



Corporate Services Committee Agenda

Thursday, September 6, 2018
9:30 a.m.
Council Chambers, Walkerton ON

1. Declaration of Pecuniary Interest
2. Action Items
 - A. Strategic Asset Management Policy - Next Steps

3. Act on Recommendations

That in accordance with the Procedure By-law, staff be authorized and directed to give effect to the actions of the Corporate Services Committee in respect of all resolutions passed during the September 6, 2018 meeting.

4. Next Meeting

October 4, 2018

5. Adjournment



Committee Report

To: Warden Paul Eagleson
Members of the Corporate Services Committee

From: Bettyanne Cobean, C.M.O.
Director of Corporate Services

Date: September 6, 2018

Re: Strategic Asset Management Policy - Next Steps

Recommendation:

That staff be directed to apply for a grant opportunity from the Federation of Canadian Municipalities' Municipal Asset Management Program for consulting services to deliver an Asset Management Road Map; and,

That engaging consulting services to deliver Phase 1, 2 and 3 of the Asset Management Road Map to be partially financed through the FCM grant and the 2019 and 2020 budgets, or in the absence of FCM funding, Phase 1 from the Tax Stabilization Reserve, be approved.

Background:

The County completed a detailed Asset Management Plan (AMP) that was presented to the Corporate Services Committee on November 3, 2016 and was referred to as Phase II. The first iteration of the Asset Management Plan (2013) had been completed at a high-level using existing information, with the goal of meeting the minimum requirements defined by the Province of Ontario. The original plan included only the mandatory categories, road network, bridges and culverts and Social Housing, and identified procedural gaps and opportunities for improvement.

Under the Province of Ontario's Municipal Infrastructure Investment Initiative (MIII), municipalities were subsequently required to submit a detailed Asset Management Plan in order to qualify for Provincial grant program funding.

In addition to meeting Provincial AMP reporting requirements, the 2016 Asset Management Plan set out a strategic framework for managing the corporation's assets, aligning core infrastructure with service objectives, documenting core practices and activities, and guiding the action and investment needed to meet key business goals.



Phase II of the Asset Management Plan captured all of the categories including buildings and facilities, land improvement, vehicles/equipment and technology and communications.

The Infrastructure for Jobs and Prosperity Act, 2015 was proclaimed on May 1, 2016 and included an authority for the province to regulate municipal asset management planning. The purpose of the Act is to implement best practices throughout the municipal sector and provide a degree of consistency to support collaboration between municipalities and among municipalities and the province. The legislation is intended to help municipalities more clearly identify what their infrastructure needs are, and therefore help them work towards a more sustainable position regarding the funding of their infrastructure.

Ontario Regulation 588/17 followed in December 2017 and clearly outlined the requirements. Municipalities are required to adopt a Strategic Asset Management Policy (SAMP) that promotes best practices and links asset management planning with budgeting, operation, maintenance and other associated municipal planning activities. The deadline to develop and adopt the SAMP is July 1, 2019, with a review and update at least every 5 years.

Additional components have also been established requiring an Asset Management Plan with current levels of service for core infrastructure by July 1, 2021, and all infrastructure by July 1, 2023. An Asset Management Plan, including proposed levels of service for all infrastructure must be complete by July 1, 2024.

What is Strategic Asset Management?

- Effective plans to utilize asset categories to its fullest potential at the lowest cost and highest Level of Service
- Involves balancing of costs, opportunities and risk against the desired performance of assets to achieve organizational objectives
- Mechanism to empower departmental decision-makers and produces the best-value for public money

What are the Goals of Strategic Asset Management?

- The ultimate aim is to ensure that we invest resources well, meet customer service levels and achieve the organizational strategic plan effectively and efficiently
- Provides a means for elected officials and municipal administrators to demonstrate the value of the infrastructure planning and maintenance while balancing social, environmental and economic factors



Although the County has taken great strides to date to meet the requirements of Regulation 588/17, in order to meet the deadlines significant internal and external resources will need to be invested. To assist us to date Public Sector Digest (City Wide) had been engaged to complete Phase II of the original requirements, as well as to include and update conditions and replacement costs for the infrastructure categories in the original Asset Management Plan (Phase I).

The Federation of Canadian Municipalities (FCM) launched a 5 year, \$50 million program to help Canadian municipalities make informed infrastructure investment decisions based on sound asset management practices. This fund has a rolling application deadline but requires a resolution of Council to apply. If approved maximum funding is up to 80% of total eligible projects, to a maximum of \$50,000. Projects must be completed within 11 months from the time FCM approves the project for funding.

You will recall that on September 7, 2017 the Corporate Services Committee granted approval for staff to prepare an application to (FCM) for Inventory Condition Assessments. Since that time there have been developments related to Bill 6 and the filing of the Regulation that clearly identifies that the requirements and timelines will involve extensive staff resources in all departments and in some cases expertise that does not exist. The complexity of the work is going to require outside resources with the implementation of Bill 6 and Regulation 588/17 over a three-year period.

The intent of this report is to receive approval to change the purpose for which we apply for FCM funding from inventory condition assessments to Phase 1 Consulting Services to deliver an Asset Management Road Map and support for engaging consulting services under a three-year plan.

In 2018 the Finance Division has worked on advancing the asset inventory to a new level to make the transition into the Capital Asset Planning Module a better tool for all departments to utilize. In order to meet the requirements, we are requesting to engage external resources, specifically Public Sector Digest (PSD Research), and their Asset Management Road Map to assist in working towards achieving key elements of the mandates. All departments will be required to invest significant resources and the Road Map will provide a solution to support completing the mandated requirements with the first deadline of July 1, 2019.

The following table highlights the professional consulting fees proposed by PSD Research Consulting Software. Historically we have budgeted every two years for the Consultant to complete the asset management plan. In 2013 the County hired PSD to complete the Asset Management Plan at a cost of \$30,000 for Phase I Roads/Bridges and Social Housing and in 2015 \$23,500 for Phase II all assets.



Service	Phase 1 Sept-Apr 2019	Phase 2 Apr -Dec 2019	Phase 3 Jan-Dec 2020	Total
Corporate Asset Management Policy	\$8,000			\$8,000
Asset Management Program Assessment State of Maturity Report	\$16,000			\$16,000
Condition Assessment Protocols and Data Collection Protocols	\$12,800			\$12,800
Data Disaggregation, Consolidation and Refinement	\$9,600			\$9,600
Critical Activities Path- Roads, Bridges, Storm, Facilities, Parks Includes <ul style="list-style-type: none"> • GAP Analysis • Deterioration Modeling • Asset Condition Rating Criteria Development • Risk and Criticality Modeling Development • Lifecycle Framework Development • Level of Service Framework Development 		\$64,000	\$49,600	\$113,600
Comprehensive Asset Management Plan with Roadmap Development Incorporated			\$38,400	\$38,400
TOTAL	\$46,400	\$64,000	\$88,000	\$198,400
*Plus Applicable Taxes				

Out of scope in this proposal are any costs associated with condition assessments specific to departmental content i.e. the cost of department specific condition assessments would be included in departmental budgets. Based on the project timelines, any new condition assessment work would not be expected of Departments until beginning 2020 (unless it is required for another purpose or currently a scheduled process).



BRUCE county

Financial/Staffing/Legal/IT Considerations:

If there is support to commit to all three phases of the Asset Management Road Map the total cost over 3 years is \$198,000 plus applicable taxes. If the application for the FCM funding for Phase 1 is successful, the remaining cost for Phases 2 and 3 would be included in the 2019 and 2020 budgets. If the FCM funding application is not successful, I would recommend the costs for Phase 1 be financed from the Tax Stabilization Reserve. Approval to single source the current vendor, Public Sector Digest would be sought under the guidelines of the Procurement Policy.

Interdepartmental Consultation:

The Senior Management Team supports changing the purpose for which we apply for FCM funding from inventory condition assessments to consulting services to deliver an Asset Management Road Map under a three-year plan.

Link to Strategic Goals and Elements:

Goal # 9 - Coordinate concerted efforts to advance our agenda

A Strategic Asset Management Policy and a comprehensive Asset Management Plan, will provide the foundation for a number of Strategic Plan initiatives. Most significantly they will assist in advancing our agenda with senior levels of government to provide adequate funding to sustainably finance infrastructure in Bruce County.

Approved by:

Christine MacDonald
Acting Chief Administrative Officer