

Service Business Plan



Service Name	Facilities and Buildings - Design and Construction	Service Type	Internal
Service Owner Name	David Taggart	Budget Year	2017
Service Owner Title	Manager of Facility Assets		

Service Description

An internal service to provide design, construction and project management services for City-owned facilities and buildings.

Current State

Customers & Their Expectations	<p>This service is delivered to:</p> <p>Other City Services who operate facilities and buildings who expect,</p> <ul style="list-style-type: none"> • the design, appearance, comfort, condition, performance and reliability of facilities and buildings are appropriate for site operational needs. • completed projects to maintain or improve facilities and buildings • projects that are aligned with budgets, timing and scope requirements.
Existing Service Delivery	<p>Partner with Asset Management Service, Environment & Energy and other City services that operate facilities and buildings to manage the design, performance improvement and construction of sites and their systems.</p> <p>Partner with other City services that operate facilities and buildings to establish and oversee preventive maintenance programs to optimize reliability and life cycles of facilities and buildings and their systems.</p> <p>Establish maintenance service contracts and provide ongoing contract oversight for needs that operating City services do not perform.</p>
Existing Customer Engagement Tools / Methods	<p>Engage customers in a project charter definition, design stages, tender evaluations, project progress meetings, internal meetings, e-mails, phone discussions, construction progress site meetings to refine and finalize scope, budget and timing of projects. At project end, complete customer satisfaction survey.</p>
Is this Service Provincially Legislated?	No N/A

For this Service are there Approved Service Standards?	Yes Applicable standards come from Ontario Building Code, Technical Standards and Safety Authority, Conservation Authorities, Ministry of Health, Ministry of the Environment, Region of Halton, Environmental Protection Act, Burlington Hydro, Gas Code, Niagara Escarpment Commission, Operating Engineers Act, Ontario Electrical Code, Municipal By-laws, Leadership in Energy Efficiency Design, Occupational Health and Safety Act, Accessibility for Ontarians with Disabilities Act, Northern Pipeline Act, Ontario Professional Engineers Act, Ontario Architects Act, Ontario Association of Landscape Architects, Green Procurement Policy, Electrical Safety Authority, Ontario Land Surveyors and others.
--	---

Sub-Services

N/A

N/A

Recent Continuous Improvement Initiatives

Digitizing older drawings which began in 2012 has continued into 2016 and these are being filed together with newer digitized drawings by facility for improved reference, design and project work availability. Surveys of older sites having no drawings to create new as built digitized drawings has also continued. Organizing and filing digitizing data from new projects is ongoing and has improved the available information for Facilities and Buildings Design and Construction staff and our customers.

Creating a Project Charter is becoming standard practice for all but small projects

Consultant/contractor performance evaluations at the end of projects is standard practice for all but small projects. Evaluations result in reduced current and future risk, improved consultant/contractor performance and easier to manage projects.

Construction end-of-project testing, commissioning, acceptance and turnover activities are becoming standard practice. This improves the ability of operations staff to understand, operate and maintain after takeover. The 2015 commissioning guide for end of projects and close out is our reference document for this effort.

The original 2015 Project Work Plan spreadsheet has been enhanced for planning 2017 projects and uses Empcentre data to more accurately plan staff time availability for projects and to prioritize, estimate and plan work. It displays staff weekly time commitments and availability highlighting difficult periods that require adjustments or intervention to keep projects on track.

Emerging Opportunities and Anticipated Risks

<p>Emerging Opportunities</p>	<ul style="list-style-type: none"> • Still in progress with developing prequalification methods for capable consultants and contractors that will improve the quality and promptness of projects and help reduce the 'hidden' cost of extra staff project management cost and delays • Changes to the procurement by-law have continued to save time and expense • An Analyst Facilities Maintenance is progressively standardizing, improving and coordinating preventive maintenance which will extend building equipment life cycles and improve reliability of buildings. Although still being rolled out, some benefits are already being noted and more are expected. Better maintenance will help optimize operating and long-term capital renewal costs.
<p>Anticipated Risks</p>	<p>. New large projects, such as the Joseph Brant Museum, Staff Accommodation Study and Nelson Pool, continue to develop so the anticipated reduction in staff resources needed to design and build new facilities and buildings as the City becomes “built out” and therefore free up capacity to manage the expected increase in smaller renewal projects keeps getting pushed out into the future. This freeing up was anticipated to begin in 2015 but has not yet occurred.</p> <ul style="list-style-type: none"> • Unanticipated changes in program user needs or in use of facilities and buildings may require more projects and unexpected re-purposing of resources. • The average age of facilities and building continues to increase. This will result in more capital renewal projects to maintain their condition. The increase in projects may require more staff resources and capital renewal funding. • Buildings and their systems are unlikely to meet estimated life cycles and reliability until the preventive maintenance program has been functioning for a few years. This could continue to bring forward some capital renewal requirements and require more staff resources to complete premature replacements. • Lack of resources and systems to collect and report data needed for success measurements may result in inadequate reports. • Climate change may reduce estimated life cycles and bring forward capital renewal requirements and staff resources needed to complete replacement projects. • Climate change may require major repairs due to extreme weather and require other unplanned retrofits to sites and buildings to improve drainage and maintain integrity of buildings. <p>.Up to four senior staff members may retire within one to three years and without more succession planning options the group may not have the experience, capacity and skills to manage expected workload volume and complexities to standards needed</p>

Service Objectives

Target Completion

Questions for a baseline customer satisfaction survey were developed but not implemented. A customer satisfaction target was not developed. This has been delayed until next year.	Jul 2017
Working with operations partners, implementing suitable maintenance programs in all City-operated facilities and buildings has been comprehensively initiated in some areas and to a basic level in others. This will be fully comprehensive in 2017. As required, some improvement and increased scope of service contracts to support staff-delivered maintenance has been made and more is expected.	Jul 2017
The facility and building projects have been able to stabilize the facility condition index in 2016. A reduction toward target levels is anticipated in 2017 but achieving the target level will likely require three more years of capital renewal work with budgets to support the work	Dec 2017

MEASURING SUCCESS

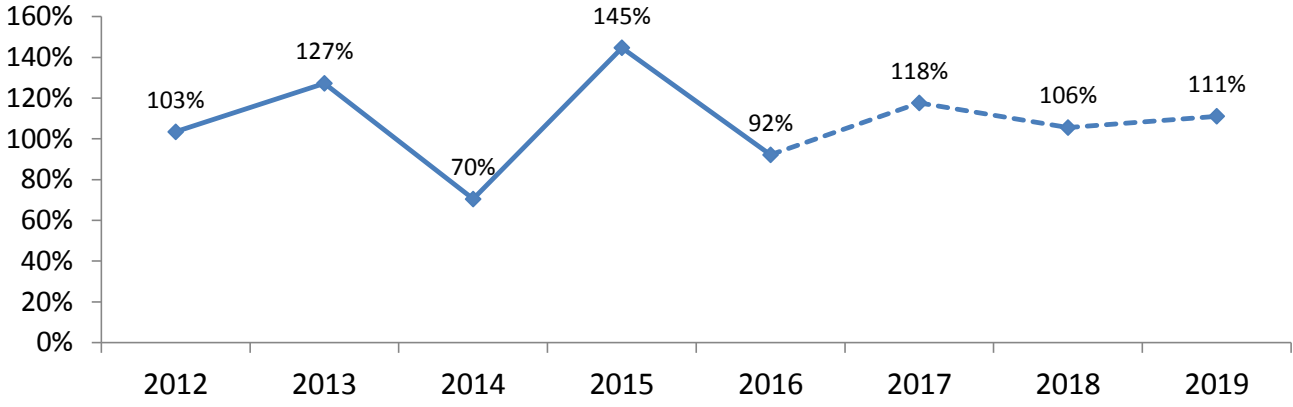
How much did we do?

Performance Measurement	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2017 Forecast	2018 Forecast	2019 Forecast
Replacement value of City owned/operated facilities (excludes new sites under construction) (\$ millions)	\$299	\$314	\$320	\$331	\$553	\$575	\$598	\$622
Number of major projects	9	9	9	7	9	8	6	6
Value of major projects (\$ millions)	\$10.4	\$15.6	\$20.6	\$19.0	\$19.9	\$19.0	\$16.0	\$12.0
Number of minor renewal projects managed	57	50	95	93	104	95	100	100
Value of minor renewal projects managed (\$ millions)	\$2.1	\$1.4	\$2.9	\$3.6	\$3.7	\$3.4	\$3.7	\$5.0
Number of service contracts managed	5	5	7	7	8	9	10	10
Total site applications of service contracts	145	145	173	173	273	320	436	436
Value of service contracts managed (\$ millions)	\$0.58	\$0.60	\$0.61	\$0.63	\$0.78	\$0.81	\$1.00	\$1.00
Value of approved capital renewal (\$ millions)	\$2.90	\$1.10	\$4.40	\$3.80	\$5.10	\$3.40	\$3.60	\$3.60
Value of capital renewal spent (\$ millions)	\$3.00	\$1.40	\$3.10	\$5.50	\$4.70	\$4.00	\$3.80	\$4.00

How well did we do it?

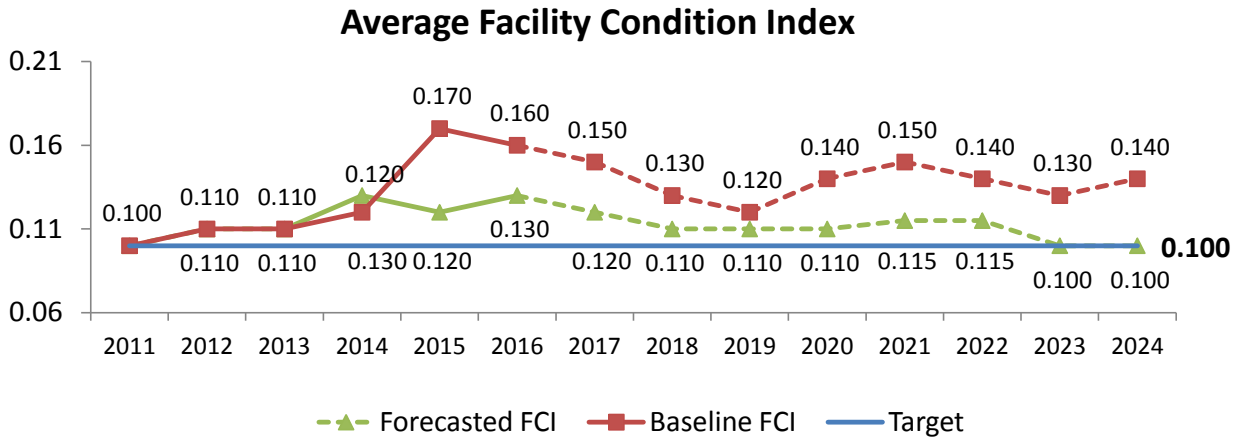
<p>Performance Measurement</p>	<p>Capital Renewal Spending- % of Approval Spent</p>
<p>Story behind the data</p>	<p>The replacement value of facilities has been increased significantly in 2016 from previous years. Previous years had been calculated using like-for-like construction costs. However, if a existing building is replaced there are costs beyond like-for-like that are always part of the complete project. These costs include design, permits, requirements to meet current city standards, requirements to meet current construction standards such as accessibility and requirements to meet building energy efficiency standards. The replacement values shown in 2016 now reflect all replacement costs. Projects continue to be successfully completed. Carry over projects from 2015, such as the Fire Station 1 renewal and upgrade, were completed in 2016. Back-up generators were installed in Haber Community Centre, Mainway Arena and City Hall. The new courthouse was designed and tendered. Many accessibility improvement projects were completed. The Joseph Brant Museum upgrade was designed and is ready for tender. Nelson Pool was designed and construction began with completion planned in time for the 2017 season. The total number of projects managed has increased. As usual, unanticipated additional projects developed, such as the Joseph Brant Museum redesign, but were completed by reprioritizing and delaying some work. Fewer capital renewal projects were completed because funds were used for the Nelson Pool replacement. Major projects had been expected to decline but it appears as though this will not happen for a few years.</p>

Capital Renewal Spending- % of Approval Spent



Is anyone better off?

Performance Measurement	Rate facilities and buildings condition based on the industry standard Facility Condition Index (FCI).
Story behind the data	Baseline FCI for 2016 improved to 0.160 from the previous year's 0.170 value as end of life renewals were completed. As agreed some renewal funds have been diverted to the Nelson Pool replacement project and therefore the anticipated rate of FCI improvement has slowed. The 2017 FCI is expected to improve to 0.150 as renewal work is completed.
Where do we want to go?	The target is an average FCI of 0.100



2017 OPERATING BUDGET

SERVICE RESOURCE SUMMARY

FACILITY BUILDINGS - DESIGN AND CONSTRUCTION

Service Description

An internal service to provide design, construction and project management services for City owned facilities and buildings

Service Owner Name

David Taggart

	2015	2016		2017 Proposed				
	Actual	Budget	Year End Projections	Base Budget	% Change vs. 2016 Budget	Business Cases	Total Budget	% Change vs. 2016 Budget
Human Resources	\$ 862,521	\$ 894,264	\$ 894,264	\$ 911,325	1.9%	\$ -	\$ 911,325	1.9%
Operating/Minor Capital Equip.	\$ 555	\$ 1,850	\$ 1,550	\$ 2,100	13.5%	\$ -	\$ 2,100	13.5%
Purchased Services	\$ 11,561	\$ 17,570	\$ 41,970	\$ 16,720	-4.8%	\$ -	\$ 16,720	-4.8%
Corp. Expenditures/Provisions	\$ 5,202	\$ 6,000	\$ 6,000	\$ 6,000	0.0%	\$ -	\$ 6,000	0.0%
Internal Charges & Settlements	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
TOTAL EXPENDITURES	\$ 879,839	\$ 919,684	\$ 943,784	\$ 936,145	1.8%	\$ -	\$ 936,145	1.8%
Controllable Revenues	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
General Revenues & Recoveries	\$ (206,600)	\$ (217,420)	\$ (217,532)	\$ (221,768)	2.0%	\$ -	\$ (221,768)	2.0%
TOTAL REVENUES	\$ (206,600)	\$ (217,420)	\$ (217,532)	\$ (221,768)	2.0%	\$ -	\$ (221,768)	2.0%
NET OPERATING BUDGET	\$ 673,239	\$ 702,264	\$ 726,252	\$ 714,377	1.7%	\$ -	\$ 714,377	1.7%