



Corporate Asset Management (CAM) Progress Update & Procurement of Professional Services

**General Committee
December 5, 2023**

**Graham Seaman, Director, Sustainability & Asset Management
Denny S. Boskovski, Manager, Corporate Asset Management**



Agenda

Education

- What is Asset Management?
- The Four Fundamentals of Asset Management

Context

- Strategic Alignment
- City's Current Corporate Asset Management (CAM) Approach

Legislation and Regulation

- Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015, c. 15
- O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure

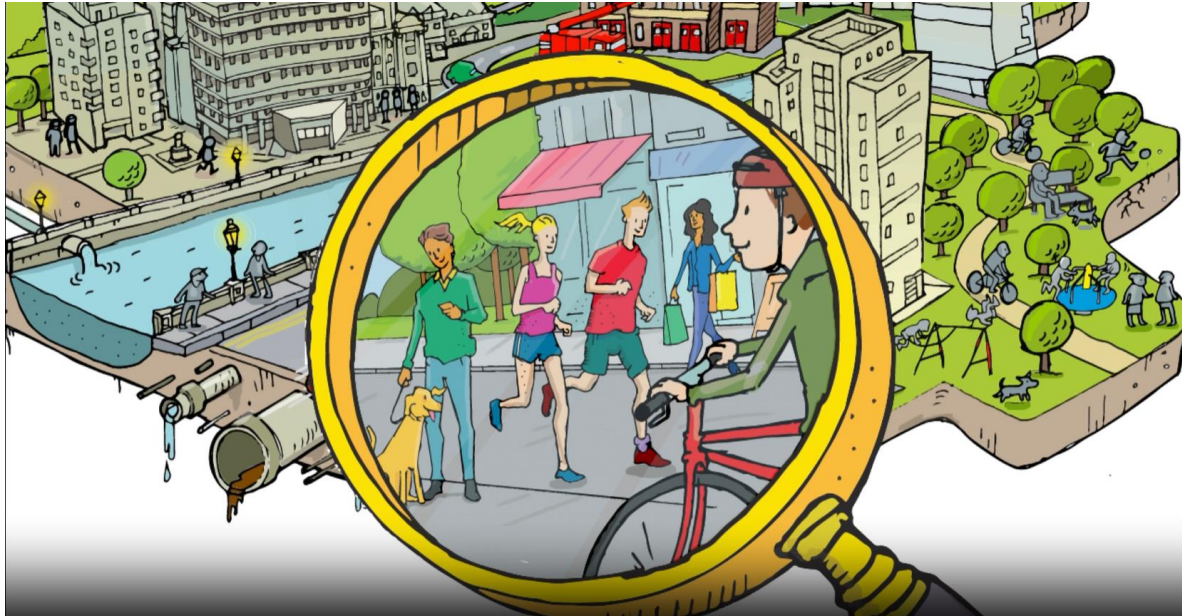
Delivery Strategy

- Proposed Work Plan
- Non Competitive Procurement
- Report Recommendations



What is Asset Management?

*Asset Management is the coordinated activity of an organization to realize **value** from assets.*





The 4 Fundamentals of Asset Management

Value

Assets exist to provide value to the organization and its stakeholders.

Alignment

Asset management translates the organizational objectives into technical and financial decisions, plans and activities.

Leadership & Workplace Culture

Leadership is essential, a key driver of business culture, fosters discipline to get the job done correctly, and determines the realization of value.

Assurance

Asset management assures that assets fulfill their required purpose.





Strategic Alignment



	Asset Management Policy	
	Policy Category: <i>Infrastructure</i>	Implementing Procedure No.: <i>Infrastructure standard, assigned by Policy Author</i>
City of Markham		
Asset Management Plan		



- Legislative reporting
- Eligibility for Canada Community Building Fund (formerly Federal Gas Tax) & grants
- Financial planning, tax rates & budgets
- Dept. business & work plans
- Risk & Performance
- Modernization & continuous improvement



City's Current Corporate Asset Management Approach

Objective

- Ensure assets provide levels of service in a sustainable way, while managing risk, at the lowest total cost of ownership

Strategies

- Develop an Asset Management Plan (AMP) that serves as a strategic, tactical, and financial document
- Provide an effective approach to managing the City's existing and future infrastructure assets through sound asset management practices and principles via a comprehensive review of the core and non-core infrastructure assets particularly; constructing, renewing, operating, maintaining, replacing and disposing of remaining liabilities; and
- Identify funding strategies to accommodate an increase in demand due to population and employment growth.
- Address observations identified by the Auditor General



Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015, c. 15

The purpose of this Act is to establish mechanisms to encourage principled, evidence-based and strategic long-term infrastructure planning that supports job creation and training opportunities, economic growth and protection of the environment, and incorporate design excellence into infrastructure planning.

Key Takeaways:

- **Every broader public sector entity** in Ontario must prepare infrastructure asset management plans
- Asset management plans **are required** to:
 - continue receiving the Canada Community-Building Fund (formerly Gas Tax), and
 - remain eligible to apply for grant funding
- **O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure** was filed under this Act
 - The regulation specifies that municipalities are to implement AM planning in a **phased-in approach**



O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure

Phased Deliverables:

- July 1, 2019 Strategic Asset Management (SAM) Policy
- July 1, 2022 AM Plan for **CORE** assets, assessed at **current** service levels, Financial summary of OpEX and CapEX
- July 1, 2024 AM Plan for **ALL** assets, assessed at **current** service levels, Financial summary of OpEX and CapEX
- July 1, 2025 AM Plan for **ALL** assets assessed at **proposed or appropriate** service levels, Financial (funding) strategy
- 2026+ Council shall conduct an annual review of its AM progress Update SAM Policy and AMP every 5 years (at minimum)



CAM Work Plan (2024-2025)

No	Project	High Level Scope	Resourcing Requirements	Milestone Date	Anticipated Council Timing
1	Asset Management Policy	Review and update the current policy as appropriate	In house AMSC, Key department staff	July 1, 2024	Update Approved Recalibrated timeline October 8, 2024
2	Corporate Asset Management Strategy & Governance Framework	Develop an integrated asset management strategy and system requirements, update our governance framework, define organizational roles and responsibilities, people resource needs, and update our asset management roadmap	Consultant Asset management Steering Committee, Key department staff		
3	2024 Asset Management Plan and Financial Summary	Update to the 2021 Asset Management Plan, integrate the Corporate Asset Management Strategy & Governance Framework results; evolve asset portfolio planning capabilities that include growth projections and address the Auditor General's observations	Consultant AMSC, Key department staff		
4	2025 Asset Management Plan and Financial Strategy	Update the 2024 Asset Management Plan Further refinement of scope anticipated by Q2 2024	Consultant AMSC, Key department staff	July 1, 2025	June 2025



Proposed Non-Competitive Procurement

Why?

Where it is necessary or in the best interests of the City to acquire Consulting and Professional Services from a preferred supplier or from a supplier who has a proven track record with the City in terms of pricing, quality and service.

- ✓ Limited City resources available
- ✓ Save time
- ✓ Mitigate potential risks
- ✓ Industry proven track record
- ✓ Efficiencies:
 - ✓ Monetary economies of scale
 - ✓ Little to no learning curve
 - ✓ Quality of previous work
 - ✓ Knows us and our systems

Item	Description	Available Funding and Project Costs
Budget	22090 - Corporate Asset Management Plan	\$ 274,300.00
	23146 - Corporate Asset Management Plan	\$ 140,900.00
	Total Budget Available	\$ 415,200.00
Project Costs	CAM Strategy and Governance Framework	\$ 144,504.29
	Contingency (10%)	\$ 14,450.43
	2024 Asset Management Plan	\$ 216,860.74
	Contingency (10%)	\$ 21,686.07
	Total Project Costs	\$ 397,501.53
Budget Remaining		\$ 17,698.47



Recommendations

1. That the report and presentation titled “Corporate Asset Management Progress Update and Procurement of Professional Services” be received;
2. That staff be authorized to award a contract for the Corporate Asset Management Strategy & Governance Framework, in the amount of \$158,954.72 (inclusive of HST and 10% contingency) and the 2024 Asset Management Plan in the amount of \$238,546.81 (inclusive of HST and 10% contingency) to GM BluePlan Engineering Limited;
3. That the total award amount of \$397,501.53 (\$158,954.72 + \$238,546.81) be funded from Capital Project # 22090, 2022 Corporate Asset Management Plan and Capital Project # 23146, 2023 Corporate Asset Management Plan, with an available budget of \$415,200.00;
4. That the remaining budget in the amount of \$17,698.47 (\$415,200.00 - \$397,501.53) be retained in the project budget until completion;
5. That the tendering process be waived in accordance with Purchasing By-Law 2017-08, Part II, Section 7 Non Competitive Procurement, item 1 (h) which states “Where it is necessary or in the best interests of the City to acquire non-standard items or Consulting and Professional Services from a preferred supplier or from a supplier who has a proven track record with the City in terms of pricing, quality and service.”; and,
6. That Staff be authorized and directed to do all things necessary to give effect to this resolution.