



The Corporation of the Municipality of Arran-Elderslie

Staff Report

Council Meeting Date: July 11, 2022

Subject: SRFIN.22.22 Asset Management Professional Services

Report from: Tracey Neifer, Treasurer

Appendices: None

Recommendation

Be It Resolved that Council hereby,

1. Approve the purchase of services provided by PSD Citywide to an upset limit of \$15,000, financed by the 2022 approved operating budget of account 01-1030-7106 and
2. Further that the purchase be exempt from Article 9 of the Procurement Policy.

Report Summary

The approved operating budget for 2022 included a provision of \$15,000 for continuing with various aspects of asset management and associated policy development. Staff would like to continue working with PSD Citywide.

Background

Staff have been working with PSD Citywide over the past year with the preparation of the Asset Management Plan that was presented in December, as well as the previous year project involving the database cleanup for the municipality's asset management inventory.

Analysis

The Asset Management Plan work included the following:

- 1) Develop an Asset Management Plan and Asset Management (AM) Frameworks (risk, life cycle, service level)
- 2) Complete a comparison of data collections in AM and GIS to identify Gaps, and
- 3) Conduct Asset Management Training for Management Team

The outcome of the gap analysis resulted in a report; Data Consolidation and Refinement Strategy for the Municipality of Arran-Elderslie. Through this report, the management team is aware that steps need to be taken to further refine the asset inventory and ensure accurate information is available for decision making.

The GIS mapping from the municipality's ESRI platform was copied to the Citywide Asset Management Platform (AM) and directly linked to the related assets. This was a manual process with the GIS data being based on a point in time. The GIS data is constantly evolving as staff continue to map out various items in GIS, which results in the AM system not being up to date. Next steps are twofold:

- 1) to update assets that do not have a link to GIS where a GIS marker is available and
- 2) to complete a live link between the GIS and AM system, which will ensure that the two systems remain in sync.

Furthermore, the database cleanup project and the costing analysis that was completed during the 2020 annual audit, identified an inconsistency in the costing methodology that was applied to the 2016 Asset Management Plan. This resulted in the annual audited financial statements being released with a qualified opinion. The costing work requires dedicated resources to review the costing methodology that was applied, compare to current costing, and then apply a deflator to reflect the historical cost for the year when the asset was put into service. This work is primarily related to water, sewer, and road networks.

In consultation with PSD Citywide, the project lead involved with the Asset Management Plan is available to assist Arran-Elderslie with the work that has been identified in this report. Currently, there are limited staff resources available to complete this work internally. It is the recommendation of this report to proceed with the assistance of PSD to get the work done. Upon approval, staff will work with PSD to develop a work plan and a list of tasks that can be completed in 2022.

Link to Strategic/Master Plan

6.1 Protecting Infrastructure, Recreation and Natural Assets

Financial Impacts/Source of Funding/Link to Procurement Policy

Article 9 of the Procurement Policy, Consulting and Professional Services, requires a minimum of three proposals for services costing \$5,001 to \$50,000. The work identified is a continuation of the asset management plan as well as the asset inventory and database work, and as a result, it is most efficient to continue working with PSD Citywide.

The 2022 approved operating budget included a provision of \$15,000 for ongoing consulting work related to asset management.

Approved by: Christine Fraser-McDonald, Clerk