

**Action Plan for CAC Recommendations Resulting
from the (Final) Evaluation of AFD.- 2002-640**

Recommendation	Action Plan
<p>1.As part of its re-procurement strategy, the Department should consider a further strengthening of its relationship with its future service providers. It should consider amending the scope of work to include the preparation of an annual building condition report (BCR) to replace the current annual building inspection. The format would consist of a template within the new database being created at the time of this writing.</p>	<p>A comprehensive framework for building condition assessment and reporting has been clearly articulated in the Statement of Work for the new AFD contracts as follows:</p> <ul style="list-style-type: none"> • Informal routine inspections. Performed regularly on a ‘walk through’ basis by property managers and building operations staff. • Scheduled maintenance management program inspections conducted by building operations staff, trades personnel and technologists. Formal inspections and maintenance routines linked to the maintenance management program. • Annual building performance reviews (BPR) performed by the property manager and building operator. Includes financial and human resources, occupant satisfaction, physical condition, compliance with health, safety, environmental requirements. Serves as input to annual building management plan. • Specialist building conditions reports (BCR) performed every three to five years by technologists, engineers and architects. In-depth assessment by PWGSC of mechanical, electrical, architectural, structural and building envelope components. Serves as input to asset management plan as per the National Investment Strategy. <p>This approach will be monitored to ensure compatibility with departmental initiatives</p>

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	<p>such as the current development of building condition indices allowing comparison of the condition of assets across the Department's inventory.</p>
<p>2. The future re-procurement should address official languages more systematically by incorporating monitoring measures in the contract SOW and KPI framework.</p>	<p>The Department attaches a high value to the application of the government's Official Languages Policy in the context of its outsourcing initiatives. To date the record of performance under AFD has been excellent with only six complaints having been registered over a five-year period. A high level of vigilance will continue to prevail in the next round of AFD. Mandatory application of official language requirements will be set out as an overriding condition in the contract terms and conditions. Additionally, within the framework of quality monitoring and related performance measurement under the KPIs, non-conformances in the area of official languages will be raised and reflected in the contractors' performance assessment.</p>
<p>3. CAC recommends that all data currently dispersed among various systems and participants in the AFD process be marshaled so as to provide readily available program- wide management information. Vital to this the establishment of the above-described capability is the stewardship required to develop the data-sharing methodology and data repository necessary to harvest the requisite intelligence in the first place. A champion of this cause should be identified to see to those results as soon as pragmatically possible.</p>	<p>The department acknowledges that additional work is required to transform available data into an optimal and readily available set of program management information to support planning, decision-making, monitoring and reporting.</p> <p>The Department will move expeditiously to achieve this objective through the naming of a champion to ensure that this task is given the necessary impetus and focus, and resources will be identified to cover development and implementation costs. Additionally, a function will be identified within the program management structure to ensure the ongoing maintenance of the system and the timely availability of high</p>

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	<p>quality and well-supported financial analyses.</p> <p>Clear baselines and cost accounting processes will be established and a comprehensive financial report will be presented annually to PWGSC's Operations Investments Board (OIB) for consideration and decision as appropriate. The report will cover unit and aggregate costs with relevant direct and overhead cost breakdowns; trends; variance analysis against annual plans; pertinent contract thresholds and contract authority levels; comparative analysis referenced to year over year expenditures and compatible industry benchmarks. Information will be aggregated at the portfolio and program levels and supported by building level analysis.</p>
<p>4. CAC recommends that any future contract clearly stipulate what service provider costs are included in the management fee and what service provider costs such as internal salaries and administration can be included in the pass-through disbursements of the contract. The service provider should be made to report on a greater level of detail in their financial reports to the Department in order to provide RPS with an ability to analyze the true costs of service delivery and compare and analyze trends over time. This level of detail could also provide the Department with the means to verify that the service provider doesn't double bill for property management and project delivery services in AFD buildings.</p>	<p>The Department acknowledges this recommendation and it has already developed a thorough and systematic definition of eligible pass-through and fee-related costs with respect to each major area of deliverables in the AFD contracts. This cost matrix will be incorporated in the new contracts and reflected in the contractors' reporting requirements through the Chart of Accounts.</p>