

Real Property & Asset Management (RPAM)

2023–2026 Business Plan
and 2023 Budget

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Executive Summary

Mission: To deliver cost-effective and sustainable real property client-focused shared services for our Program Partners. RPAM maintains our commitment to action priorities to achieve our mandate, “As trusted partners, we provide quality, value-add real services that support effective program and service delivery”.

Services we provide:

- Management of the Region’s owned and leased properties
- Facility management; including operations and maintenance, occupant services
- Design innovations to promote an active and modern workplace
- Real property planning/administration, acquisition, leasing/licensing, design, construction, life cycle renewal and disposal
- Negotiations, expropriations, and appraisals for multi-owner capital projects
- Building condition assessments, capital planning, asset management and construction project management
- Planning and administration of Regional emergency management, corporate security, and business continuity programs

Interesting facts about this service:

- Manage 1.2 million square metres of Regional Buildings; valued at over \$3.5 billion in construction replacement value
- Types of property managed to varying degrees include office buildings, paramedic facilities, health clinics, PAMA, long term care homes, Region-owned affordable housing buildings and Peel Living’s housing stock
- The Regional Emergency Operations Centre was activated for 600 days to support the Region’s COVID-19 response

Highlights of the Business Plan include:

- 10 Peel Centre - Suite A renovation expected to commence construction in 2024/2025 to achieve Net Zero Carbon Building Standard
- New State of Good Repair program on building renovations will consider Net Zero Carbon building standard design requirements
- Corporate Security contract to provide static and mobile security guards at various Regional sites
- The Seniors Health and Wellness Village at Peel Manor LTC is a \$135 million capital redevelopment project projected to be completed in 2023
- Design and implementation of a DSS (Decision Support System) for capital planning and construction project management that will integrate with the IBM Maximo Asset Management system already operationalized; projected for 2023/2024

Net Investment Regional Office Program (\$000s)	2023	2024	2025	2026
Operating	7,219	7,246	7,290	7,327
Capital	2,578	9,900	6,667	9,051
Full Time Equivalents	113.0	113.0	113.0	113.0

Core Services

Vision, Mission, Goals of Service and Service Delivery Model

Vision

To maintain a safe, healthy, and aesthetically pleasing environment while promoting productivity and efficiency in the built environment and robust asset management

As trusted partners, we provide quality, value-add real property shared services that support effective program and service delivery

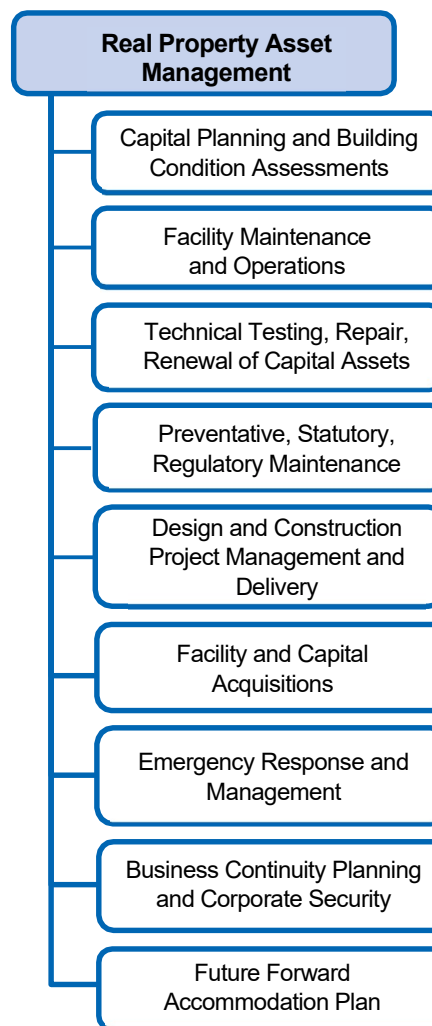
Mission

To deliver cost-effective and sustainable real property client-focused shared services for our Program Partners. RPAM has maintained our commitment to action priorities to achieve our mandate, “As trusted partners, we provide quality, value-add real property services that support effective program and service delivery”.

Goals of Service

1. Optimize asset value for taxpayers with environmentally responsible solutions
2. Improve employee and visitor experience
3. Deliver quality, timely and client-focused departmental services
4. Deepen and maintain client relationships with proactive partnerships with Region’s Programs to support integration of services

Service Delivery Model



Service Levels and Trends

RPAM is an enabling program that provides professional real property management for all Region of Peel owned and leased properties.

Service Levels

The management of building assets is accomplished through several operational and maintenance activities; the existing service levels for these activities are summarized below.

Building Condition Assessments and Capital Planning: Develop an appropriate and responsible 10-year Capital Budget annually in accordance with life-cycle asset management practices to meet budget preparation and construction timelines. Collaborate with Corporate Asset Management and Finance to meet their reporting outcomes.

The RPAM Program aims to ensure our investment in regionally-owned facilities have the lowest overall life-cycle cost from conception to disposal and that they perform optimally. Also, the Office Program determines the appropriate course of action in providing the most suitable commercial office space to support Regional staff and the programs they serve.

Facility Maintenance and Operations: Established service level agreements with internal partners to clarify roles, responsibilities, and expectations. Strategic alignment of services to optimize program delivery with an acceptable level of risk within the asset management plan.

RPAM partners with multiple vendors to complete a wide range of operational and maintenance activities. The dedicated staff allows the management, control, and verification of work to be completed efficiently resulting in improved productivity among internal staff.

Future Forward Accommodation Plan: Incorporating Flexible Work Practices for remote work, hybrid work and on-site work modes; Flexible Work Policies for remote work and flexible hours (setting flexible teamwork norms); and Future Forward space. Future Forward Workspaces with new IT policies and technology will support staff's ability to work either in a hybrid mode of work or fully at a Regional worksite. Workspaces will:

- Provide flexibility and support multiple work styles and job requirements
- Allow for collaboration, team building, and socializing
- Provide informal and formal spaces for brainstorming, meetings, and focused work
- Adhere to all public health measures
- Ensure that our clients receive the best possible service experience



Enhanced space features at our worksites are being planned and will include:

- Assigned divisional areas with dedicated and bookable workstations
- Meeting rooms, focus rooms, enclosed office, multi-purpose breakout space and print/copy areas
- Flex spaces with varied seating
- Expanded kitchenettes at 7120 Hurontario and 10 Peel Centre Dr., Suite B, to create space for employees to warm up food and have meals
- Enhanced ground floor areas to provide services to the public

Design & Construction Project Management: Construction Project Management for new development, state of good repair and special projects. Applying and aligning regional policy, standards, and mandates in the implementation of construction projects for SOGR renewal and ROP new built environment. Apply standards, policy, and mandates such as Net Zero Carbon Standard or align with Climate Change Master Plan to reduce GHG with decarbonization fuel switching projects.

Deliver buildings, facilities, and functional program space in support of Regional forward-facing programs such as Health programs; LTC, PRPS, Office program, PHC Peel Living housing program, PAMA, Shelters, ROP Affordable Housing and PW Operation Yards. The team consists of a group of technical experts and experience working with our Regional Programs. Implementation of construction projects with the collaboration of program experts, understanding program needs and outcomes.

Regional Emergency Management & Corporate Security: To continue relationship-building with internal and external program partners through the development of strategic plans. This is to support the ongoing need for timely responses to community emergencies, business continuity planning, and corporate security needs.

Trends

IBM Maximo CMMS will allow our Property Management Customer Service team to reduce paper-based work orders. Actioners for service requests will be able to receive work orders in real-time and status updates can be entered and tracked remotely. This will reduce response time and data entry from our Customer Service Reps.

In support of the COVID-19 Mass Vaccination Clinics, security services were operationalized quickly by the Corporate Security team and brought awareness to other program areas on the types of support services that Corporate Security can offer. Services such as risk assessments, mobile and static guards for ongoing and/or temporary events has resulted in the increase of capital and operational funds to support a sustainable program. Additionally, the number of incidences being reported are increasing due to improved awareness and more reliance on Corporate Security services.

The frequency and community consequences of significant events or emergencies is increasing.

Recovery periods of events tend to now overlap with the response to new events, challenging the capacity of program areas.

The Digitization project to scan all records for Real Estate will be leveraged by other program areas as they prepare for their Future Forward moves. This will reduce storage needs allowing for more collaborative and flexible spaces across the organization.

Performance Measures and Results

The Region of Peel is committed to delivering services economically and efficiently. The Region's performance measures are used to help assess how well we are doing at achieving our goals and where we need to improve operations. The results also inform decision-making and strengthen accountability.

Internal Customer Satisfaction Standard: Our target is a customer satisfaction rate of 98% without complaint on service requests and work orders. The performance measure was last measured pre-COVID in 2020 with a 99% satisfaction rate. The recent transition to new software will promote improved data collection and measurement again in 2023.

Percentage of Planned Maintenance and Repair Work: Percentage of the total maintenance and repair work that is planned. In 2021, planned maintenance accounted for 87% (vs. target of 70%) of the total due to the completion of several infrequent preventative maintenance routines. The percentage of planned maintenance in 2022 is tracking lower due to a higher number of unplanned repairs as a result of deferred equipment replacement at a few facilities.

Waste Diversion Rate: Percentage of waste diverted to recycling and organics at primary office buildings. In 2022, 10 Peel Centre Drive headquarters was just shy of the target of 85% at 84% and the building at 7120 Hurontario exceeded the target at 87%. We will continue to monitor and promote diversion as the workplace adapts to a post-COVID culture.

Implementation the Asset Management Strategy: To better manage infrastructure, the RPAM team began a project to review its Asset Management Strategy and work on implementation of a consistent process across portfolio partners. At the time of the writing of the business plan, the review of the Asset Management Strategy was complete and the following were underway:

- Issuing a Request for Proposal (RFP) for Capital Planning and Project Management Software
- Establishing consistent processes for determining Regional standard for: asset condition, criticality, and risk assessments as well as how we set and prioritize work at the asset levelMonitoring Work Order volume and response time
- Establishing consistent processes for operating and maintenance of Regional Assets: level of maintenance required, expected levels of service, service contract scope of work, checks and balances required throughout the year to support levels of service.

Achievements

Through collaboration, our Operations and Technical teams analyzed energy use and building automation data for Streetsville Station. Several HVAC systems were reprogrammed, and system coordination improved to help save energy and provide a more comfortable facilities for our Paramedic partners and resulted in improved client comfort, financial savings, and extended asset lifespans.

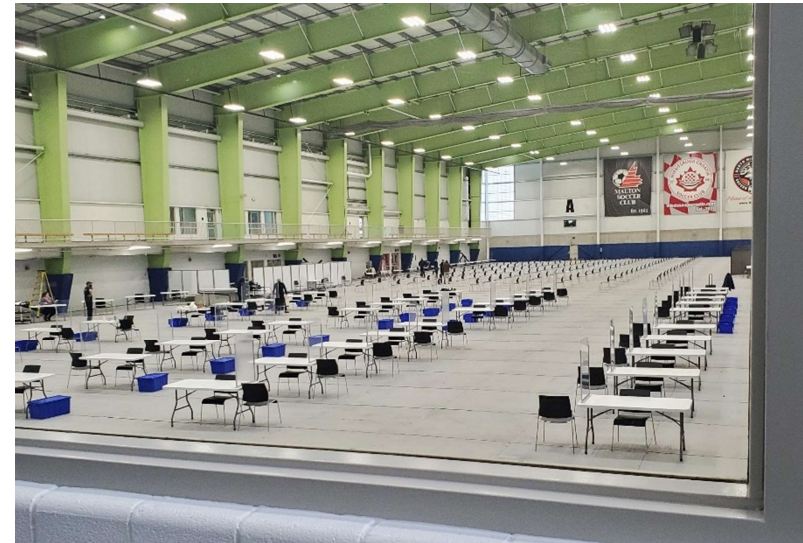
In support of the COVID Mass Vaccination Program, RPAM rolled out vendor services in record time for facility cleaning, building maintenance, security, line management, biohazard waste containers, portable washrooms, and the procurement of new furniture/equipment. This was completed while maintaining service levels for the ongoing operational needs.

RPAM lead the work that resulted in a successful rollout of the IBM Maximo CMMS that will now be expanded into other areas.

Real Property Facility Acquisitions acquired 6 significant properties in 2021/2022:

- Purchased an industrial site for the future Public Works Expansion of Wolfedale, Mississauga
- Purchased a hotel to be converted into Affordable & Youth Transitional Homes, Brampton
- Purchased two Properties for Peel Regional Police for new Divisional Facilities
- Purchased new property for Paramedic Reporting Station in Brampton
- Purchased the ORBY Railroad

- Leased space for a Peel Regional Police Organizational Wellness Facility, Mississauga
- Offer to Lease for a Peel Regional Police Intimate Partner Violence Unit, Brampton
- Multiple sites for COVID-19 fixed clinics



Developed FASP (Future Accommodation Strategy & Plan) being used as foundation for Future Forward.

New Corporate Security contract provides static and mobile guards to oversee Corporate Office buildings, various Public Works sites, Long Term Care facilities, Peel Living properties, Group Homes, Transitional Housing, Shelters, PRPS stations, and Health Clinics.

The 2023 -2026 Business Plan Outlook

Planning for the Future

Future Forward

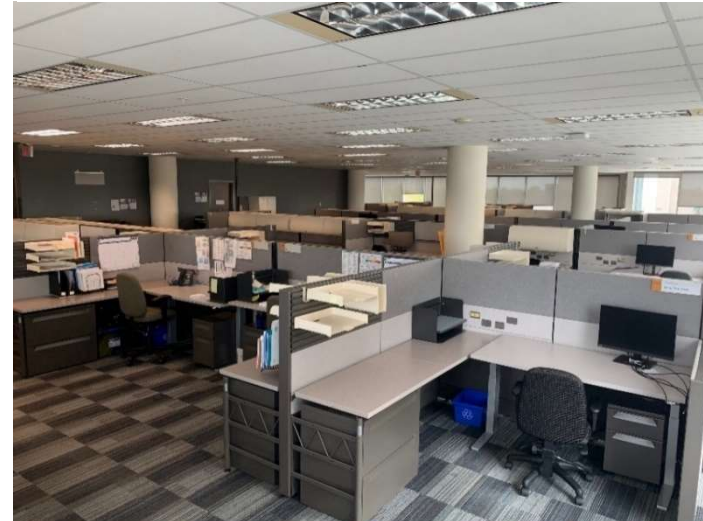
Efforts were underway in 2017 to update and modernize workspaces for the Corporate Offices but with lessons learned from the COVID-19 recovery work and the introduction of flexible workplace practices, changes have been made to the Accommodation Plan to provide more options to support different modes of work.

Changes include:

- Bookable hot desks available at all Corporate Offices
- Multi-purpose breakout spaces outside of kitchenettes and across the floor
- Collaborative spaces for ad-hoc meetings
- Increased meeting rooms and spaces
- Bookable, shared director's offices (enclosed office or open workstations)
- External-facing services moved down to ground floors
- Connected meeting rooms to support hybrid meetings
- Cold and hot water stations in kitchenettes on every floor in lieu of the removal of onsite cafeteria services



Multi-purpose break-out space



Future Forward modernized workstations

Asset Management

RPAM Asset Management Strategy is being developed in alignment with Enterprise Asset Management (EAM) goals and objectives with coordinated tactical implementation plans. This is part of the Council-endorsed Enterprise Asset Management Policy that includes RPAM assets within its scope.

- Consistent condition assessment process for regional standard on determining asset condition, criticality and risk assessments and work prioritization at asset level.
- Consistent processes for Operating & Maintenance of Regional Assets to support Level of Service at the asset level.
- New Capital Planning and Project Management Software DSS to automate logic and provide flexible reporting in applying RPAM asset management strategy.

The Strategy will leverage findings from the Asset Maturity Assessment project, as well Future State Process Mapping (completed as part the EAM Technology selection) to define tactical strategies needed to achieve maturity, as well as implementation activities to be undertaken to bridge maturity and resourcing gaps.

The Region's Asset Management Framework outlines the elements to achieve its long-term infrastructure risk management goal of finding the optimal balance between providing reliable, efficient services, and doing it at the lowest reasonable cost.

RPAM will consider demand analysis and master plans developed by the Program Partners to better inform its state of good repair (SOGR) planning. External drivers such as Provincial regulations and requirements will impact these plans and managed accordingly.

Climate Change

New Net Zero Carbon Construction Projects in development

- New Public Works Yard (Victoria Yard replacement)
- New Paramedic Services Reporting Station
- Suite A Net Zero Carbon building retrofit
- Several SOGR building fuel switching projects to get off natural gas or fossil fuels aligned and collaborated with Office of Climate Change and Energy Management and the Climate Change Master Plan greenhouse gas reduction mandate



Victoria Yard - Site Aerial Perspective

Service Delivery

The range of services that RPAM provides have increased over the years but the desire to maintain high level of service remains the same. With the implementation of new technology and customizable systems, efficiencies have been achieved to ensure cost-effective and sustainable solutions are being leveraged.

New services include:

- Paperless work order system through Maximo CMMS
- Threat assessments provided by Corporate Security
- Static and mobile guards at various properties through new Security Guard contract

Maintaining our Infrastructure

To ensure the infrastructure is responsibly maintained, a reasonable state of good repair is defined, and priorities set to maintain existing service levels. This involves addressing growth concerns and developing an economic lens for infrastructure.

Highlights of the major state of good repair projects for the 2023 Capital Budget include:

Major Electrical Switchgear Maintenance at 10 Peel Suite B: To service main magnum breakers and MDS Switchgear spare cabinet.

Replacement of Domestic Cold Water Booster Pump Package at 7120 Hurontario: Upgrade domestic water booster package includes valving and pressure/balance on each floor.

Design & Installation of a Generator External Connection Point at 7120 Hurontario: Quick connect at the site cabinet at 7120 Hurontario to facilitate connecting to a load bank and allows for the connection of a portable generator.

Finding Efficiencies

Continuous Improvement

The objective of the Region’s Continuous Improvement Program is to optimize service delivery and maximize value for tax dollars spent. The completion of continuous improvement initiatives positively impacts client experience, employee engagement, cost savings and cost avoidance.

Highlights of the many projects and improvements completed include:

- Mass Vaccination Clinics implemented by leveraging Federal, Municipal and Regional facilities on the agreement that rent would be gratuitous
- Suite A building renovation designed to achieve the Net Zero Carbon Standard
- Adapting our Capital Planning and Project Management processes to create efficiency and alignment with Climate Change Master Plan GHG Reductions mandate through decarbonization of our buildings through fuel-switching. Holistic assessment of Region-owned buildings as an integrated system to align all adaptability and mitigation strategies presently available.



Suite A building renovation designed to achieve Net Zero

- New SOGR program on building renovations will consider Net Zero Carbon design requirements and resilience of infrastructure
- Installation of vehicle charging stations at most Regional sites

Proposed Operating Budget

This part of the Business Plan sets out the financial resources required to deliver the proposed 2023-2026 Business Plan. Information is provided by major expenditures and revenue. The costs to maintain existing service levels and operationalize prior decisions are identified in the base budget changes separately from proposed changes. The budget for 2022 was \$7.2 million and the proposed budget for 2023 is \$7.2 million.

Net Expenditures: \$7.2 million (Total Expenditures: \$10.3 million)

Description	Proposed 2023 Budget	Approved 2022 Budget	\$ Change Over 2022	% Change Over 2022
Operating Costs	7,564	7,039	525	7.5%
Labour Costs	14,615	14,266	349	2.4%
Reserve Contributions	8,309	8,309	0	0%
Debt Charges	3,048	3,048	0	-
Grant Payments	0	0	0	0%
Facility, IT, HR and other support costs	2,822	2,710	112	4.1%
Recoveries	(26,016)	(26,124)	108	(0.4%)
Total Expenditures	10,342	9,249	1,094	11.8%
Grants and Subsidies	0	0	0	0%
Supplementary Taxes	0	0	0	0%
Fees and Service Charges	(3,093)	(2,053)	(1,041)	50.7%
Transfer from Development Charges	0	0	0	-
Contributions from Reserves	(30)	(30)	0	0%
Total Revenues	(3,123)	(2,083)	(1,041)	50.0%
Total Net Expenditure	\$7,219	7,166	53	0.7%

Note: May not add due to rounding

2023 Operating Budget Pressures

\$'000	Total Expenditures	Total Revenue	Net Cost 2023 vs 2022	
2022 Revised Cost of Service	9,249	2,083	7,166	%
Cost of Living/Inflation				
Labour costs	233	-	233	
Goods and services	148	-	148	
Base Subsidy/Recoveries¹				
Updated allocation to Tax and Utility services and Peel Living	(108)	1,010	(903)	
Other Pressures				
<ul style="list-style-type: none"> • Operationalization of COVID mitigation measure: cleaning commonly touched surfaces • New security contract including mobile services for administrative buildings • Net reduction in miscellaneous external recoveries 	99	-	99	
	358	-	358	
		(10)	10	
Base Budget Changes Subtotal	946	1,001	(55)	
Service Level Demand²				
Incremental costs and revenue related to licencing 700-1,000 parking spaces at 7120 Hurontario Street to Cavalia for illumi	148	40	108	
Service Level Changes Subtotal	148	40	108	
Total 2023 Budget Change	1,094	1,040	53	
2023 Proposed Budget	\$10,342	3,123	7,219	0.7%

Note: May not add up due to rounding

Operating budget pressure notes:

Base Subsidy/Recoveries²

- Increase in net recoveries as a result of change in Peel Living capital plan.

Service Level Demand²

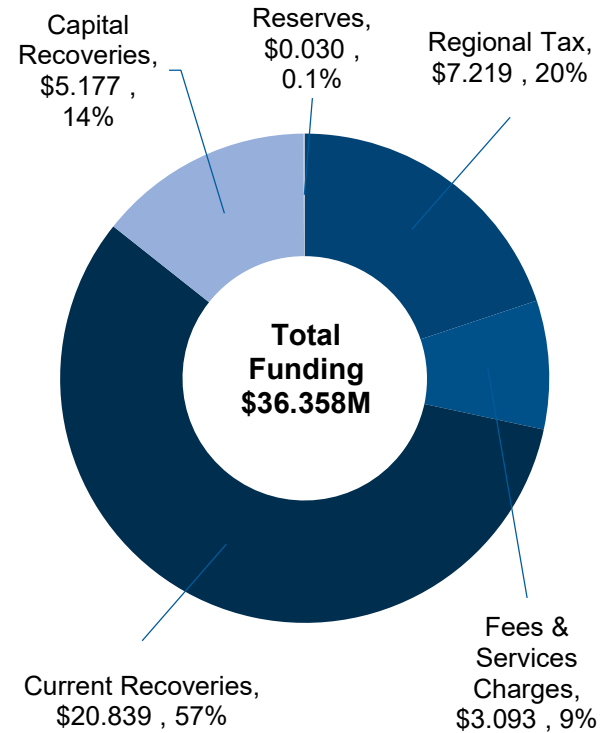
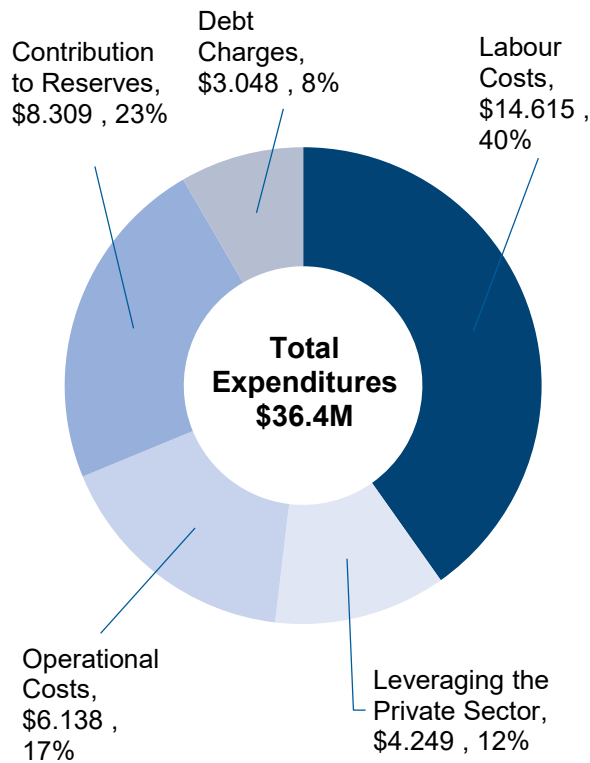
- To reflect incremental costs and revenues associated with the Region licencing 700 to 1000 parking spaces at 7120 Hurontario Street for eight-month periods starting mid-September 2022, for a period of five years, for the patrons of “illumi” by Cavalia (Resolution Number 2022-559). Costs include security and grounds maintenance.

Staffing Resources to Achieve Level of Service

2022	2023	2024	2025	2026
113.00	113.00	113.00	113.00	113.00

Note: Staffing resources are regular positions (Full Time Equivalent, FTE)

2023 Gross Expenditures & Funding Source (In \$M)



2023 Budget Risks

- Services are still recovering from the impact of COVID-19 and assessing the impacts to service delivery for a post-COVID.
- Inflation for 2023 is expected to continue at a heightened rate but there is risk that actual inflation may exceed the 2.5% assumption. Supply chain and labour market issues will exacerbate inflationary pressures.

2024 - 2026 Operating Forecast

	Budget			Forecast					
	2022	2023		2024		2025		2026	
	\$'000	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Total Expenditure	9,249	10,342	11.8%	10,446	1.0%	10,554	1.0%	10,656	1.0%
Total Revenue	(2,083)	(3,123)	50.0%	(3,201)	2.5%	(3,264)	2.0%	(3,329)	2.0%
Net Expenditure	7,166	7,219	0.7%	7,246	0.4%	7,290	0.6%	7,327	0.5%

Note: May not add up due to rounding

- Forecast years' increases are related to maintaining base services.

Proposed Capital Budget

Capital Budget: \$2.6 million (Ten Year Plan: \$84.6 million)

2023 Capital Budget Overview

The following table provides a summary of RPAM Service’s planned capital project activity for 2023, including funding sources for both new capital project requests in 2023 and projects carried forward to 2023.

Capital Plan By Funding Source	Carry-forward from Prior Years (WIP) (\$'000)	2023 Capital Budget (\$'000)	Total Capital in 2023 (\$'000)
DC Growth	-	-	-
Externally Funded	-	-	-
Non-DC Internal	42,943	2,578	45,521
Total Expenditures	42,943	2,578	45,521
# of Projects	45	4	49

Existing Capital Projects - \$42.9M

Key highlights:

- \$28.6M for the renovation of Suite A at 10 Peel Centre Drive
- \$5.0M for Futrure Forward, the post pandemic workspace accommodation initiative, at Regional office facilities
- \$1.8M for Corporate Security including improvements around CCTV, access control systems and such at Regional locations

2023 Capital Budget - \$2.6M

Key highlights:

- \$1.6M – Funding for identified major maintenance requirements at 10 Peel and 7120 Hurontario.
- \$0.6M – Purchase of Corporate Furniture to accommodate growth and replace existing inventory.
- \$0.4M – Facility Accommodation Program costs for relocating staff, recovering vacant office space, reconfiguration and planning for future space requirements.

See Appendix I for details.

2023 Budget Risks

- Inflation for 2023 is expected to continue at a heightened rate but there is risk that actual inflation may exceed the 5.0% assumption. Supply chain and labour market issues will exacerbate inflationary pressures.
- Inflation risk will vary from project to project as some projects may use a commodity or commodities that have been more significantly impacted by inflation.

Operating Impact of 2023 Capital Budget

- There is no anticipated impact on the operating budget resulting from the 2023 capital budget.

Proposed Capital Plan

2023 - 2032 10-Year Capital Plan - \$84.6M

By Project Classification:

State of Good Repair \$84.6M	DC Funded Growth \$0.0M	Non-DC Funded Growth & Other \$0.0M
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Key Highlights:

- \$76.4M – Funding for identified major maintenance requirements at 10 Peel and 7120 Hurontario.
- \$4.2M – Purchase of Corporate Furniture to accommodate growth and replace existing inventory.
- \$4.0M – Facility Accommodation Program costs for relocating staff, recovering vacant office space, reconfiguration and planning for future space requirements.

See Appendix II for details.

Service : Real Property & Asset Management

Appendix I

2023 Financing Sources and Funding Status (\$'000)

			2023				
			Total Expense	Development Charges	Reserves & Reserve Funds	External Funding	Debt Funding
Project	Name	Description					
235215	Corporate Furniture	Purchase of Corporate Furniture to accommodate growth and replace existing inventory	600		600		
235220	Office Facility Major Maintenance	Funding for identified major maintenance requirements at 10 Peel and 7120 Hurontario	1,478		1,478		
235238	Facility Accommodation Program	Costs for relocating staff, recovering vacant office space, reconfiguration and planning for future space requirements	400		400		
235290	RPAM Under Maintenance Project	Funding for deficiencies in 10 Peel and 7120 Hurontario projects during the warranty phase.	100		100		
Real Property & Asset Management			2,578		2,578		

Appendix II

Service: Real Property & Asset Management

2023 Ten Year Combined Capital Program (\$'000)

			2023	2024	2025	2026	2027	Yrs 6-10	Gross
Project	Name	Description							
235215	Corporate Furniture	Purchase of Corporate Furniture to accommodate growth and replace existing inventory	600	400	400	400	400	2,000	4,200
235220	Office Facility Major Maintenance	Funding for identified major maintenance requirements at 10 Peel and 7120 Hurontario	1,478	9,000	5,767	8,151	6,475	44,490	75,361
235238	Facility Accommodation Program	Costs for relocating staff, recovering vacant office space, reconfiguration and planning for future space requirements	400	400	400	400	400	2,000	4,000
235290	RPAM Under Maintenance Project	Funding for deficiencies in 10 Peel and 7120	100	100	100	100	100	500	1,000
Real Property & Asset Management			2,578	9,900	6,667	9,051	7,375	48,990	84,561