

## **Staff Report 2020-0211**

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Meeting Date: June 30, 2020

Subject: Municipal Asset Management Funding Program (MAMP) Funding and Single Source Contract Award

Submitted By: Vidit Aneja, Senior Corporate Asset Management Analyst, Finance and Infrastructure Services

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### **RECOMMENDATION**

That staff be directed to apply for a grant from the Federation of Canadian Municipalities' Municipal Asset Management Program to update the Town's asset management plan to comply with the Ontario Regulations (O. Reg. 588/17) requirements by the July 1, 2021 compliance deadline;

That the Town commits to updating its asset management plan, as per the Ontario Regulations (O. Reg. 588/17) requirements for 2021 and submit to the Federation of Canadian Municipalities' Municipal Asset Management Program to advance the Town's asset management program;

That the Town commits to funding the Town's 20% share of project costs of \$36,293 as outlined in the Municipal Asset Management Program, from the Council approved 2018 Capital Project #18-146 Asset Management Plan Policy; and

That a single source award contract be awarded to The Public Sector Digest Inc. (PSD) to update the Town's asset management plan for an upset budget limit of \$86,293 (inclusive of non-recoverable HST) funded from the Capital Project #18-146 Asset Management Plan Policy be approved.

### **REPORT HIGHLIGHTS**

- Given the availability of current resources and budget, and based on the opportunities of improvements identified through the 2018 AMP, Town staff is recommending a grant application to be submitted to update its AMP to meet the Ontario Regulations (O. Reg.) 588/17 requirements for the July 1<sup>st</sup>, 2021 deadline;
- As part of the process, a Council resolution in support of the Town's application to receive funding through the Municipal Asset Management Program (MAMP) is required;
- The Federation of Canadian Municipalities' (FCM) MAMP provides 80% of eligible project costs up to a maximum of \$50,000 to the municipalities with a population of over 1,000;
- The report requests approval from Council to single source the next AMP update to The Public Sector Digest Inc (PSD) as they have performed similar work for the Town in recent years (2013, 2018) and have been periodically assisting the staff with Town's asset data in the Town's asset management (AM) system, Citywide, which is a software provided by The Public Sector Digest Inc (PSD);

- All single source contract awards over \$50,000 in value must be approved by Council prior to entering into an agreement in accordance with the Town's Purchasing Bylaw.

### DISCUSSION

#### Background

The Federation of Canadian Municipalities' (FCM) offers an eight-year, \$50 million Municipal Asset Management Program (MAMP) program through the funding from Infrastructure Canada (INFC) to support Canadian municipalities and communities in building their AM practice. The grant program for municipalities was first launched in May 2017, which was intended to last for five-year period and allow for continuous intake of application towards \$50 million in available program funding. However, due to the overwhelming interest from municipalities, the funds were exhausted by late 2018. The FCM has started accepting new applications as of 15<sup>th</sup> May 2020 and is currently accepting applications on a continuous basis, year-round, until October 31<sup>st</sup>, 2022 at the latest or until the funds are exhausted. However, due to the popularity of the grant application, Town's staff is committed to applying for the grant as early as possible. The grant has funded more than 585 local asset management projects in communities across Canada since its inception and as per the 2019 federal budget, an additional \$60 million investment has been allocated to the program.

#### MAMP Funding Requirements

A completed application consists of the following documents:

1. resolution from council
2. completed application form
3. completed asset management readiness assessment
4. completed workplan and budget

Eligible activities include AM assessments, AM plans, policies and strategies, data collection and reporting, training, organizational development and knowledge transfer. The project must be completed within 12 months from funding approval notice. The MAMP grant provides 80% of eligible project costs up to a maximum of \$50,000 to the municipalities with a population of over 1,000 (although the average contribution was approximately \$35,000 in previous rounds). The link with further details of the application is <https://data.fcm.ca/documents/funding/mamp/application-guide.PDF>.

#### Proposed activity for the MAMP Funding

Based on the 2018 AMP, the Town owns and operates infrastructure assets with a replacement value of nearly \$1.5 billion. Most of these assets are in *Very Good* to *Good* condition with at least 10 years of useful life remaining. But, just over a quarter of the Town's total assets are in *Poor* to *Very Poor* condition. In addition, O. Reg. 588/17 requirements for 2021, 2023 and 2024 will further result in an increase to the resources and effort that the Town currently dedicates to corporate asset management.

As part of the 2018 AMP, staff was able to develop an AM roadmap and a workplan, which has been reviewed by the Town's AM working group (managers of all asset departments)

and AM steering committee (senior management team), to address the identified gaps and find opportunities of further improvements towards which the staff is currently working through.

Given the availability of current resources and budget, size of the potential available funding and the 12-month timeframe within which the project must be completed, and final report be submitted, staff are recommending to leverage the MAMP funding to update its AMP based on the most updated data (most recent condition data) which will also include growth and levels of service to ensure compliance with O. Reg. 588/17 for 2021. The project is expected to cost \$86,293 (inclusive of non-recoverable HST). The expected outcomes of the project are:

- compliance with the O. Reg. 588/17 requirements for 2021 (1<sup>st</sup> July deadline)
- an updated AMP that will include analysis based on the most recent condition data, asset inventory, growth and levels of service (core assets)
- opportunities of further improvements based on the existing data gaps and an AM strategy

The project is expected to begin in August 2020 with a final report by June 2021.

### **Single sourcing PSD for the AMP update**

The Town staff recommend that it would be beneficial to single source PSD for the AMP update as they are very familiar with the Town's progress on asset management through their past work for the Town, bringing added value and anticipated efficiencies based on the existing knowledge and lessons learnt from the past. PSD's past work with the Town includes:

- developing the Town's first AMP (Council approved) in 2012-2013;
- updating the 2018 AMP (Council approved) that included all the Town's assets for the first time;
- establishing the Town's first AM Policy in 2019 (Council approved);
- PSD provides the tool, Citywide, that is currently allowing Town staff to develop an enterprise AM system (including work order system for tracking maintenance and associated costs);
- continuous assistance with improving data confidence and identifying key opportunities of improvements.

## **FINANCIAL IMPLICATIONS**

The FCM's MAMP provides 80% of eligible project costs up to a maximum of \$50,000 to the municipalities with a population of over 1,000. Receipt of the FCM MAMP grant would reduce the Town's cost of completing an AMP to be compliance with the O. Reg. 588/17 requirements for 2021 (1<sup>st</sup> July deadline) by \$50,000.

An upset limit for the recommended Single Source award of \$86,293 (inclusive of non-recoverable HST) will be allocated from the previously approved capital project #18-146 for Asset Management Plan Policy to fund the Town's share of project costs (20% of the

project cost) as outlined in the MAMP. If the grant is received the Town's cost is expected to be \$36,293 funded by capital project #18-146. In a case where the grant is not received, the Town's cost is expected to be \$86,293 funded by capital project #18-146. This project was funded by tax in the amount of \$150,000 with a current remaining budget of \$138,701.

**COUNCIL WORK PLAN**

Good Governance - Implement and clearly communicate to the community an asset management plan

**ATTACHMENTS**

None.