

To: Warden and Members of County Council

From: Director of Corporate Services

Asset Management Shared Services Agreement

RECOMMENDATIONS

1. That Council hereby authorizes the Chief Administrative Officer and Director of Corporate Services to execute shared services agreements with the Township of Norwich, Township of Zorra, Township of Blandford-Blenheim and Township of South-West Oxford for the provision of asset management support based on cost recovery for services rendered for a term of three years with one year renewal options;
2. And further, that County Council approves the addition of a permanent Full-Time Capital Planning Analyst FTE.

REPORT HIGHLIGHTS

- To extend shared services agreements for the provision of asset management services for the Townships of Norwich, Zorra, Blandford-Blenheim and South-West Oxford.
- Utilizing County staff to provide asset management services will increase overall efficiencies, for all parties, through the use of a team approach with varying skills and specific asset management training, along with templates and implementing concepts already completed at the County, through ongoing enhancements to asset management processes.

Implementation Points

Subject to the approval of the recommendations contained in this report, staff will work with area municipal staff on finalizing the shared service agreements. Staff will also proceed with the hiring of a Capital Planning Analyst.

Financial Impact

Staff are not anticipating an impact to the 2023 budget as a result of approving the recommendations contained within this report. Staff are proposing that the initial one time capital cost be funded from the Corporate General Reserve, and the costs associated with staff time are anticipated to be fully recovered through shared services agreements with the

Townships. The 2023 budgeted closing balance of the Corporate General reserve is approximately \$4.8 million, which is sufficient to fund the one-time need.

Table 1 illustrates the full year costs and service recovery fees anticipated with the County providing the asset management services to the Townships.







Table 1 – Estimated Staffing Costs

	One-time	Base	Total Budget
Revenues			
Service Recovery Fees	\$-	(\$108,000)	(\$108,000)
Corporate General Reserve	(2,000)	-	(2,000)
Total revenues	(2,000)	(108,000)	(110,000)
Salaries and benefits	-	107,500	107,500
Operating expenses			
Mileage	-	500	500
Total operating expenses	-	500	500
Capital			
Computer Equipment: Laptop	2,000	-	2,000
Total capital	2,000	-	2,000
County Levy	\$-	\$-	\$-

Communications

The Manager of Capital Planning will meet quarterly with each of the Townships, or more frequently if required, to review progress to date and goals and objectives to ensure all requirements under the shared services agreement are met.

Strategic Plan (2020-2022)

					
WORKS WELL TOGETHER	WELL CONNECTED	SHAPES THE FUTURE	INFORMS & ENGAGES	PERFORMS & DELIVERS	POSITIVE IMPACT
1.ii.		3.iii.		5.i. 5.ii.	

DISCUSSION

Background

On January 1, 2018, O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure came into force. This regulation requires further advancement of the County's Asset Management Program, which includes both the Strategic Asset Management Policy and the Asset Management Plan. The regulation allowed for a staggered implementation with all requirements to be implemented by July 1, 2025. County staff and area municipal staff continue to work towards meeting all requirements in the regulation.

The Townships of Norwich, Zorra, Blandford-Blenheim and South-West Oxford initiated discussions in late 2022 regarding an asset management shared service. County staff reached out to the Townships expressing interest in hosting the position so that a team approach could be offered and efficiencies realized. The Townships have all included expense provisions in their 2023 draft Budgets for this service and have received Council approval for signing a shared service agreement.

Comments

County staff had discussions with Township staff to clarify the scope and expectations of the support services required. On the basis of these discussions, the County would require an additional FTE to create the capacity to provide the services. The County would be able to offer greater flexibility to satisfy individual Township needs through a team approach. The team approach offers varying skills so that staff knowledge and expertise can be targeted based on the type of work being completed, along with the ability to provide service to multiple Townships on the same day if needed. The functions requested are currently being completed within the Capital Planning division of Corporate Services, with the addition of a second Capital Planning Analyst the team would have the required capacity to serve the Townships.

Functions provided under the shared service agreement would include, but are not limited to:

- determining lifecycle strategies;
- develop risk management frameworks;
- develop condition and capacity protocols;
- define levels of service frameworks, accommodating both current and proposed levels of service;
- implementing deliverables in the asset management software;
- completing asset management plan updates, and progress reports as per O.Reg. 588/17;
- asset retirement obligations; and,
- annual asset changes required for PSAB.

The shared service approach will also provide for the benefit of enhanced coordination of long term capital planning to ensure services are delivered at the best value to the residents. For example, the timing of projects within a roadway corridor would be planned based on the

lifecycle and service level needs for all assets within that corridor, regardless of who the asset owner is.

Furthermore, the Capital Planning shared services model will allow the possibility of other area municipalities to participate in the future. Service levels and requirements, however, would be assessed on an ongoing basis to ensure capacity availability is maintained. Should additional municipalities request similar services, the addition of an FTE would be a consideration to ensure the Capital Planning division maintains the necessary service capacity, which would be addressed through a regular budget and business plan process or special council report, as needed.

Conclusions

Success in asset management requires a multidisciplinary approach. A wide range of disciplines is involved including engineering, finance, operations, information systems, management, and more. Providing a shared services agreement to the Townships would help ensure the efficiencies from a multidisciplinary team approach are recognized, and that services are delivered to residents at the best value.

SIGNATURES

Report Author:

Original signed by

Jennifer Lavallee, CPA, CGA
Manager of Capital Planning

Departmental Approval:

Original signed by

Lynn S. Buchner, CPA, CGA
Director of Corporate Services

Approved for submission:

Original signed by

Benjamin R. Addley
Interim Chief Administrative Officer