

Municipality of Lakeshore – Report to Council

Strategic & Legal Affairs

Workforce Development



To: Mayor & Members of Council

From: Lisa Grainger, Division Leader - Workforce Development

Date: July 5, 2023

Subject: Workplace Assessment - Outcome of Request for Proposal

Recommendation

Direct Administration to execute Option # ____ regarding the Workplace Assessment Review, as presented at the July 18, 2023 Council meeting.

Background

As the Municipality of Lakeshore's size and service levels have grown significantly in the past 4 years, with growth of 11%, so have the staffing needs of the municipality. As part of this growth, the room in the Municipality's Town Hall has become a premium. The Municipality has begun the design and review of a new municipal facility however this has been delayed due to the changing dynamic of the workforce under COVID-19. In the 2023 budget, Administration proposed a temporary office space solution. During budget deliberations meeting on January 31, 2023, the following resolution was passed:

Resolution #31-01-2023

Remove \$325,000 for the Provision of Temporary Office Space (Line 52, p. 209) and support a hybrid work program for Administration where possible and include \$30,000 for consulting work for workplace assessment.

Administration developed a Request for Proposal (RFP) for a workplace assessment to address spacing needs in the workplace. Administration also interpreted the resolution of Council as no move towards hybrid work should be made until the workplace assessment is completed. At this current time, staffing levels have filled the majority of working space in the Municipality's Town Hall and pending hires will also result in other buildings reaching capacity with respect to workspace.

Currently, Administration is also reviewing floor plan designs to maximize the space that is available in the Municipality's Town Hall, with the focus being around better customer experience, and meeting Accessibility needs for the building as required by legislation.

Comments

The RFP on the Workspace Assessment received a total of three (3) proposals on the closing date of June 16, 2023. Respondents included KPMG LLP, Deloitte LLP, and IA Interior Architects Inc. The Municipality's Evaluation Team for this RFP included the Division Leader – Workforce Development, the Division Leader – Public Works, and the Division Leader – Digital Transformation and Cloud Services.

The evaluation of each proponent was undertaken in two stages. Stage one was a review of the detailed proposal response including, work plan, references and previous work completed. A score was awarded to each of these dimensions as required in the RFP. The second stage was an evaluation of the pricing of the proponents. The scores of each stage were then added according to the evaluation matrix in the RFP. The successful proponent, KPMG, was the proponent with the highest score, and the proponent being recommended to Council. However, it should be noted that the cost of \$58,000 for the workplace assessment exceeds the approved budget amount of \$28,000. In addition, the work plan cannot be completed until late fall of 2023.

Administration has, in the past, worked on hybrid work solutions with the goal of maintaining levels of service including front-line customer service and operational staff during the COVID pandemic. The hybrid work solutions included goals for management presence, management access and management visibility for staff and maintaining service delivery. In reviewing those hybrid work solutions, Administration believes that a similar or modified hybrid work solution may be developed and implemented to address the workspace constraints the Municipality is currently experiencing. The concept would include a work rotation where, depending on the participation in a hybrid work type program, the hybrid work rotation would allow for sharing of offices and desk space resulting in a significant cost deferral on office space cost of capital. For example, in Corporate Services (Finance), it is anticipated that 27%-33% (5-6 of the 18 desk spaces) could be moved into a work rotation and hybrid work while still maintaining supervision, all key functions working at full capacity and maintaining the same service delivery. This would defer the need for adding some workspaces.

The estimated cost of a new municipal building in the long-range financial projection is estimated at \$16,400,000. This projection is built into the budget plan for 2026. It includes \$9,000,000 in new debt to be issued at the time of building. Deferral of that cost is a significant operational and strategic planning consideration.

Below are 3 options for Council's consideration as it relates to the outcome of the Workplace Assessment RFP:

Option 1: Award the RFP for the Workplace Assessment Review and hold off on the implementation of the hybrid work model until completion

Award the tender to KPMG and continue to hold on to any implementation plans for hybrid work until the consultant recommendations are presented. This would require Council to approval additional funding of approximately \$28,000 to complete the

assessment. This would not include any additional funding required to implement a plan recommended by KPMG (and approved by Council) as a result of the assessment.

As the assessment will take several months to complete, the current workspace availability is insufficient for the current staffing requirements. Additional temporary measures may have to be taken to accommodate staff requirements. Including possible expenditures on furniture or temporary use of other public spaces in Lakeshore Community Centre buildings. These temporary measures may need additional funding.

Administration will need to return to Council with a report outlining a plan for the temporary measures and the associated costs however they are estimated at \$25,000 to \$50,000.

The review of the floor plan to meet *Accessibility for Ontarians with Disabilities Act, 2005* (AODA) compliance, reimagine the customer experience at Town Hall and maximize available space in the building is in the design stage however cost estimates range between \$150,000- \$350,000.

It is estimated that the costs of this option would range from \$233,000 to \$458,000 before tax.

Option 2: Award the RFP for the Workplace Assessment Review and move forward with the implementation of the hybrid work model:

Award the tender to KPMG and implement temporary hybrid work plans to reduce the strain on office space in the municipal building until such time as a recommendation is provided by KPMG. This would require Council to approval additional funding of approximately \$28,000 to complete the assessment by KPMG. This would not include any additional funding required to implement the plan recommended by KPMG (and approved by Council) as a result of the assessment.

This option will require renovations to existing municipal facilities, however, the renovations would be temporarily deferred until Council approves plans from the Workspace Assessment completed by KPMG. The temporary hybrid work program will address workspace requirements until Council approves the plans for renovations and the renovations are completed. Therefore, this option avoids the costs of temporary measures to accommodate increased workspaces. However, this option does not avoid the costs of renovations.

The review of the floor plan to meet AODA compliance, reimagine the customer experience at Town Hall and maximize available space in the building is in the design stage however cost estimates range between \$150,000- \$350,000.

It is estimated that the costs of this option would range from \$208,000 to \$408,000 before tax.

Option 3: Do not award the RFP for a Workplace Assessment Review and move forward with a Lakeshore developed implementation plan and hybrid work model:

Instead of awarding the tender for a Workspace Assessment, Council direct Administration to develop a Lakeshore-specific hybrid work plan internally and Administration return to Council with a report outlining floor plan designs for renovating the office space on the main floor of the Municipality's Town Hall. In addition, Council direct Administration to repurpose the funds approved in the 2023 budget for the Workspace Assessment to offset the cost of the renovations to the Municipality's Town Hall that will be required.

The hybrid work plan will include specific criteria to provide framework for Administration to determine participation requirements that will allow Administration to maintain service delivery levels, address customer service requirements and provide supervision required.

In addition to the hybrid work plan, renovations will still be required to Town Hall. The review of the floor plan to meet AODA compliance, reimagine the customer experience at Town Hall and maximize available space in the building is in the design stage however cost estimates range between \$150,000- \$350,000.

It is estimated that the costs of this option would range from \$150,000 to \$350,000 before tax. However, this amount can be reduced by 30,000 by repurposing the funds already approved by Council for the Workplace Assessment.

The advantages to this option would include:

- a) It allows a hybrid work program to be tested over a period of time and to provide an opportunity for continuous improvements of the program. As a result, Administration has the opportunity to evaluate the hybrid work program for its effectiveness and efficiency while meeting the normal demands of municipal operations before adopting the program.
- b) Most of the workspace assessment has already been completed internally in order to manage the current workspace constraints. Administration believes that the outcome of the workspace assessment will be similar to what has been completed internally already.
- c) It allows Administration to implement a plan to address the insufficient workspace rapidly.
- d) It will result in lower costs than Options 1 and 2.
- e) It will support growing pressures on workspace demands until a new municipal facility is built.
- f) It will support compliance with AODA requirements for municipal facilities.

Financial Impacts

The following is a breakdown of the funding model for the RFP for a Workplace Assessment only not the complete breakdown of all the options:

RFP Workplace Assessment	Project Cost (Including Applicable HST)	Budget
Workplace Assessment total project cost	\$58,000	
Budget Approved (funded from the facilities reserve)		\$30,000
Additional funds required from the facilities reserve		\$28,000

All options to deal with spacing issues include some level of renovation requirements for the Municipality's Town Hall. Options 1 and 2 will be the same renovation plans (based on the recommendations from the Workspace Assessment and approved by Council), the difference would be the cost of the temporary measures taken to accommodate workspace constraints for the time needed to complete the assessment. Option 3 would forego the award of the RFP and Lakeshore Administration would be required to develop the plan based on best practices learned during the pandemic. The renovation plan for Option 3 will be a bit different as it will be based on a plan developed by Administration and presented to Council for approval. It also recommends the repurposing of the funds toward any future renovation cost.

Option	Cost of Assessment	Estimated cost of interim measures	Estimated cost of implementing recommendations from Assessment or renovations	Estimated cost of implementing hybrid work plan	Total
1	\$58,000	\$25,000 to \$50,000	\$150,000 to \$350,000	0	\$233,000 to \$458,000
2	\$58,000	0	\$150,000 to \$350,000	0	\$208,000 to \$408,000
3	\$0	0	\$150,000 to \$350,000	0	\$120,000* to \$320,000*

*Note: \$120,000-320,000 = \$150,000-320,000 less the \$30,000 offset by repurposing the funding for the assessment.

Report Approval Details

Document Title:	Workplace Assessment RFP.docx
Attachments:	
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This report and all of its attachments were approved and signed as outlined below:

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