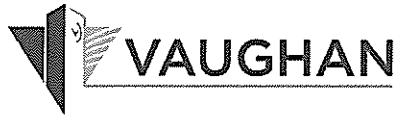




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COMMUNICATION
FAA - June 6/2017
ITEM - 8

DATE: June 2, 2017

TO: Mayor and Members of Council

FROM: Stephen Collins, Deputy City Manager – Public Works

RE: COMMITTEE OF FINANCE, ADMINISTRATION AND AUDIT – JUNE 6, 2017
GRANT FUNDING OPPORTUNITY – MUNICIPAL ASSET MANAGEMENT PROGRAM

Recommendation

Further to Item 8 of the June 6, 2017 meeting of Finance, Administration and Audit Committee, the Deputy City Manager of Public Works, in consultation with the Chief Corporate Initiatives and Intergovernmental Relations Officer, the Director of Financial Planning & Development Finance and Deputy City Treasurer recommend:

1. That an application package be submitted for a grant opportunity from the Federation of Canadian Municipalities' (FCM) Municipal Asset Management Program for "Work Management Improvements to Track Asset Life Cycle Costs and Events";
2. That, should the application be approved, the City commits to conducting the activities proposed in the application to the FCM's Municipal Asset Management Program;
3. That the City fund its portion of the cost of this initiative from approved Capital Project EN-1958-13.

Contribution to Sustainability

The Federation of Canadian Municipalities (FCM) has launched a Municipal Asset Management Program (MAMP) to strengthen asset management (AM) practices within municipalities, recognizing that improvements to municipal AM practices play a key role in financial sustainability.

In May 2017, the FCM announced the MAMP, a five-year, \$50-million program funded by Infrastructure Canada. The grant program will support financial sustainability in municipalities by building their capacity to make capital and operating decisions with consideration for long-term performance, cost and risk impacts over the full life cycle of the assets.

Staff propose to apply to the MAMP funds to support the City's on-going initiative to implement work management improvements to track asset life cycle costs.

This improvement need was identified in the City's 2014 Corporate Asset Management (CAM) Strategy, which identified Computerized Work Management as a priority initiative that would enable the City to track asset life cycle costs, as well as asset maintenance, failure and repair events. This life cycle data would then be used to make better capital and operating decisions, based on performance, cost and risk impacts over the full life cycle of our assets.



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Economic Impact

Should the MAMP grant application be successful, the estimated \$300,000 project cost would be funded as follows: \$250,000 from the existing Gas Tax funds, and \$50,000 from the MAMP.

For the first phase of this Corporation-wide initiative, the work order improvements will be implemented and rolled out in three of the City's 11 operational areas. It is expected that this phase of the improvements will cost approximately \$300,000. This amount is currently allocated in Capital Project EN-1958-13 (Corporate Asset Management Strategy), funded from Gas Tax.

Should the MAMP grant application be successful, the City would contribute an estimated \$250,000 toward implementation of work management improvements, and the remaining \$50,000 would be funded by the MAMP. The requested grant contribution would be well within the MAMP's 50% maximum toward project software costs.

Unused Gas Tax funds would then be applied to other Corporate Asset Management Strategy initiatives, including work management improvements for other asset types, asset data collection and implementation of an asset management planning system.

Communication Plan

Should the MAMP application be successful, Staff will ensure that the City remains compliant with FCM's communication requirements.

Purpose

The purpose of this Communication is to request Council approval to submit an application for the Federation of Canadian Municipalities' (FCM) Municipal Asset Management Program (MAMP) for "Work Management Improvements to Track Asset Life Cycle Costs and Events".

This Communication is associated with Item 8, which recommends that delegated authority be granted to the City Manager and Chief Financial Officer and City Treasurer to submit applications for funding grants that may become available during the summer hiatus. Although such a recommendation would authorize staff to submit an application to the FCM's MAMP, the MAMP Application Guideline requires that applications include a Council resolution that demonstrates the City's commitment to the specific project being proposed for MAMP grant funding, to the activities being proposed as part of the project, and to the amount of the City's financial contribution toward the proposed project.

Background – Analysis and Options

Based on the MAMP application guideline, the work management improvements to track asset life cycle costs is the best candidate project for this grant.

The MAMP application guideline states that MAMP grants will be limited to a maximum of \$50,000. Moreover, MAMP contributions are limited to a maximum of 80% of eligible project costs, or 50% in the case of costs relate to software. Moreover, projects that receive funding must be completed within 11 months after award.

Staff reviewed capital projects existing in the current capital plan and the CAM Strategy. It was determined that the work management improvements to be implemented for the first Phase of roll-outs would be the most appropriate candidate project for this application, because of the following:



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- The City is applying for a \$50,000 MAMP grant to support this project. Should this amount be awarded, the City would contribute \$250,000 of Gas Tax funds, which are already available in Capital Project EN-1958-13.
- The \$50,000 grant request represents 16.7% of the total \$300,000 budget for this scope of the work. This proportion is well within the MAMP's 50% maximum for project software costs.
- This project is currently in the procurement stage. It is expected that the project will begin this summer, and be completed within 11 months of the expected MAMP award date, as required by the MAMP guideline.

Work order management improvements will provide the City with important asset information to make better decisions about how the City maintains, repairs and renews its assets.

The proposed work management improvements will enable the City to track asset life cycle costs, as well as failure and maintenance events. This information will allow the City to analyze the trade-offs between asset performance, cost and risk over the life of the asset, and use those insights to decide how to best to allocate its precious resources.

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

This project falls within the Term of Council Priority, "T06 – Invest, Renew and Manage Infrastructure Assets", and progress is being reported in the Service Excellence Dashboard as "T06.3 – Corporate Asset Management". The asset life cycle data will also support S2.5 Financial Framework – Financial Master Plan as this information will support better asset investment decision-making.

Regional Implications

None.

Conclusion

Staff request Council approval to submit an application for the Federation of Canadian Municipalities' (FCM) Municipal Asset Management Program (MAMP) to support the City's existing initiative to implement work management improvements to track asset life cycle costs and events. This life cycle data would then be used to make better capital and operating decisions, based on performance, cost and risk impacts over the full life cycle of our assets.

Attachments

N/A

Report prepared by

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

Respectfully submitted,

Elaine Chang for

Stephen Collins
Deputy City Manager, Public Works



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CC

Tim Simmonds, Chief Corporate Initiatives and Intergovernmental Relations Officer

Lloyd Noronha, Director, Financial Planning and Development Finance and Deputy City Treasurer