

# Facility Management

Led by: Facility Management

## Description:

Facility Management plans, builds and operates The City's civic facility portfolio of workplaces and civic spaces. We steward a diverse portfolio of 275 civic facilities, totaling 4.22 million square feet. Through comprehensive professional facility management services, we create and enable positive experiences for staff to deliver effective and quality services to citizens. Facility Management is responsible for two key transformational corporate initiatives: centralization of operations and maintenance, and integrated civic facility planning. Our stewardship portfolio has grown over 185 per cent as a result of these initiatives and will continue to grow significantly through the 2019-2022 budget cycle.

## Customers:

As an enabling service, Facility Management interacts directly and indirectly with our customers which include Executive Leadership and Council, other service owners, tenants such as internal staff and external third-party organizations (i.e. private/non-profit organizations, businesses, other levels of government, and civic partners) and citizens.

## What is delivered to customers:

Facility Management delivers civic facilities to enable service owners to deliver efficient and quality services.



## Partners:

Internal partners include City Council, Executive Leadership, and service owners. External partners include third-party tenants, consultants, contractors, vendors, other orders of government and municipalities. Facility Management collaborates with these partners to ensure civic facilities are cost-effective, safe, sustainable, resilient, well-maintained and meet customer and citizen needs.

## Service need (value proposition):

Service owners require Facility Management to provide professional facility management expertise and customer service that is reliable, responsive and efficient, enabling them to focus on their critical service delivery to citizens. Service owners require safe, functional, accessible, affordable, reliable, sustainable, and resilient civic facilities that optimize staff productivity. Citizens and community groups require civic facilities that are safe, inclusive, accessible, service-oriented, and also enrich and improve their quality of life. In addition, Facility Management seeks to preserve, conserve and protect our heritage assets on behalf of the Corporation to create strong and vibrant communities.

## Current state service value

<p><b>\$1.5 billion</b> Stewarded Facility Replacement Value</p> <p><b>35,000</b> Completed Maintenance Requests</p>	<p><b>65%</b> Employee Satisfaction With Workspaces</p> <p><b>4,223,000</b> Square Feet of City Facilities Stewarded</p>	<p>2018 Budgeted Gross Operating Expenditures Funding Breakdown (\$ Millions)*</p>  <p>* Gross operating budget and the service cost ratio may include internal recoveries that are also included in other services gross operating budget.</p>	<p><b>\$20</b> Annual operating cost per Square Foot to Plan, Build and Operate Facility Management's Portfolio of Civic Facilities</p>
<p><b>Connections to Citizen Priorities</b></p> 		<p><b>What the service includes (\$000s)</b></p> <p>Plan Civic Facilities (\$1,746) Build Civic Facilities (\$17,324) Operate Civic Facilities (\$43,726)</p> <p><b>Key Capital Investments</b></p> <p>Key investments include multi-service site planning and operational workplace centres, heritage assets, strategic lifecycle asset investments, workplace sustainment, and centralization of operations and maintenance on behalf of the Corporation.</p>	



## What we've heard and service outlook

### What we heard: Research & Engagement Results

The 2016 Facility Management Customer Engagement survey indicated 65 per cent of customers were satisfied with their workspaces. Additionally, 73 per cent considered their workspace and building safe, secure and free of hazards. Improvements are needed in communications and transparency including the intake process for service requests and progress reporting. Customers believe we should focus on our core services of planning, building and operating civic facilities. A 2018 customer survey ranked responsiveness, workplace safety and the delivery of quality professional management services as most important to our customers.

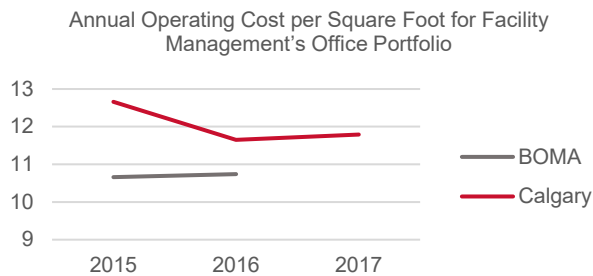
### What Council has directed

We are directed to strategically plan, build and operate civic facilities and strive to balance the environmental, social, economic and cultural needs of employees, communities and citizens. This is supported by the Corporate Facility Planning and Delivery Policy and Framework, Corporate Coordinated Operations and Maintenance Program and Calgary Heritage Strategy. We contribute to long-term community sustainability through facility investment, job creation, heritage tourism, community revitalization and partnerships. The Four-Year Administrative Workspace Plan is one way we support services by understanding their strategic needs while providing value, streamlining business processes, and eliminating service silos. We collaborate with service owners, community groups and businesses to develop sustainable strategies that encourage the creation of activity centres, community hubs and public spaces.

### What are we watching?

Technology, workforce demographics and social changes continue to evolve how we work. Shifting demographics make attracting, recruiting and retaining the best possible workforce increasingly complex and challenging. Sustainability challenges as a result of environmental impacts highlight the need for resilient facilities. New reporting, collection and technologies are needed to ensure data is collected, stored and analyzed to support decision-making and changing customer expectations. Alternative delivery methods increase exposure to procurement, legal and reputational risks while economic and political transparency encourage fiscal, social and environmental responsibility. Fluctuating market conditions and finite resources strain service delivery while reduced investment in aging facilities accelerates deterioration and compounds future capital costs. Growth communities increase pressure for equitable services.

### Benchmarking



Source: Building Owners and Managers Association Average

Operating costs of office buildings have been reduced by transitioning to a service delivery model that focuses on preventative maintenance, strategic investment in critical building systems, and energy management initiatives. Our costs are typically higher due to 24-hour operations in some offices. Moving forward, costs are expected to increase due to expanding corporate standards, economic and inflationary pressures, aging infrastructure, deferring maintenance and the centralization of facility stewardship. As centralizing continues and practices are standardized, long-term efficiencies are expected.

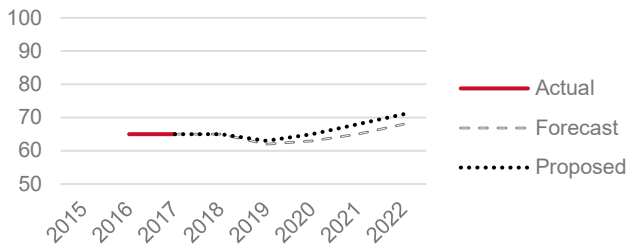
### What matters to Calgarians

VALUE DIMENSION	DESCRIPTION
Responsiveness	Easy to contact, committed to acting quickly and with expertise to address client service delivery needs.
Quality	Meets/exceeds expectations, work is delivered on time/budget and is affordable and meets service owner and citizen needs.
Safety	Committed to providing inviting workplaces and civic spaces, free from risk of injury, danger or loss.
Reliability	Civic facilities are designed, planned and developed to be sustainable, resilient, cost-effective and safe.
Accessibility	Equitable access to civic facilities, City services and public spaces.



# How is the Service performing? Where we are headed and where do we want to go?

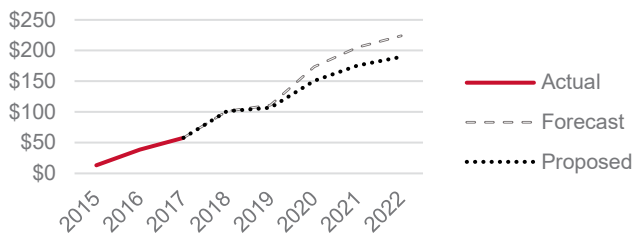
Employee Satisfaction with Work Space (Percentage)



## Story behind the curve

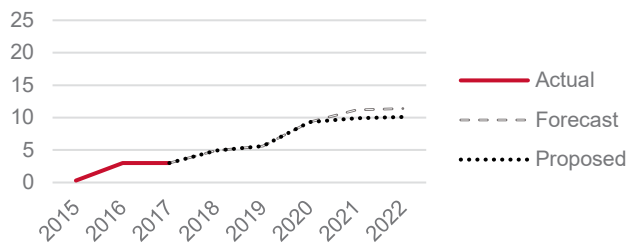
Employees satisfied with their workspaces are more likely to be highly engaged in the work they do, delivering more efficient and quality services. Through centralization of operations and maintenance, our customer service, standards and procedures will be more consistent, improving processes and response times. Improved facility planning will optimize space to meet employee needs by increasing productivity and workspace satisfaction.

Deferred Maintenance of Facility Management Portfolio (Millions of Dollars)



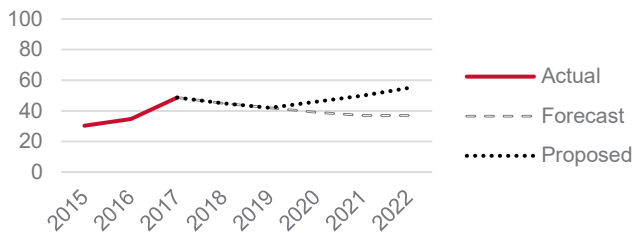
Deferred maintenance is the amount of capital investment required to maintain facilities but is not performed. The 2017 Infrastructure Status Report indicated that several facilities are past their useful life and require redevelopment or replacement. If left unfunded, accelerated deterioration of facilities will result in compounding future capital costs, higher operating costs, increased risk exposure, and reduced levels of service and customer satisfaction. Increasing costs may curb with improved data gathering, standardization of service levels and asset management best practices.

Facility Management Portfolio in Poor & Critical Condition (Percent)



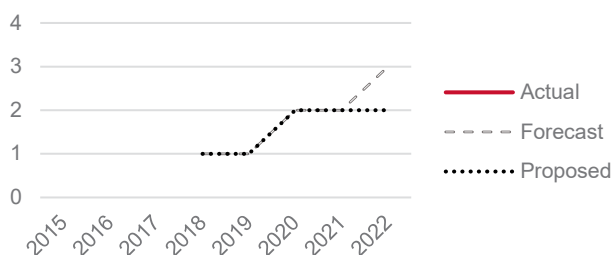
The Facility Condition Index indicates a building's physical condition. When more than 35 per cent of the systems in a building are beyond their useful life, the facility is in poor condition, and critical condition as more than 50 per cent beyond their useful life. We forecast the percentage of facilities in poor and critical condition will increase. To improve this index, we plan to focus on strategic capital investment in life safety and critical building systems, ensuring facilities meet building code requirements while reducing service disruptions.

Proportion of Work Orders That are Preventative Maintenance (Percentage)



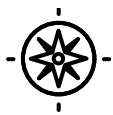
Preventative maintenance ensures reliability of building equipment by taking precautionary and proactive steps to reduce unscheduled failures. On-demand maintenance costs are between three and nine times more than preventative maintenance so we will strategically plan and prioritize preventative maintenance activities. These activities will advance by identifying areas for process improvements and by optimizing the planning, scheduling and tracking of this work. We will also implement a predictive maintenance program on critical building systems.

Responsiveness to Urgent Work Orders (Days)



Responding to urgent work orders, those with potential to cause an undesirable risk (i.e. life safety, environment) within one day provides customer reassurance. With portfolio growth and finite resources our response time will lengthen.

With our proposed efficiencies and restoration of our service reductions, it is expected that performance measures will moderately improve with the strategies indicated above.



## What do we propose to do?

### What we propose to continue doing

STRATEGY
Collaborate with City service owners in the planning, building and operation of multi-service civic sites and facilities.
Maximize limited resources applied to The City's portfolio of facilities through innovation and optimization.
Strategically invest in existing civic facilities to optimize the portfolio and realize efficiencies.
Professional project management services to support The City's investment in civic facilities.
Provide flexible work spaces and strategies.
Strategically plan and prioritize deferred, preventative and predictive maintenance activities including climate change resiliency actions.
Strategically plan and prioritize investments to preserve, conserve and protect City heritage assets.

#### Why?

We have become increasingly complex as our role has expanded as directed by Council and Executive Leadership. These strategies are essential to the successful delivery of our mandate to plan, build and operate The City's portfolio of civic facilities and ensure we are agile in responding to Corporate and customer expectations while providing value for money and improving the sustainability of the Corporation.

### What we propose to do less of

STRATEGY
Fixed security services, including hours, at non-critical facilities.
Low impact and on-demand facility maintenance services including janitorial.
Investment in building technology systems.
Capital investments.

#### Why?

These strategies allow Facility Management to continue to provide essential/core service delivery. We will focus our efforts on critical facilities, building systems and increasingly selective maintenance activities by eliminating or reducing non-essential services including some janitorial and low/impact on-demand maintenance.

### What we propose to do more of or include as a new offering

STRATEGY
Multi-service sites and integrated facility planning.
Modernization and enhancement of facility maintenance services, business processes and procedures.
Partner with service owners to centralize stewardship of The City's civic facility portfolio.
Explore regional service opportunities with internal and external partners.

#### Why?

Multi-service site/facility planning will optimize the use of space in new and existing facilities enabling future planning to contribute to Calgary's economic, environmental, social and cultural resiliency. Centralization of operations and maintenance will define common standards/objectives for efficient and effective management of facilities achieving economies of scale, process enhancements and potential long-term cost avoidance.



## What Operating Budget do we need to achieve these results and strategies?

For Council Approval

SERVICE PERFORMANCE RESULTS FOR 2019-2022	CURRENT	TREND
Employee Satisfaction with Work Space (Percentage)	65	↑
Deferred Maintenance of Facility Management Portfolio (Millions of Dollars)	101.1	↑
Facility Management Portfolio in Poor & Critical Condition (Percent)	4.9	↑
Proportion of Work Orders that are Preventative Maintenance (Percentage)	45	↑
Responsiveness to Urgent Work Orders (Days)	1	↑

### Breakdown of net operating budget (\$000s)

	2019	2020	2021	2022
Previous Year's Budget	39,631	53,736	56,330	56,988
Less Previous Year one Time	-	(750)	(2,126)	(1,526)
Base	39,631	52,986	54,204	55,462
Revenue Changes	2,050	-	-	-
Internal Recovery Changes	(1,350)	-	-	-
Inflation	1,972	1,168	1,177	1,147
Operating Impact of Previously Approved Capital	-	-	289	-
Operating Impact of New Capital (Incremental)	-	-	-	300
Efficiencies	(960)	(410)	(208)	(1,087)
Service Reductions	(300)	-	-	-
Service Increases	1,250	460	-	-
One Time	750	2,126	1,526	1,526
Realignments	10,693	-	-	-
Total	53,736	56,330	56,988	57,348

### Total Operating Budget (\$000s) for Approval

	2018 Budget	2019			2020			2021			2022		
	At Mar 31	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
<b>Expenditure</b>	62,796	75,592	750	76,342	76,810	2,126	78,936	78,068	1,526	79,594	78,428	1,526	79,954
<b>Recoveries</b>	(18,920)	(20,411)	-	(20,411)	(20,411)	-	(20,411)	(20,411)	-	(20,411)	(20,411)	-	(20,411)
<b>Revenue</b>	(4,245)	(2,195)	-	(2,195)	(2,195)	-	(2,195)	(2,195)	-	(2,195)	(2,195)	-	(2,195)
<b>Net</b>	39,631	52,986	750	53,736	54,204	2,126	56,330	55,462	1,526	56,988	55,822	1,526	57,348



# Recommended Capital Investment to Support Service Delivery

For Council Approval

## Capital Budget for Council Approval

ACTIVITY	DESCRIPTION	2019 REQUEST (\$000s)	2020 REQUEST (\$000s)	2021 REQUEST (\$000s)	2022 REQUEST (\$000s)	2023+ REQUEST (\$000s)	Total REQUEST (\$000s)
Annual Investment Program(s)		4,608	3,765	3,386	3,294	-	15,053
480750	Asset Sustainment Program	4,608	3,765	3,386	3,294	-	15,053
Project(s)		22	2,622	3,222	1,672	-	7,538
480752	Public Building Exterior	-	-	-	400	-	400
480756	Logistics Facility Program	22	122	722	1,272	-	2,138
480760	Beltline YWCA Restoration	-	2,500	2,500	-	-	5,000
Program(s)		19,669	19,912	16,818	15,657	-	72,056
480751	Asset Assessment Program	1,071	999	1,197	684	-	3,951
480753	Coordinated Operations	2,733	2,733	1,867	-	-	7,333
480754	Facility Data & Technology	114	114	114	114	-	457
480755	Ergonomic Furniture Program	315	315	225	225	-	1,080
480757	Forest Lawn Civic Centre	-	-	-	450	-	450
480758	Heritage Planning Program	468	191	1,211	1,573	-	3,443
480759	Heritage Asset Sustainment	495	405	1,575	2,070	-	4,545
480761	Facility Portfolio Planning	3,093	2,297	2,297	2,297	-	9,984
480762	Northeast Site Development	2,000	2,863	-	-	-	4,863
480763	Workspace Planning Program	450	450	450	450	-	1,800
480764	Workspace Sustainment	2,076	2,616	2,371	2,426	-	9,489
480765	Bylaw Services Sustainment	450	675	-	180	-	1,305
480766	Whitehorn 911 Renovation	1,500	-	-	-	-	1,500



# Recommended Capital Investment to Support Service Delivery

For Council Approval

ACTIVITY	DESCRIPTION	2019 REQUEST (\$000s)	2020 REQUEST (\$000s)	2021 REQUEST (\$000s)	2022 REQUEST (\$000s)	2023+ REQUEST (\$000s)	Total REQUEST (\$000s)
480767	Fire Facility Sustainment	3,304	1,954	1,461	1,108	-	7,827
480768	Parks Facility Sustainment	900	900	1,300	1,330	-	4,430
480769	Livery Services Relocation	-	600	-	-	-	600
480770	Business Licensing Space	200	800	-	-	-	1,000
480771	Build- Symons Valley Multi-Service Centre	500	2,000	2,750	2,750	-	8,000
<b>Sub-Total (New Budget Requests)</b>		24,299	26,300	23,426	20,622	-	94,647
Previously Approved Budget Remaining		23,222	5,155	-	-	-	28,377
<b>Total Capital Investment</b>		47,521	31,455	23,426	20,622	-	123,024

## Explanation of Capital Budget Requests

### Annual Investment Program(s)

#### Activity 480750: Asset Sustainment Program

New Budget Request of \$15,053 thousand for required lifecycle maintenance and replacement of Facility Management's Portfolio, as prioritized by the Asset Assessment Program.

Funding from Capital Reserves (\$9,266.7 thousand) and Lifecycle Maintenance & Upgrade Reserve (\$5,786.5 thousand)

Operating Impact of Capital: None

### Project(s)

#### Activity 480752: Public Building Exterior

New Budget Request of \$400 thousand to re-validate existing stabilization measures at the Calgary Public Building.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None

#### Activity 480756: Logistics Facility Program

New Budget Request of \$2,138 thousand for the design and build of a fueling station at Sarcee Operations and to address warehousing replacement and efficiencies at Spring Gardens Operations.

Funding from Pay-As-You-Go

Operating Impact of Capital: None

#### Activity 480760: Beltline YWCA Restoration

New Budget Request of \$5,000 thousand for partial rehabilitation of the Historic Beltline YWCA including life safety system upgrades, building stabilization & rehabilitation of historic elements.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None

### Program(s)

#### Activity 480751: Asset Assessment Program

New Budget Request of \$3,951 thousand will inform and prioritize asset sustainment and lifecycle for our portfolio of facilities through condition assessments and Asset Management Plans.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None



## Recommended Capital Investment to Support Service Delivery

For Council Approval

### **Activity 480753: Coordinated Operations**

New Budget Request of \$7,333 thousand to implement the centralization of operations and maintenance of City-owned facilities to achieve economies of scale, service integration and alignment.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None

### **Activity 480754: Facility Data & Technology**

New Budget Request of \$457 thousand for expansion of the Data Warehouse and asset management systems to support data-driven decisions for future facility asset planning.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None

### **Activity 480755: Ergonomic Furniture Program**

New Budget Request of \$1,080 thousand to provide furniture to meet ergonomic, health and safety requirements.

Funding from Pay-As-You-Go

Operating Impact of Capital: None

### **Activity 480757: Forest Lawn Civic Centre**

New Budget Request of \$450 thousand to support the design for the multi-service Forest Lawn Civic Centre with proposed construction in the next business cycle.

Funding from Pay-As-You-Go

Operating Impact of Capital: None

### **Activity 480758: Heritage Planning Program**

New Budget Request of \$3,443 thousand to perform Building Condition Assessments on heritage buildings to develop sustainable operations and maintenance plans, and prioritize Heritage sustainment.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None

### **Activity 480759: Heritage Asset Sustainment**

New Budget Request of \$4,545 thousand to perform restoration and rehabilitation work on Heritage Assets, as prioritized and developed by the Heritage Planning Program.

Funding from Pay-As-You-Go

Operating Impact of Capital: None

### **Activity 480761: Facility Portfolio Planning**

New Budget Request of \$9,984 thousand to continue the execution of collaborative Facility Portfolio & Program Planning activities and to further identify and develop future civic facilities.

Funding from Pay-As-You-Go

Operating Impact of Capital: None

### **Activity 480762: Northeast Site Development**

New Budget Request of \$4,863 thousand to support the development of the area surrounding Spring Gardens to expand the Operational Workplace Centre.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None

### **Activity 480763: Workspace Planning Program**

New Budget Request of \$1,800 thousand to plan the consolidation of vacancies across The Corporation in order to increase density and mobility to avoid future real estate costs.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None





## Recommended Capital Investment to Support Service Delivery

For Council Approval

### Activity 480764: Workspace Sustainment

New Budget Request of \$9,489 thousand for workspace renovation projects, resulting from recommendations as prioritized under the Workspace Planning Program.

Funding from Capital Reserves (\$5,025.8 thousand) and Pay-As-You-Go(\$4,463.3 thousand)

Operating Impact of Capital: None

### Activity 480765: Bylaw Services Sustainment

New Budget Request of \$1,305 thousand for required lifecycle maintenance and replacement of the Calgary Community Standards Facility Portfolio, as prioritized by the Asset Assessment Program.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None

### Activity 480766: Whitehorn 911 Renovation

New Budget Request of \$1,500 thousand to retrofit the Whitehorn Multi-Service Centre to meet Calgary 911 critical operational requirements.

Funding from Developer & Other Contributions

Operating Impact of Capital: None

### Activity 480767: Fire Facility Sustainment

New Budget Request of \$7,827 thousand for required lifecycle maintenance and replacement of the Emergency Service Facility Portfolio, as prioritized by the Asset Assessment Program.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None

### Activity 480768: Parks Facility Sustainment

New Budget Request of \$4,430 thousand for required lifecycle maintenance and replacement of the Calgary Parks Facility Portfolio, as prioritized by the Asset Assessment Program.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None

### Activity 480769: Livery Services Relocation

New Budget Request of \$600 thousand to relocate Livery Services to an existing City facility to support growth and operating improvements.

Funding from Capital Reserves

Operating Impact of Capital: None

### Activity 480770: Business Licensing Space

New Budget Request of \$1,000 thousand to relocate Business Licensing to an existing City facility to support growth and operating improvements.

Funding from Capital Reserves

Operating Impact of Capital: None

### Activity 480771: Build- Symons Valley Multi-Service Centre

New Budget Request of \$8,000 thousand for the Symons Valley Centre Phase 1A to enable coordination and delivery of multiple service lines.

Funding from Pay-As-You-Go

Operating Impact of Capital: This request requires \$300 thousand base funding of operating costs starting in 2022.