insurance – Tenant's			√
Energy Costs	excess		Up to cap
Operational Performance/Availability	√		
Usage			√
Force Majeure	Pre-turnover		Post-Turnover

### 3.4. Approval of Scope Changes

Any scope change identified during the review that involves a Project Schedule extension and/or an increase in cost above the Project Budget allocation, must be approved in writing by the JMB prior to commencement of the work.

## 4.0 Time Management

### 4.1. Project Schedule

The Project Schedule milestones are listed below:

Row	Milestone	Scheduled Date
1	Receipt of feedback on of the Owner's Statement of Requirements by JPs, Police, Prosecutors	Oct 16, 2015
2	Retention of a Cost Estimator	Oct 16, 2015
3	Cost estimate and confirmation of the business case (3 weeks)	Nov 6, 2015
4	Issue RFP	Dec11, 2015
5	RFP closing date (17 week response period)	April 8, 2016
6	Selection Committee recommendation report submitted to JMB (4 weeks)	May 6, 2016
7	Municipal approvals complete (7 weeks) – allows 5 weeks before Burlington Council meeting)	June 27, 2016
	<i>Burlington Council (May 9, June 13)</i>	<i>June 13</i>
	<i>Halton Hills Council (May 9, 30, June 20)</i>	<i>June 20</i>
	<i>Milton Council (May 9, 30, June 27)</i>	<i>June 27</i>
	<i>Oakville Council (May 2, 30, June 27)</i>	<i>June 27</i>
8	Preferred Proponent notified (1 week)	Jul 4, 2016
9	Agreement preparation/execution (4 weeks)	Aug 1, 2016
10	Design completion and signoff (24 weeks)	Jan 16, 2017
11	Site Plan Approval (13 weeks)	Apr 17, 2017

## Halton POA Courthouse Replacement Project

December 9, 2015

700021-0013 (3.0)

12	Building Permit	Apr 17, 2017
13	Construction start	Apr 17, 2017
14	Commissioning completion (18 Months)	Oct 1, 2018
15	Building Turnover	Oct 1, 2018
16	Fit-up and move in completed	Jan 3, 2019
17	First scheduled hearings	Jan 7, 2019

**4.2. Scheduling Assumptions**

- A special meeting of the JMB may be required to achieve this timeline;
- Opportunities to advance Municipal approvals will reduce risk.

**4.3. Schedule Monitoring**

The Project Manager will monitor progress based on the schedule milestones and will report any deviations at Steering Committee meetings.

**4.4. Approval of Schedule Changes**

Any changes to the Project Schedule that extend the first hearing date must be approved in writing by the JMB.

**5.0 Cost Management****5.1. Project Budget**

The approved business case requires a 2019 facility cost of \$1.5M or less including base rent, additional rent, utilities, janitorial and building repair and maintenance. Previous analysis indicated that this could be achievable at a construction cost of \$362/sq. ft.

A budget of \$1.5M is available for furniture, equipment, and moving expenses.

**6.0 Human Resources Management****6.1. Roles and Responsibilities**

The following people and positions are assigned to the roles and responsibilities for this Project:

Person/ Position	Role	Responsibilities
	Joint Management Board	<ul style="list-style-type: none"> <li>• Oversee execution of the project</li> <li>• Expedite municipal approvals</li> <li>• Provide reporting to municipalities</li> </ul>

Person/ Position	Role	Responsibilities
	Area Treasurers' Committee	<ul style="list-style-type: none"> <li>Review and assess any changes to the approved business case.</li> </ul>
Nancy Shea-Nicol	Sponsor	<ul style="list-style-type: none"> <li>Provide leadership and secure resources as required.</li> </ul>
Franki Evans	Client Lead	<ul style="list-style-type: none"> <li>Represent the interests of end users</li> </ul>
Nancy Shea-Nicol Franki Evans Clay Connor Gar Darroch Craig Stevens	Project Steering Committee	<ul style="list-style-type: none"> <li>Make decisions on scope within the approved business case.</li> <li>Make determination of risk mitigation strategies</li> </ul>
	Project Manager	<ul style="list-style-type: none"> <li>Manage the Project Team and all day-to-day project needs</li> <li>Responsible for execution of all Project Management activities</li> </ul>
	Project Team	<ul style="list-style-type: none"> <li>Responsible for conduct of the review</li> </ul>

## 6.2. Contact Information

Contact information for all project participants is provided in Appendix A.

## 7.0 Communications Management

### 7.1. Meetings

The Project Steering Committee will meet as required throughout the Project, and no less than monthly. The Project Steering Committee meetings will be scheduled, chaired, and minuted by the Project Manager.

### 7.2. Communications with Stakeholders

The Client Lead is responsible for communicating to the Area Treasurers and the Joint Management Board.

Two public information sessions will be held after the Proposals have been received and evaluated.

### 7.3. Document Sharing

Documents are stored on a shared network drive in the City of Burlington

#### 7.4. Email Correspondence

All project correspondence will be issued by email.

### 8.0 Risk Management

#### 8.1. Currently Identified Risks

Risks	Potential Root Causes	Comments and Mitigation Strategies
Non-competitive proposals	<ul style="list-style-type: none"><li>• Owner's Specification of Requirements is not clear</li></ul>	<ul style="list-style-type: none"><li>• Review and refine OSR to confirm clarity. Develop room data sheets to confirm special requirements. Reference MAG standards.</li></ul>
Proposals do not conform to the business case	<ul style="list-style-type: none"><li>• Design objectives are not realistic</li></ul>	<ul style="list-style-type: none"><li>• Validate costs and economic model before issuing RFP;</li><li>• Incorporate escalating rental rate to reduce rent in early years;</li><li>• Consider extending lease period to 30 years.</li></ul>
Potential for unknown future costs	<ul style="list-style-type: none"><li>• Inadequate definition of requirements</li><li>• Unknown site conditions</li></ul>	<ul style="list-style-type: none"><li>• Mitigate risk by reviewing OSR with judiciary, prosecutors and police.</li><li>• Provide geotechnical study, Phase 1 ESA and topographic survey to Proponents.</li></ul>
Construction is delayed, delaying availability	<ul style="list-style-type: none"><li>• Unrealistic schedule</li><li>• Delay in approvals</li><li>• Unforeseen delay events</li></ul>	<ul style="list-style-type: none"><li>• The schedule has been prepared in consultation with experts.</li><li>• This charter defines approval processes to allow all approvals to be planned and scheduled well ahead of the required date.</li><li>• The schedule includes three months slack to allow for some unforeseen events</li></ul>

#### 8.2. Risk Management

The Project Manager will review identified and potential new risks at the Steering Committee meetings.

### 9.0 Quality Management

#### 9.1. Project Management Documents

Project documents will be stored on a shared drive on the City of Burlington LAN (local area network). Documents will be uniquely named including a version number for any documents that are updated. The Project Manager will define and share a directory structure for project documents.



## 9.2. Procurement

The City has completed a Request for Expressions of Interest and a Request for Qualifications (RFQ) to canvas the interest of the market in competing for the opportunity to become a landlord and to allow the City to pre-qualify appropriate Proponent teams. The selected short list was determined based on an evaluation of the ability of the Proponent teams to meet the quality, time and risk objectives.

## 9.3. Design

There is a clear understanding by the Steering Committee and Project Team that the quality objective is to achieve the highest quality for the required scope that is achievable within the approved business case. The Design-Build-Leaseback procurement method has been selected to achieve the optimum balance, leveraging the creativity of the design and construction industry and transferring the risk of achieving the completed building.

The City's opportunity to define the quality of design occurs at two points: the Owner's Statement of Requirements and validation that the design conforms to the Owner's Statement of Requirements at the Design Development signoff.

The Owner's Statement of Requirements (OSR) will be developed and reviewed with stakeholders to confirm that all requirements have been captured. The OSR will be included in as an appendix to the RFP to allow Proponents to develop designs that comply with the requirements. The OSR will include the components and be validated as follows:

- The sufficiency of spaces is confirmed by reference to the Ministry of Attorney General standards, comparison to the Brampton courthouse, development of an indicative design and validation by comparison to existing spaces. Space quantities are documented in the Space Summary document.
- The relationship of spaces to each other (interior and exterior) is shown in an illustrative site and building plan. This plan has been reviewed with POA staff and key stakeholder groups including members of the Judiciary, Halton Police and area prosecutors. Additional markups of the plan will be used to identify specific areas and relationships that must be implemented as show as Exemplar Designs that will be required to be replicated as shown.
- The details of key spaces have been documented in room data sheets using a template checklist-format that allows staff to complete a structured review of most common room requirements. The Ministry of Attorney General requirements for court-related spaces will be either included directly if permission to release the documents can be obtained, or will be echoed in room data sheets.
- General requirements not illustrated in the illustrative design or room data sheets will be documented in the Owner's Statement of Requirements. This document is structured

generally following the National Master Specification format to minimize the risk of missing requirements. It will be reviewed by the project team and stakeholders.

- Operational requirements will be included in the OSR, documented based on the current operational contracts managed by the POA, including those services selected for provision by the landlord.

#### 9.4. Construction

Because the procurement is for a leased facility, the quality of construction is not of concern to the City provided that the level of service delivered under the lease achieves the City's requirements. Quality control during construction will not be required.

### 10.0 Procurement Management

- All procurement shall follow the City of Burlington applicable purchasing policies.
- The City has issued an RFQ to qualify a short list of vendors who will be invited to submit a Proposal in response to an RFP that will be issued in November. The RFP seeks a Preferred Proponent with whom the City will negotiate a Design, Build and Leaseback Agreement for a new Courthouse facility. The DBL Agreement will include an agreement to purchase the site from the City at market price.
- In view of the effort proponents will expend in preparing their proposals, and to encourage competitive participation, the City will provide an honorarium of \$15,000 to the unsuccessful Proponents to defray part of the cost of developing a Proposal.
- The RFP will be framed to stipulate as many of the details of the agreement as possible and thus to have the price as the key differentiator. Items to be stipulated in the RFP include:
  - Lease terms and conditions;
  - That the lease rate shall escalate on each 5 year anniversary date by 10% of the previous rate;
  - Exemplar design components that are required;
  - Illustrative design components to demonstrate that the requirements can be achieved;
  - The Owner's Statement of Requirements (which will incorporate the Ministry of Attorney General standards for courthouses).

[illegible]

## APPENDIX D

### GROWTH MANAGEMENT PROJECT TIMELINE

PHASE	PROJECT DELIVERABLE	CALENDAR END DATE
1	RFP to Pre-qualified Proponents	December 23, 2015
2	RFP Closing Date	April 15, 2016
3	Return of RFP Proposals	April 15, 2016
4	Staff Review of RFP Proposals/Prepare Staff Report	May 7, 2016
5	Report to JMB	May 13, 2016*
6	Municipal Approvals Complete	July 4, 2016
7	Preferred Proponent Notified	July 11, 2016
8	Lease Preparation/Execution	August 8, 2016
9	Design Completion and Signoff	January 23, 2017
10	Site Plan Approval	April 24, 2017
11	Building Permit	April 24, 2017
12	Construction Start	April 24, 2017
13	Building Turnover	October 1, 2018
14	Commission/Fit-Ups/Move In	October 1, 2018
15	Fit-Ups and Move In Complete	January 3, 2019

\*may require special meeting