



Infrastructure Services Staff Report

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Report Title: Consultant Award for 2025 Asset Management Plan Update
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Reviewed By: Jared Puppe, Director of Infrastructure Services
Final Review: Senior Management Team

Recommendation:

That the Council of the Township of Woolwich, considering Report IS14-2024 respecting Consultant Award for 2025 Asset Management Plan Update:

1. Award the contract for consulting services for the 2025 Asset Management Plan Update to Aspire Consulting Group Ltd. at a cost of \$151,225.54 after H.S.T. rebate;
2. Authorize additional expenditures in the amount of \$45,000.00 in 2024 to be funded from the Infrastructure Reserve (74.1%), Water Reserves (12.7%) and Wastewater Reserves (13.2%);
3. Authorize pre-budget approval for the remaining costs to complete the 2025 Asset Management Plan Update.

Background:

All municipalities in Ontario are required to complete an Asset Management Plan (AMP) in accordance with Ontario Regulation (O. Reg.) 588/17: Asset Management Planning for Municipal Infrastructure (as amended by O. Reg. 193/21) that sets out a phased approach to meeting the requirements. In June 2024, Council approved the most recent Asset Management Plan in compliance with phase 3 due July 1, 2024, that focused on current levels of service and the cost to maintain current levels of service. Staff are now working on completing the next phase of O. Reg. 588/17 to comply with the July 1, 2025, requirements. These requirements build on the Township's 2024 AMP to provide further details on all infrastructure assets, including developing proposed levels of service,

identifying what activities will be required to meet the proposed level of service, and a strategy to fund these activities.

Asset management aims to make informed decisions about infrastructure assets to deliver services to the community at the lowest lifecycle cost possible while managing risks. The 2025 O. Reg. 588/17 requirements place a larger focus on identifying what service levels a municipality proposes to provide along with an assessment of why proposed service levels are appropriate, achievable, affordable and any risks associated to the long-term sustainability of the municipality. This involves creating a lifecycle management and financial strategy that considers a full lifecycle costing approach, manages risks, estimates annual capital expenditures and operating costs required, and estimates annual funding projected to be available based on current and future needs. Trade offs between risk, cost and levels of service will be evaluated and explored as well.

The 2025 AMP Update will provide a means of guiding investment decisions to meet key strategic and operational goals. It will communicate how assets will be managed to achieve proposed service levels. The AMP will also set the foundation for making informed decisions and prioritizing investments by using asset data and service level objectives as evidence. Most importantly, the AMP will allow staff to more appropriately manage the Township's infrastructure as cost effectively as possible within the approved levels of service and identify budget requirements and constraints. The 2025 AMP Update will be an invaluable addition to the Township's asset management system and will support the Township's objectives for continuous improvement.

Comments:

The required AMP update that is due July 1, 2025, will apply to all municipal assets that were identified as part of the 2024 AMP and will build upon the Township's existing strategies and frameworks. The 2025 O. Reg. 588/17 requirements focus on identifying proposed levels of service for each asset category and assessing whether they are appropriate, achievable and affordable. Since municipal infrastructure assets exist to support service delivery, it is critical to understand what level of service the community values, what community members are willing to pay for and ensure that decisions are made in alignment with strategic goals and community expectations.

For this reason, and to meet the O. Reg. 588/17 July 1, 2025, requirements, staff recognize the importance of incorporating community needs and expectations by encouraging the use of public engagement surveys and public input from other master plans and studies to inform proposed levels of service. Staff and Council engagement also needs to be prioritised to encourage consultation and project understanding as the 2025 AMP is developed. These considerations will go into developing proposed levels of service and a lifecycle management and financial strategy that meet the requirements of O. Reg. 588/17. A "Request for Proposal for Consulting Services" that was issued by the Township and was closed on August 29, 2024, outlines these requirements and expectations. The following three (3) consulting firms submitted detailed proposals:

- Aspire Consulting Group Ltd.
- GEI Consultants
- VS Group

The proposals from the consulting firms were reviewed by a team consisting of the Director of Infrastructure Services, Director of Finance & Treasurer, and the Asset Management Coordinator.

The review team evaluated the proposals using the typical evaluation model developed by Township staff and approved by Council, which awarded points based on the following criteria and weighting:

- Project Understanding – 30 points
- Company Experience and References – 30 points
- Project Manager and Project Team – 30 points
- Proposal Cost – 10 points

Based on the Township of Woolwich's Council approved evaluation model, the firm of Aspire Consulting Group Ltd. achieved the highest overall evaluation. Township Staff have reviewed the references for Aspire Consulting Group Ltd. and they were found to be satisfactory.

The 2025 Asset Management Plan Update, including compliance with all regulatory requirements per O. Reg. 588/17 is to be completed over the next several months with a project completion date of approximately May 2025.

The selection of Aspire Consulting Group Ltd. will afford Township staff with the expertise that is needed to propel the organization forward regarding O. Reg. 588/17 and in continuing to develop and grow its asset management approach.

Interdepartmental Impacts:

Fulfilment and implementation of the AMP will require directing several staff and resources towards the project for its duration, including from the Finance, Corporate Services, Fire Services, Infrastructure Services and Recreation and Community Services departments.

Financial Impacts:

The 2025 Asset Management Plan Update, including compliance with all regulatory requirements per O. Reg. 588/17 is to be funded over two years starting in 2024 and ending in 2025. Aspire Consulting Group Ltd. identified provisional costs should the Township wish to have them present the AMP update to Council in 2025 which are included in the total project costs.

Aspire Consulting Group Ltd.'s Cost Proposal

2025 Asset Management Plan Update	\$148,610.00
Plus HST	\$19,319.30
Subtotal	\$167,929.30
Less HST rebate	\$16,703.76
Total Project Cost	\$151,225.54

Funding for the 2025 Asset Management Program is provided from the asset management plan update budget within the Infrastructure Services (IS) Operating Budget. The 2024 IS Operating Budget includes previously committed funding for the completion of the recent 2024 Asset Management Plan Update. Therefore, it is anticipated that roughly \$15,000 will remain within the 2024 IS Operating Budget which can be applied to the 2025 Asset Management Plan Update.

Asset Management 2024 Infrastructure Services Operating Budget	\$75,000.00
Committed Funding for the 2024 Asset Management Plan Update	\$60,000.00
Estimated Remaining 2024 Operating Budget	\$15,000.00

Total 2025 Asset Management Update Project Cost	\$151,225.54
Less Remaining funding from 2024 Operating Budget (Estimated)	\$15,000.00
Total	\$136,225.54
Less Additional Funding Required in 2024 (Estimated)	\$45,000.00
Total Funding Required in 2025 (Estimated)	\$91,225.54

The 2025 Asset Management Plan Update will be started in 2024 and continue into 2025. It is anticipated that the majority of costs (60%) are to be incurred in 2025; however, it is predicted that approximately \$60,000 (40%) will be required for this project in 2024. Therefore, with the estimated \$15,000 from the 2024 IS Operating Budget applied to the completion of the 2025 Asset Management Plan Update, an additional \$45,000 will be required in 2024 to complete the 2025 Asset Management Plan Update with the remaining costs occurring in 2025.

The proportion of total asset valuation from the 2024 Asset Management Plan was utilized to determine appropriate budgetary impacts as identified below:

Transportation and Stormwater Network (61.8%)	\$93,457.38
RCS, Corporate Services, and Fire (12.3%)	\$18,600.74
Water Network (12.7%)	\$19,205.64
Wastewater Network (13.2%)	\$19,961.77
Total Funding Required in 2024/2025	\$151,225.54

The Infrastructure Reserve will be required to fund 74.1% (\$112,058.12) with Water and Wastewater Reserves covering 12.7% (\$19,205.64) and 13.2% (\$19,961.77), respectively.

Community Strategic Plan Impacts:

The 2025 Asset Management Plan Update is supported by the Township's strategic priorities to cultivate long-term prosperity by implementing an asset management approach and completing a Council-approved Asset Management Plan to manage municipal infrastructure assets in a way that reduces risk while providing reliable services to residents. With the focus on proposed levels of service, the Asset Management Plan Update also supports the Township's strategic priorities to maintain an innovative customer service focus by integrating public engagement survey results and using an asset management approach to prioritize projects and allocate resources to effectively meet the community's needs.

Conclusion:

The 2025 AMP update will play a significant role in understanding proposed services being delivered, the costs to deliver them and the financial strategies required to fund the necessary expenditures to achieve the proposed levels of service. The AMP will incorporate financial sustainability, evaluate community needs and service delivery targets, and guide in the Township's asset decision making processes. Once completed, the asset management plan can be used as a tool to identify funding strategies that are fiscally sustainable over an asset's entire life and that are guided by proposed levels of service.

Based on the review and evaluation process noted above, staff recommends the firm of Aspire Consulting Group Ltd. be retained for this legislated and critical Asset Management Plan Update project.

Attachments:

None.