

**Date:** 2022-06-10

**Subject:** **2021 Corporate Asset Management Plan**

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**Report Number:** Corporate Support Services-2022-198

**Recommendations:**

1. That the report entitled “**2021 Corporate Asset Management Plan**” to the Committee of Council Meeting of June 22, 2022, be received; and
2. That Council approve the proposed “**2021 Corporate Asset Management Plan**” attached as Appendix A; and
3. That the “2021 Corporate Asset Management Plan” be posted on the City’s website to comply with O. Reg. 588/17.

**Overview:**

- In 2019, Council approved the “Strategic Asset Management Policy” that sets out its commitment towards establishing sound Asset Management practices and instilling transparent evidence-based decision making processes, aligned with the City’s strategic objectives.
- The 2021 Corporate Asset Management Plan follows the City’s Strategic Asset Management Policy and provides guidance in preparing the departmental asset management plans for service areas to meet the stated requirements of the Ontario Regulation 588/17 (O.Reg. 588/17).
- The 2021 Corporate Asset Management Plan is an update to the 2016 plan and represents an important step in developing and achieving an asset management practice which supports management of the City’s Infrastructure

assets in a financially sustainable manner while delivering the expected Levels of Service for the community. Compliance with the legislation ensures the City's eligibility and demonstrates its strength in competing for future potential funding support from higher orders of governments.

- Phase 1 of the 2021 Corporate AMP was presented to Council in November 2021 as a supporting document to the City's 2022 budget deliberations and provided an update on the state of infrastructure and developed a strategy that included both financial and non-budgetary solutions to close the current gap in infrastructure funding.
- This report presents findings from Phase 2 which includes strategies and frameworks to provide guidance on the City's asset management plans and advance City's asset management practices. The completion of both phases concludes the full project update for the 2021 Corporate AMP.
- Asset Management Planning is a comprehensive, multi-year process that includes improving data, processes, systems, staff resources, capacity building and organizational culture over time. Understanding the complexities of this journey, the Province established a multi-phase timeline for municipalities to comply with the legislation. Staff will continue to engage and inform Council as part of the legislated requirements. The next Plan update is planned to be in 2026.

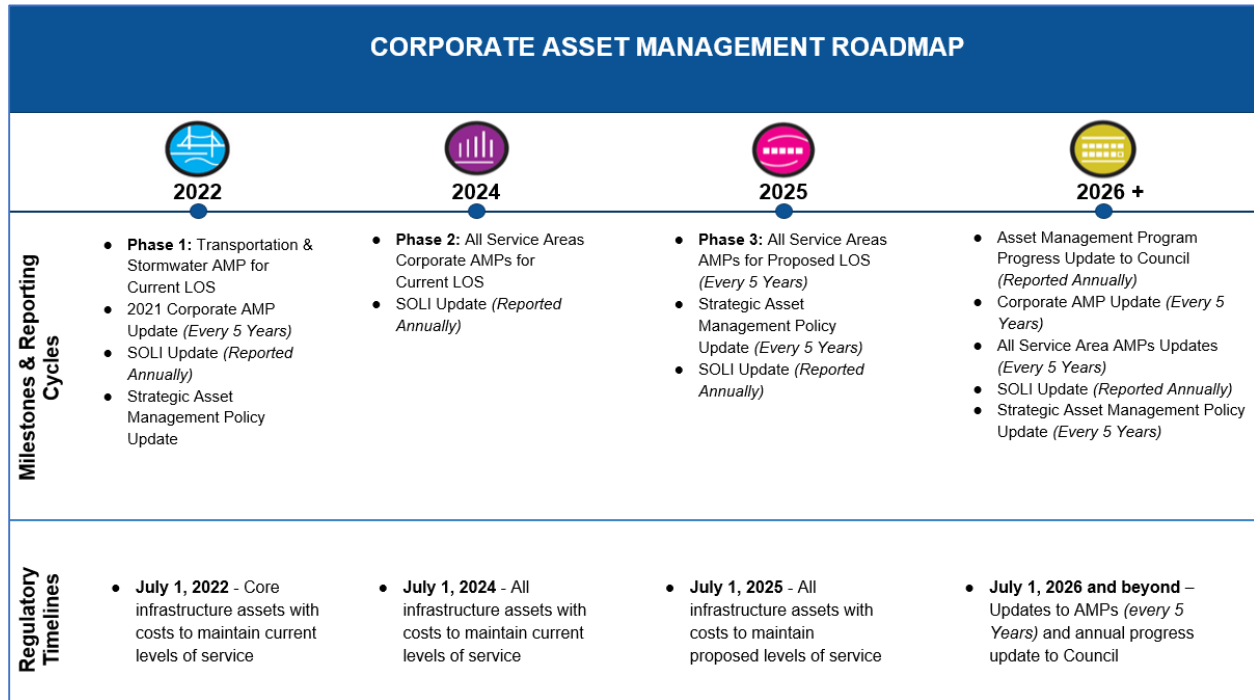
## **Background:**

As the fourth largest City in the province and one of the fastest growing communities in Ontario, the City of Brampton owns and operates a substantial portfolio of assets across different service areas. These assets are essential to the well-being of the community and form an integral part of the City's long term financial and service delivery planning.

The first Corporate Asset Management Plan for the City of Brampton was developed in 2016, which provided a baseline with the best information available at the time. Since 2016, the City has improved its understanding of asset inventories, replacement cost, useful life and condition and is actively working to advance its asset management strategies. The 2021 Corporate Asset Management Plan is an update to the 2016 plan and represents an important step in developing and achieving an asset management practice which supports management of the City's Infrastructure assets in a financially sustainable manner while delivering the expected Levels of Service for the community.

The Corporate AMP is expected to be a living document and asset related measures will be collected and monitored annually to ensure the Corporate AMP is being implemented. The City has outlined a Corporate Asset Management Roadmap as shown in figure below. The roadmap details the City's plans as it pertains to asset

management over the coming years to meet the regulatory deadlines and deliverables.



In 2019, Council approved the “Strategic Asset Management Policy” that sets out its commitment towards establishing sound Asset Management practices and instilling transparent evidence-based decision making processes, aligned with the City’s strategic objectives. The 2021 Corporate Asset Management Plan follows the City’s Strategic Asset Management Policy and provides guidance for development of the departmental asset management plans for service areas to meet requirements of the Ontario Regulation 588/17 (O.Reg. 588/17).

### Current Situation:

The City’s 2021 Corporate AMP is being delivered in two phases. Phase 1 of the 2021 Corporate AMP was presented (slide deck provided in Appendix B) to Council in November 2021 as a supporting document to the City’s 2022 budget deliberations and provided an update on the state of infrastructure and developed a strategy that included both financial and non-budgetary solutions to close the current gap in infrastructure funding.

This report presents findings from Phase 2 which includes strategies and frameworks to provide guidance to the City’s asset management plans and advance City’s asset management practices. The completion of both phases concludes the full project update for 2021 Corporate AMP. The complete 2021 Corporate AMP is attached as **Appendix A** and the following sections provide highlights of the Phase 2 findings.

## Levels of Service:

2021 Corporate AMP provides details of the City's current levels of service in Section 3 of the report which have been gathered and documented through extensive collaboration with staff responsible for managing the assets. The overall asset management plan is built around a strategy to provide the current levels of service in a sustainable and fiscally responsible manner considering long-term infrastructure asset needs. Asset management strategies mentioned in the sections below will help the City meet the expected levels of service in a sustainable manner and comply with the O.Reg. 588/17 to include proposed/target community levels of service in the asset management plans for all the assets by July 1<sup>st</sup>, 2025.

## Asset Management Strategy

Through this plan, City staff have undertaken a comprehensive assessment of the asset management strategy and developed corporate level frameworks to guide ongoing departmental asset management plans in line with O. Reg 588/17.

These strategies were developed in alignment with the Ontario's Building Together: Guide for Municipal Asset Management Plans and cover components within both the ISO 55000 Global Asset Management Standard, MFOA's foundational Asset Management framework as well as the International Infrastructure Management Manual (IIMM). The following sections provide greater detail on the various strategies developed under the scope of this Corporate AMP.

- **Demand Management:**

Demand management considered in this Corporate AMP relates to the understanding of how future changes in the City will impact the demand for municipal services. Section 4.1 of the report identifies factors that may influence the demand for, and levels of service from, the City's asset portfolio. The demand placed on City services would evolve as the City grows, the priorities of the community change, technologies emerge and climate change intensifies.

- **Risk Management:**

The core function of the Risk Management Strategy is to identify asset related risks and prioritize life-cycle activities to reduce the risk of assets failing to provide expected levels of service. Section 4.2 of this report, details all the components of the Risk Management Strategy and provides a framework that ensures a standardized and consistent approach to asset risk management across all City service areas.

- **Climate Change Integration:**

As per Ontario Regulation 588/17 s3(5), municipalities must include a commitment in their asset management planning to address the vulnerabilities of

climate change with respect to operations, levels of service and lifecycle management. There must also be consideration for anticipated costs, mitigation and adaptation approaches and disaster planning to meet all regulatory requirements. In response to the regulatory requirements, the City of Brampton is committed to integrating climate change as part of its asset management planning. Section 4.3 of the report aims to build a foundation for future policies regarding climate change integration in the City.

- **Governance:**

O. Reg. 588/17 requires the City's Strategic Asset Management Policy to create a clear statement of governance and indicate the individual(s) who provide strategic advice and direction on how to guide the City's Corporate Asset Management Program. Section 4.4 of the report outlines existing structures and teams involved in the City's asset management planning and governance processes and provides recommendations that will help the City align its existing governance structure to improve efficiency and effectiveness in applying key asset management principles.

- **Asset Information Management:**

The City has identified the importance of the information necessary to continue to evolve the City's asset management practices. The Asset Information Management Strategy is therefore developed to be in line with the timing of the development of specific departmental AMPs to achieve the regulatory requirements of O.Reg. 588/17. The Asset Information Strategy is an important step in the development of effective evidence-based decision support system at the service area and overall City level. Section 4.5 includes asset Information principles and improvement roadmap up to 2025 and beyond which will guide the City in implementation of effective processes and tools for information collection, management and analysis to support Asset Management Practice.

- **Communication:**

The asset communication strategy entails a formal process to provide and obtain information from stakeholders. The process is expected to form a generalized approach for all aspects of communication on asset management matters. Section 4.6 of the report is intended to help the City of Brampton's stakeholders (City employees, City Council, and the community) by educating, informing and engaging with them on all aspects of the City's asset management program.

- **Lifecycle Management:**

The City of Brampton strives to provide its services at the highest quality possible while managing risk at the lowest possible cost. To achieve this, the City

undertakes different actions to ensure that the City's infrastructure assets continue to provide appropriate levels of service. These actions are generally called asset lifecycle activities. Section 4.7 of the report has identified the full life cycle costs of an asset that correspond to the requirements of the regulation. Over the next decade, the analysis indicates a cumulative spending need of \$5.38 billion. The cumulative costs identified above can be further delineated between the different lifecycle activities, by service area, and how the activities relate to both existing and expansion related assets.

### Monitoring and Improvement Plan

The development of Asset Management Plan is an iterative process that includes improving data, processes, systems, staff resources, capacity building and organizational culture over time. The City of Brampton has made significant progress on refining and improving their asset management program since the completion of its first Corporate AMP in 2016. The City's Corporate Asset Management Office aims to build off the foundation developed thus far and continue to improve upon a number of different areas, with initiatives that will improve data quality and confidence while driving corporate change. Section 6 of this Corporate AMP provides a list of improvement initiatives to advance the maturity of the City's AM program.

### Next Steps:

Staff will continue to engage and inform Council as part of the legislated requirements. The next plan update is intended to be in 2026.

### **Corporate Implications:**

#### Financial Implications:

2021 Corporate AMP further develops and documents Asset Management practices the City employs to prioritize investments and manage its asset portfolio at the lowest cost while balancing risk. This entails identifying and requesting funds for capital improvement projects to provide sustainable levels of services.

Current legislation requires municipalities to develop and implement an asset management plan to ensure the City's eligibility and demonstrate its strength in competing for future funding support from other levels of governments.

Various funding options and strategies have been proposed and analyzed in Section 5 of the Corporate AMP and will be further addressed in the City's Long Term Financial Plan and through other future studies and proposals to Council.

### Other Implications:

The Province of Ontario's O.Reg. 588/17: Asset Management Planning for Municipal Infrastructure requires all municipalities to develop comprehensive Asset Management Plans for the City's assets. Council approval of this plan allows the City to meet the strategic AM Policy requirements and supports in preparing the departmental asset management plans to meet the legislated requirements.

**Term of Council Priorities:**

This report fulfils the Council Priority of a Well-Run City through strict adherence to effective financial management policies and supports Brampton 2040 Vision by ensuring sustainable financial operations.

**Conclusion:**

The City staff are seeking the approval of the 2021 Corporate Asset Management Plan prepared in accordance with the City's Strategic Asset Management Policy and post the plan on the City's website.

Authored by:

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**Attachments:**

Appendix A: 2021 Corporate Asset Management Plan  
Appendix B: Phase 1 Council Report Presentation