
FINANCE AND CIVIC DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: PROJECT MANAGEMENT AND MAINTENANCE FOR CITY
BUILDINGS**

RECOMMENDATION:

1. THAT Council authorize staff to pursue implementation of the proposals for enhancement of the City's approaches to management of City building projects and building maintenance, as outlined in this report.

REPORT

The Finance and Civic Development Committee, at its meeting held on 2010 March 25, received and adopted the attached report presenting proposals for enhancement of the City's approaches to management of City building projects and building maintenance.

Respectfully submitted,

Councillor Dan Johnston
Chair

Councillor Nick Volkow
Vice Chair

Councillor Colleen Jordan
Member

Copied to:	City Manager Deputy City Manager Director Planning & Building Director Engineering Director Parks, Recr. & Cult. Services Director Finance OIC, RCMP Chief Librarian
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TO: CHAIR AND MEMBERS
FINANCE AND CIVIC DEVELOPMENT
COMMITTEE

DATE: 2010 March 16

FROM: DIRECTOR PLANNING AND BUILDING
DIRECTOR ENGINEERING
DIRECTOR PARKS, RECREATION AND
CULTURAL SERVICES

SUBJECT: **PROJECT MANAGEMENT AND MAINTENANCE FOR
CITY BUILDINGS**

PURPOSE: To present proposals for enhancement of the City's approaches to management of City building projects and building maintenance.

RECOMMENDATION:

1. **THAT** staff be authorized to pursue implementation of the proposals for enhancement of the City's approaches to management of City building projects and building maintenance, as outlined in this report.

REPORT

1.0 INTRODUCTION

City staff involved in the planning of civic facilities, the management of specific building projects and the ongoing maintenance of City buildings and facilities have completed, under the direction of the staff Major Civic Building Projects Coordination Committee (MCBPCC), a review of the City's current approaches related to:

- planning for new civic buildings and facilities;
- management of new major projects; and
- building maintenance.

The purpose of the review was to identify strategies and approaches to improve City practices for project management and maintenance for City buildings over the longer term. The review process considered how the City's organizational structure, resources, tools and policies in this area can and should respond to facilities planning, project management and building maintenance objectives in light of:

- the City's continuing and future need to provide for the planning, construction and maintenance of new buildings and facilities to serve future growth and community needs;
- the increasing cost, complexity, sophistication and diversity of the City's inventory of buildings, facilities and building systems; and
- the current and increasing due diligence requirements for ongoing maintenance and operation of City buildings and facilities from financial, environmental and risk management perspective.

This report represents the consensus reached by the Directors of Planning and Building, Engineering, and Parks, Recreation and Cultural Services regarding proposals for the further advancement and development of the City's approaches to the planning of new civic buildings and facilities; management of new major projects; and building maintenance.

2.0 GENERAL DISCUSSION

The following provides a general summary of the primary elements of the current structure and responsibilities of the various City departmental staff and divisions with responsibilities in: 1) planning for new civic buildings and facilities (Facilities Planning), 2) management of new major projects (Project Management), and 3) building maintenance (Physical Plant Maintenance). For each of these major functions and activities, a general assessment is provided together with specific proposals for the advancement and development of the City's approaches.

2.1 Facilities Planning (FP)

In general, the planning for major new civic buildings (ie Fire Hall, library and recreation centre development) is done through Council's Finance and Civic Development Committee (FCDC) with input from the MCBPCC. Other projects are also advanced to Council for consideration directly by staff and through the Parks Commission, the Community Development Committee, Library Board and other advisory bodies as appropriate. This work is informed by the City's Official Community Plan, more detailed needs assessments, and other programs and initiatives advanced by staff, Committees and advisory bodies.

Council approval of funding priorities is determined through the City's Capital Program with specific Council expenditure authority for minor to major projects approved on a project by project basis.

Assessment: Generally, issues of concern were not identified in relation to the City's approach to facilities planning. The approaches used, including coordination by the MCBPCC, the established processes for Council budget and project approval, and requirements for specific expenditure authorizations by Council on recommendation of the appropriate Committee(s) or staff, continue to serve the City appropriately.

Proposal: On this basis, the established approach is considered to remain appropriate.

2.2 Project Management (PM)

Project Management (PM) is the staff section within the Planning and Building Department that is responsible for managing the development and construction of significant new facilities, and major

projects of larger scope and/or complexity. PM provides complete project management services including feasibility studies, tendering, site review and contract administration. Assigned staff from individual departments also undertake to budget and advance specific projects via Project Management, Physical Plant Maintenance (PPM) or direct contract administration.

PM reports on significant projects to the MCBPCC and the Finance and Civic Development Committee of Council. PM was originally established to oversee capital building projects in excess of \$1M. The nature and scope of work in this section has, however, continued to evolve to include many small projects of lesser value but that have considerable complexity or risk factors.

Significant projects can also be developed and managed at the departmental level. For example, the Parks, Recreation and Cultural Services Department has an internal designed project management group for minor and medium scale building and facility projects. Example projects include upgrades to Swangard Stadium, Outdoor Pools, Cameron Centre, Arena Chiller replacement, and Lawn Bowling Clubhouse, and for new fields and other park facilities. Some of these projects are in excess of \$1M.

Assessment: Again, generally, the City's approach to managing major civic projects through the Project Management section has been successful in providing for the appropriate management and oversight for major developments.

There is a need, however, to clearly identify projects which warrant direct management through this section in terms of costs, complexity and risk. Currently, the guideline of projects in excess of \$1 million is used, with considerable flexibility to take into account other factors, to determine whether this section assumes management of specific building and major maintenance projects. There is, however, a concern that some significant projects, in terms of costs, complexity or risk, may not be appropriately assigned and managed by this section given the absence of specific guidelines.

Proposal: Establishment of Guidelines for Assignment of Significant Projects: To ensure that this section assumes management of the City's most significant and complex projects, it is proposed that staff develop specific guidelines for the review of projects to be assigned to PM. It is anticipated that this may result in an increased number of projects to be coordinated through the PM section. As necessary, supplementary project management staff to manage the resulting work load would be pursued to ensure that specific project standards and delivery dates can be met.

2.3 Building Maintenance -- Physical Plant Maintenance (PPM)

In general, Physical Plant Maintenance is the staff section within the Engineering Department that undertakes primary responsibility for general routine maintenance work for City facilities and buildings based on the budget allocation provided by the user departments. The scope of projects completed by PPM includes minor repairs, routine maintenance, and more moderately complex projects. Some more significant maintenance projects can be referred to PM.

The maintenance budget for the City Hall complex, Metrotown Civic Square, Service Centre, Community Resource Centres and City owned daycare buildings is maintained within the Engineering Department under the PPM section. For other facilities, including buildings for library, fire, and police services, the budget for maintenance work undertaken by PPM is carried within the

individual budget of the department or building operator. For example, for the City's recreation facilities, routine maintenance work is completed by PPM with priorities set by the Parks Department. In the case of the budget for Parks building maintenance, the budget is 90% centralized within the Parks Department and not assigned directly to individual facilities.

Assessment: The review identified a need to develop a longer-term management strategy for the City's major building facilities that are maintained through the PPM section. Generally, the resources of the PPM section are challenged in responding to the maintenance needs of the City's diverse building inventory, particularly as the City's building stock continues to expand, age, and incorporate more sophisticated building systems and technologies. In order to respond to current and future needs, the review identified opportunities to pursue revisions to the current operation structure and level of resourcing support for the PPM section.

Proposals: The specific scope of proposed changes and resources to further advance and develop the City's management approaches within the PPM section include:

2.3.1 Proposal: Re-allocations of Departmental Building Maintenance Budgets: centralization of individual departmental and centre building maintenance budgets within the PPM section of the Engineering Department.

Discussion: A centralized budget approach, commencing in 2011, would allow for a more coordinated approach to implementation of building maintenance and management plans. It would reduce individual department program competition for maintenance funds. The approach would also generate efficiencies through economies of scale, bulk purchasing, pooling of budget resources, planning of maintenance work and schedules, and development and utilization of staff resources, skills, knowledge and abilities within the PPM section.

2.3.2 Proposal: Building Assessment and Maintenance Strategy Development: completion of individual plans for routine and extra-ordinary maintenance for each building based on individual building assessments, established maintenance standards and schedules, and the projected remaining building lifespan and function.

Discussion: This approach would serve to document the maintenance requirements for each City building, identify deferred maintenance items, establish routine maintenance schedules for various building elements, and allow for scheduling and pre-planning for more significant maintenance items such as roofs, HVAC systems, and specialized equipment. An important component of this work would involve a phased program to complete comprehensive assessments of the City's major buildings. This process would require an estimated associated budget provision, over a five year period, in the order of \$250,000 per year.

2.3.3 Proposal: Staffing Resources: development of staff resource capabilities within PPM would be required in order to allow the section to successfully assume overall management of building maintenance responsibilities for the City.

Discussion: In order to achieve the level of efficiency, coordination and program development outlined above, the development of additional staff resource(s) within the PPM section would be necessary. This would involve the addition of one new senior position to

oversee the facility management function including building condition assessment, maintenance strategy development, budget preparation and program management of the PPM section. The financial implication of the one additional senior position is in the order of \$150,000 per year including salary, benefit, vehicle and other provisions. In addition, the budget provision for an existing building related position within the Parks Department would be re-assigned to the PPM Section in the Engineering Department. The additional funding requirement is not included in the 2010 Operating budget. Subject to Council approval of this report, extra funding would be advanced in 2010 to facilitate the program implementation through an allocation of Gaming Funds.

The proposed enhancement of the resources of the PPM section would also serve to achieve other objectives with regard to building facility maintenance including: focusing staff resources on improving medium and long term planning for building maintenance; broadening the pool of staff resources to allow for the matching of specific skill sets to project types; and development of staff expertise in areas of building energy management, maintenance of new / green building technologies, building life cycle planning, policy development for building maintenance issues, and project management for maintenance activities.

4.0 CONCLUSION

The general conclusions of this review are that the City has a sound facilities planning, project management, and building maintenance (physical plant maintenance) approach. It also found that while there is general recognition that the City has managed its buildings and facilities under the current approach to date, there is a concern that the increasing complexity, advancing building age, competing priorities, budget constraints and other building maintenance issues, together with the current organizational, resource and budgetary structure, do not fully support long term future objectives for the planned, efficient, appropriate and timely maintenance of the City's growing inventory of buildings.

In summary, this report proposes the following:

- ***Establishment of Guidelines for Assignment of Significant Projects:*** to ensure that the PM section assumes management of the City most significant and complex projects, it is proposed that staff develop specific guidelines for the review of projects to be assigned to PM. It is anticipated that this may result in an increased number of projects to be coordinated through the PM section.
- ***Re-allocations of Departmental Building Maintenance Budgets:*** centralization of individual departmental and centre building maintenance budgets commencing in 2011 within the PPM section of the Engineering Department. This would allow for a more coordinated approach to implementation of building maintenance and management plans
- ***Building Assessment and Maintenance Strategy Development:*** completion of individual assessments and plans for routine and extra-ordinary maintenance for each building based on the phased completion of individual building assessments, establishment of maintenance standards and schedules, and the projected remaining building lifespan and function. This

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From: Deputy Director Planning and Building
Re: City Building Facilities
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process would require an estimated associated budget provision, over a five year period, in the order of \$250,000 per year, commencing in 2011.

- **Staffing Resources:** development of staff resource capabilities within PPM in order to allow the section to successfully assume overall management of building maintenance responsibilities for the City. This would involve the addition of one new senior position and an annual budget allocation in the order \$150,000. In addition, the budget provision for an existing building related position within the Parks Department would be re-assigned to the PPM Section in the Engineering Department. As necessary, supplementary project management staff to manage the resulting work load under the PM function would be pursued to ensure that specific project standards and delivery dates can be met. Temporary financing would be provided from Gaming Funds in 2010 for the PPM position. Budget requirements for the future years would be included in the regular operating budget preparation process.

The proposals outline above, seek to establish an approach that would make the best use of City resources and investment by optimizing a building's life span through appropriate and coordinated management of the City's building maintenance program. With general concurrence to the approach outlined in this report by the Committee, staff would recommend that this report be advanced to Council for consideration and approval.


B. Luksun
for Director Planning & Building


Lambert Chu
Director Engineering


for Dave Ellenwood, Director
Parks, Recreation & Cultural Services

LP:tn

cc: City Manager
Deputy City Manager
Director Finance
Fire Chief
IOC RCMP
Chief Librarian
City Clerk