

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 16, 2017

Item 2, Report No. 19, of the Committee of the Whole (Working Session), which was adopted without amendment by the Council of the City of Vaughan on May 16, 2017.

2 CORPORATE ASSET MANAGEMENT STRATEGY

The Committee of the Whole (Working Session) recommends:

- 1) That the recommendation contained in the following report of the Deputy City Manager of Public Works and the Manager of Corporate Asset Management, dated May 8, 2017, be approved; and
- 2) That the presentation by the Manager, Corporate Asset Management and Communication C2, presentation material titled "Update on the Corporate Asset Management Strategy", dated May 8, 2017, be received.

Recommendation

The Deputy City Manager of Public Works and the Manager of Corporate Asset Management recommend:

1. THAT this report be received for information.

Contribution to Sustainability

Formal and deliberate management of the City's assets will maximize the return on the City's capital and operating investments, and ensure that services are provided optimally to the citizens of Vaughan.

Improvements to the City's asset management practices play a key role in financial sustainability by ensuring that capital and operating decisions are made with consideration for long-term impacts over the full life cycle of the assets.

Economic Impact

Council approved capital project EN-1958-13, for the Corporate Asset Management (CAM) initiative. This budget was endorsed by the Committee of the Whole on Nov 12, 2013, and approved in the 2014 Budget.

Asset Management is a key component to the City's Financial Planning

The asset management data and technology systems will establish a clear understanding of the City's asset inventory, ownership costs and renewal and replacement schedules, which are essential to the prudent financial planning for the City's assets. The importance of asset management to the City's financial sustainability is reflected in the City's new Fiscal Framework (approved by Council in January 2017), which includes a focus area called "Approach to Infrastructure".

A regularly updated asset management plan supports continued Provincial infrastructure and Federal Gas Tax funding for City services

Provincial and Federal governments require municipalities to demonstrate through asset management plans that proposed infrastructure projects have undergone rational assessment and prioritization. Municipalities must confirm they are prepared and capable to operate, maintain and renew any new infrastructure through its life cycle.

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Communications Plan

Communications are currently focused on internal staff whose work will be affected by the asset management initiatives underway across the City. Maintenance and repair staff are being regularly updated on the progress of the Computerize Work Management System initiative. As the implementation project is delivered and the technology launch dates approach, staff will be further consulted and trained on refinements to their work and work processes.

Information on the importance of planning for the City's asset portfolio will be provided through a variety of media and social networking system, including at the Public Works Day open house on Saturday, May 27, as part of National Public Works Week. Staff are also exploring other opportunities to educate and inform the public on asset management, financial sustainability and the new Fiscal Framework through collaboration with Corporate Communication and the Office of the Chief Financial Officer.

Other public outreach approaches will be considered to educate and inform the public about the role of proactive asset management in financial sustainability.

External communications will also be provided when initiatives will affect how the public experiences service requests. Improvements to citizen service experiences will be implemented by the Service Vaughan project. The scope of the Service Vaughan project compliments Corporate Asset Management's work order improvement initiative in cases where citizen calls and concerns relate to City-owned assets, and result in repair work orders.

Purpose

The purpose of this report is to update Council on implementation of the Corporate Asset Management strategy, identify the next steps in meeting the City's strategic objective regarding asset management, and highlight the alignment of these initiatives with other corporate priorities.

Background - Analysis and Options

In accordance with earlier Council direction, staff have been working on three key elements of the Corporate Asset Management Strategy, including:

- Data collection and storage
- Computerize Work Management System
- Asset management planning system implementation

Data Collection

The City's asset inventory data collection is approximately 70% complete, and asset management data activities (such as condition, asset life, replacement value and geo-location) are approximately 50% complete.

Prior to the development and implementation of the Corporate Asset Management Strategy, data existed primarily in the areas of roads, water, wastewater and storm water infrastructure. However, the City owns a large number of other assets, including buildings, park assets, plants/shrubs and trees. The strategy recommended collection of asset data, including completing the City's inventory of assets, and conducting condition assessments to better plan for necessary renewals.

Since the Corporate Asset Management Strategy was approved, staff have made significant progress collecting data for parks, forestry, horticulture and buildings. Staff are also augmenting existing asset data to the level of detail required to support work management and asset management planning systems. Notable achievements and on-going efforts include the following:

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- **Buildings**
Through 2015, staff completed an inventory of building systems and mechanical equipment at the City's 10 community centres. Staff are now working on similarly detailed inventories for City Hall, the Joint Operations Centre, libraries, fire stations and heritage buildings. Through 2017, condition assessments are being completed by external consultants on these buildings to support renewal planning.
- **Park Assets**
Through 2016, staff developed a comprehensive list of assets and components at all park facilities, including sports fields, play structures, splash pads, skateboard facilities and park buildings at each of the City's 201 parks.
- **Plants & Shrubs**
Staff have created an inventory of horticulture assets, including flower beds, shrub beds, planters, and hanging baskets, as well as their locations.
- **Trees**
An inventory of street trees began in 2016. The inventory, including tree species, height, age, and geo-location, is expected to be completed in fall 2017. The second phase for tree asset data collection will include an inventory of woodlots and open space trees.

Asset data is being loaded to the City's Geospatial Information System (GIS) to support map-based decision-making for major planning projects, and to standardize asset types and service levels.

The newly-collected asset data are already being used to support several major planning projects, including the Parks Revitalization project, the Beautification Strategy, the Active Together Master Plan, and the Development Charges Background Study.

Asset data are being used to develop standards for park and plant asset types, and their associated maintenance levels. This standardization is essential when budgeting for asset operations and maintenance costs. It will also improve customer satisfaction by improving consistency of service levels across the City.

Computerized Work Management System

The asset data collection is being coordinated with deployment of mobility devices and implementation of work order improvements, to greatly improve efficiency of maintenance and repair activities in the field.

The Strategy recommended core IT systems needed for asset management, specifically the Computerized Work Management System (CWMS). The CWMS will allow staff in all resident-facing operational areas to maintain and repair assets more quickly and more efficiently by enabling them to enter and access asset information from the field.

The CWMS will also be used by field staff to document work order activity for an asset. This information will be used to develop operational and capital plans which will influence the City's operational and capital budgets. This will allow for the appropriate work to be completed at the appropriate time, reducing the life cycle cost of the asset.

It is expected that the new CWMS will be available for staff in Fleet Services, Water Service, Wastewater & Storm water Service and Park Operations as part of the first phase of the roll-out of this system. Configuration is expected to begin later this year, enabling roll-outs through 2018. The second phase will include roll-out to the following areas: roads, traffic, forestry, horticulture, buildings and facilities, fire.

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Asset Management Planning System

An Asset Management Planning System (AMPS) will be used to optimize asset operations, maintenance, repair and renewal strategies.

The AMPS will be used to forecast asset deterioration, as well as the effects of different life cycle strategies. The system will be used to prioritize capital investments across all asset types, to ensure that funding is allocated in a way that best addresses the City's needs.

Business Requirements for the AMPS will be developed in 2017, and it is expected that the system will be procured and implemented in 2018.

Future Plans

A Corporate Asset Management Policy will be developed to meet provincial legislation and align with the City's Fiscal Framework's Approach to Infrastructure.

In accordance with the Corporate Asset Management Strategy, a Corporate Asset Management Policy will establish the City's commitment to sustainable AM practices, and will enable the City to comply with upcoming provincial legislation requiring municipalities to have an Asset Management Policy. The policy will be aligned with the principles outlined in the Fiscal Framework's Approach to Infrastructure, as well as the various policies that are being developed as part of the Financial Sustainability project.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

The Corporate Asset Management Strategy initiative is part of the Term of Council Priority, "T06 – Invest, Renew and Manage Infrastructure Assets". The Corporate Asset Management Strategy supports Financial Sustainability by demonstrating responsible and sustainable management of the City's infrastructure assets.

Progress on the Corporate Asset Management Strategy is being coordinated with the Service Excellence initiatives, to maximize synergies. Specifically,

- Service Vaughan
The Service Vaughan (SV) project aims to improve citizen service experiences, beginning with a SV Strategy that is expected in 2017. The scope of SV overlaps with Corporate Asset Management's work order improvement initiative in cases where citizen calls and concerns relate to City-owned assets. The SV and Corporate Asset Management Strategies are being coordinated to ensure that citizen calls flow seamlessly into work order, and citizens can be efficiently notified when the asset has been repaired.
- Digital Strategy
The Digital Strategy (DS) was initially drafted in 2016, and is being refined this year. It defines the City's plan to transformation to meet the digital future. Synergies between asset management activities and the DS' focus areas include access to data and content, eservices and mobile applications, and supporting the internal corporate digital transformation while integrating progressive external trends.
- Workforce Management
The Workforce Management (WM) project seeks to improve how the City manages staff schedules and costs. The Corporate Asset Management Strategy is being coordinated with this project to consider how the work order processes can be integrated with future WM processes and technologies to facilitate work order scheduling, and to make staff time tracking a seamless output from the work order system.

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- **Procurement Modernization**

The Procurement Modernization (PM) project aims to improve the efficiency with which the City obtains goods and services from external vendors. The Corporate Asset Management Strategy is being coordinated with this project to consider how purchases related to assets and work orders can be more efficiently incorporated into asset management planning, maintenance activities and financial reporting on tangible capital assets.

- **Financial Framework**

The Financial Framework (FF) project has delivered a Fiscal Framework, and is building a series of financial policies and procedures to support the framework. The Corporate Asset Management Strategy is being coordinated to align AM policies and practices with the updated financial policies and procedures.

Regional Implications

City staff are involving Regional staff on data collection topics that are of mutual relevance. For example, the City is keeping the Region and the York Info Partnership apprised on progress of the street tree data collection effort, and meets regularly with the Region to discuss ownership of certain assets in the road, water and wastewater networks.

Conclusion

The City is continuing to make progress on implementation of its Corporate Asset Management Strategy. Since the strategy was approved, significant progress has been made in data collection. The City's asset inventory data is now estimated to be 70% complete, and asset attribute data for asset management is estimated to be 50% complete.

A procurement process is in progress to implement work order management improvements in the City's existing JD Edwards enterprise software system. The improvements are expected to be rolled out to four operational areas through 2018 and to the remaining operational areas in a separate contract.

The business requirements are being gathered for the asset management planning system and implementation will follow in 2018.

In addition, a Corporate Asset Management Policy will be developed in 2017 to meet provincial legislation and to align with the City's Fiscal Framework's Approach to Infrastructure.

Attachments

None.

Report prepared by:

Elaine Chang, Manager of Corporate Asset Management, ext. 8303

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Update on the Corporate Asset Management Strategy

Committee of the Whole (Working Session)

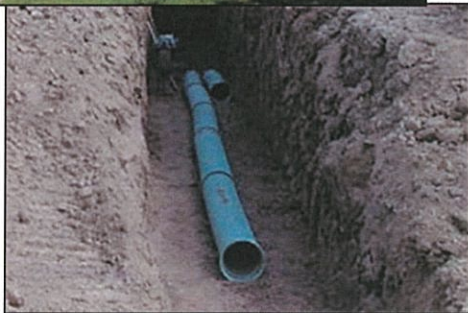
May 8, 2017



CANADA 150



Our Services Rely on Assets & Infrastructure



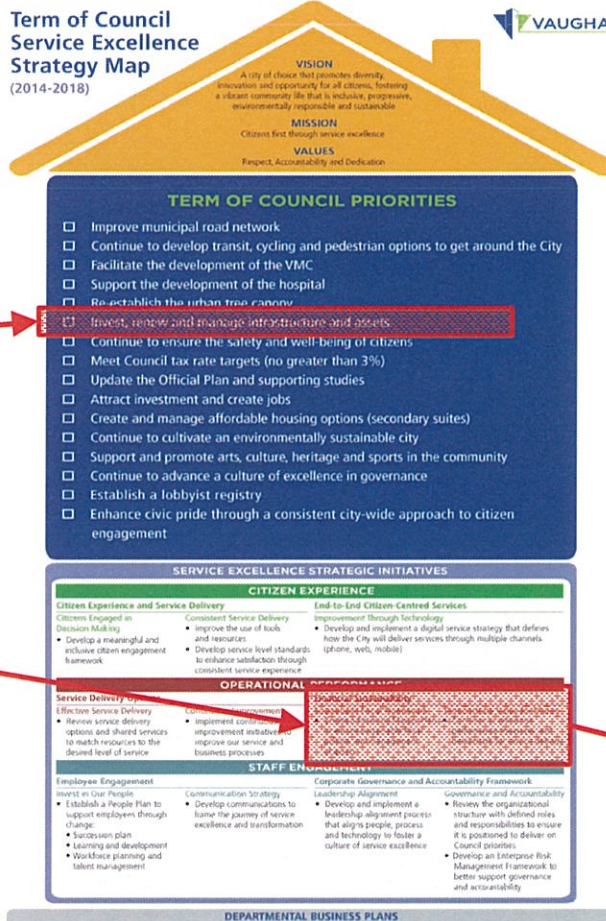


Asset Management

A Council Priority &

Pillar of Financial Sustainability

Term of Council Service Excellence Strategy Map (2014-2018)



Financial Sustainability

Guiding Principles

Principles in Action

1. Consideration Towards Existing Service Levels
2. Growth Pays for Growth
3. New Initiatives to Enhance the City

Approach to:

- Infrastructure
- Services
- Managing Money



Background on the Corporate Asset Management Strategy

2013

- AM Gap Assessment completed

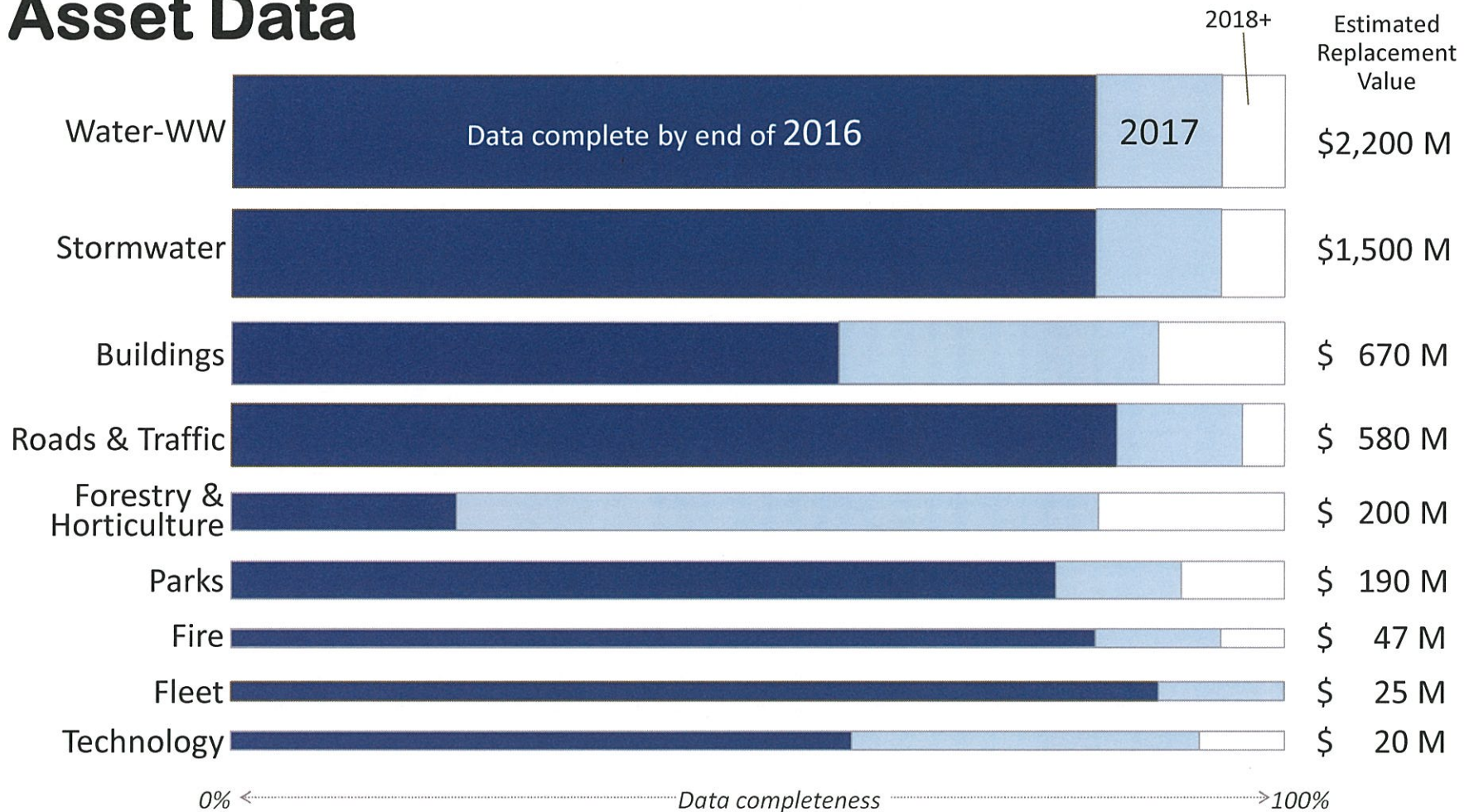


2014

- Corporate AM Strategy & Roadmap developed
- Council approved:

– Capital budget (Gas Tax)	Data Collection	\$0.50 M
	Work Order Management Improvements	\$1.65 M
	AM Planning System	\$0.35 M
– Operating budget	Corporate AM Office (5 FTE)	

Asset Data



Asset Data

Recently collected asset data are essential for AM Strategy initiatives:

- More efficient work order management
- Better asset management decision-making

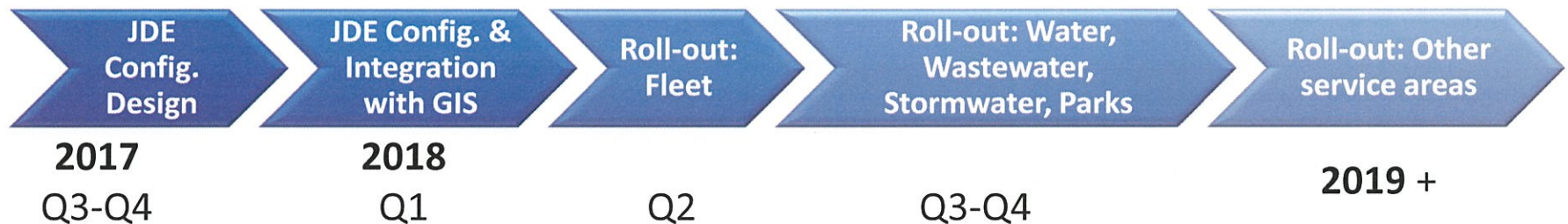
Asset data are also directly supporting several Term of Council Priority projects:

- Parks Revitalization Strategy
- Beautification Strategy
- Active Together Master Plan
- Development Charges Background Study



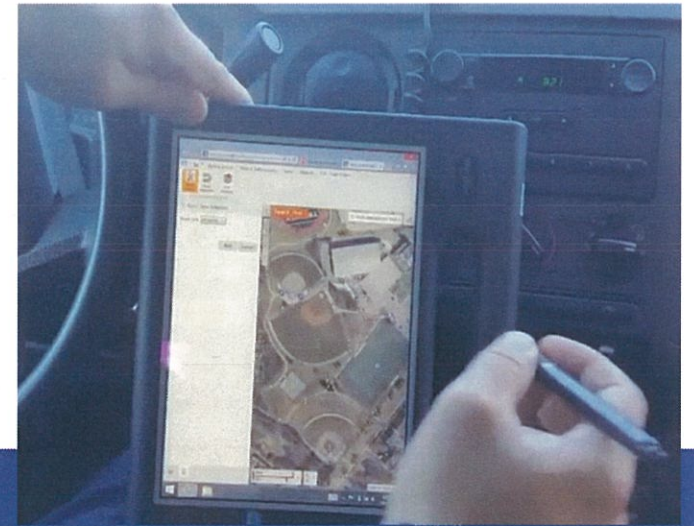
Asset Management Systems

Work Order Management Improvements



Work order improvements will:

- Speed up response to asset repair calls from citizens
- Streamline operations & maintenance work orders
- Improve tracking of asset life cycle costs and decision-making



Asset Management Systems

Asset Management Planning System



The AM Planning System will support asset life cycle decision-making and prioritization across all asset types.



Update on the Corporate AM Strategy Recommendation

- That the Corporate AM Strategy update be received.



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Recommendation

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Attachments

None.

Report prepared by:

Elaine Chang, Manager of Corporate Asset Management, ext. 8303

Respectfully submitted,

Stephen Collins, P. Eng.
Deputy City Manager, Public Works

Elaine Chang
Manager of Corporate Asset Management