



TO: Committee of the Whole

FROM: Lovely Magnaye, Manager of Finance

DATE: March 17, 2021

RE: **Asset Management Plan Proposals**

ISSUE:

To award the preparation of the Asset Management Plans for two (2) asset networks.

BACKGROUND:

The Canada – Saskatchewan Administrative Agreement and the Municipal Gas Tax Fund Agreement requires municipalities to make progress towards developing and/or implementing an Asset Management Plan.

The Federation of Canadian Municipalities is offering the Municipal Asset Management Program for asset management related activities. 80% of the total eligible project costs to a maximum of \$50,000 can be received by the municipality.

In 2019, the Town of Wadena was granted \$36,169 for the Condition Assessment of six (6) asset networks. Although we have been previously approved, we can still apply as a second-time applicant for as long as we show commitment to share asset management knowledge best practices and results of our projects to other communities.

ALTERNATIVES:

- 1) Committee of the Whole can approve the recommendation.
- 2) Committee of the Whole can provide direction to Administration.

FINANCIAL IMPLICATIONS:

The proposed budget for this project was \$15,000. If Council agreed with the recommendation, it will be \$3,000 less from the proposed budget.

ANALYSIS:

Wadena is a Tier 2 Community and therefore are required to meet the following requirements to be eligible for the Federal Gas Tax Program:

By June 30, 2018 (Complete)

- Get educated in Asset Management – Lovely Magnaye completed Professional Certificate in Asset Management Planning
- Develop a policy and strategy on how the municipality will approach Asset Management – The Town has a Municipal Asset Management Policy adopted on November 22, 2011.

- Develop an Asset Register for all Asset Classes – We are currently using the Tangible Capital Asset Registry and the Asset Registry Tracker from the Auditor.

By June 30, 2019 (Incomplete)

- Add the current condition to the asset register for 2 asset classes – This was completed in 2019
- Add the desired condition to the asset register for 2 asset classes (Incomplete)

By June 30, 2020 (Incomplete)

- Municipalities are required to identify the funding gap between current and desired asset condition for completed asset class.

By June 30, 2022

- Municipalities are required to report back to Provincial Government on initiatives to monitor and improve asset management program moving forward.

The Town of Wadena is behind in the timeline. Hiring a consultant to help us prepare an Asset Management plan for at least two asset networks through FCM MAMP will help us achieve the requirements.

Company C submitted the most comprehensive proposal. It talked about the approach and methodology and work plan for the project. The company outlined their specific approach to achieve the objectives. Although most of the proposals are aiming to achieve the requirements set by the government, only Company C included the set up of AM database and training.

The Town of Wadena currently does not have a reliable database of our assets. The Manager of Finance relies on the Asset Registry and Asset Tracker from the Auditor. The PubWorks system was initially intended to be used as the database but it will entail a lot of work to add and/or update all the assets. There is also a report from Associated Engineering that lists the condition of various assets but it cannot be considered as an asset registry because it does not contain all the information needed.

The AM database sample provided in the proposal of Company C will not only help us achieve the requirements of the government but it would be wonderful tool for both Administration and Operation. With this tool, the Town of Wadena will have a better handle of our assets and will be able to plan better for its asset maintenance and replacement.

Although Company C has the most expensive proposal, Council must consider the time and opportunity to have the funding support from FCM MAMP because whether or not there is a grant, the Town still needs to comply to the requirements before June 2022 otherwise it will affect our Gas Tax Funding in the future. Without the project, it will be very challenging to accomplish them before the deadline.

ADMINISTRATIVE RECOMMENDATION(S):

“That the project be awarded to Company C”.

	SCOPE		ASSET NETWORK	DELIVERABLES	FEES	COST TO THE TOWN
Company A	Phase 1: Grant Application	Phase 2: <ul style="list-style-type: none"> • Data Collection • AM Strategies • Level of Service Standard • Short-term and Long-term rehabilitation and/or replacement plan • AM Plan 	Roadway and Wastewater	<ul style="list-style-type: none"> • Determine current state of infrastructure, gap analysis and update, provide condition ratings by segment for the networks; and Database update • Determine desired condition rating for the networks • Develop Level of Service • Determine condition information (gap between existing and desired condition), Asset network deterioration rates, Impact on overall system, identification of significant risks and potential community or system impact 	Phase 1: \$3,500 Phase 2: \$37,500	\$11,000
Company B	Phase 1: Grant Application	Phase 2: <ul style="list-style-type: none"> • Asset Register • AM Plan • AM Knowledge Sharing 	To be determined	<ul style="list-style-type: none"> • Compile all previously completed asset condition assessment, assign condition to any assets that were not previously assessed and update condition • Review AM program • Provide Summary of Information of the Current Assets • Future Planning Information • Peer-to-peer knowledge sharing opportunity to other interested municipalities 	Phase 1: \$0 Phase 2: \$36,400	\$7,600

Company C	Phase 1: Grant Application	Phase 2: <ul style="list-style-type: none"> • Validate AM policy and strategy • Determine the Current and Target Level of Service • Determine Financial Gap • Set up Asset Management Database 	To be determined	<ul style="list-style-type: none"> • Review current policy and strategy, Compile TCA data • Condition Assessments, Current State of Infrastructure (Level of Service) Lifetime optimization and Level of Service Targets • Review historical actual expenditures and provide short-range and long-range program summary; Financial Gap and Implementation Plan • Set up AM Database and Conduct Training 	Phase 1: \$0 Phase 2: \$55,520	\$11,104
Company D	Phase 1: Grant Application	Phase 2: <ul style="list-style-type: none"> • Review of AM policy and strategy • AM Plan 	Roads, Sanitary and Water Distribution	<ul style="list-style-type: none"> • Infrastructure funding gap • Understanding risks and priorities • Understanding asset renewal sequence, • 10-year capital plan 	Phase 1: \$0 Phase 2: \$23,500	\$4,750