

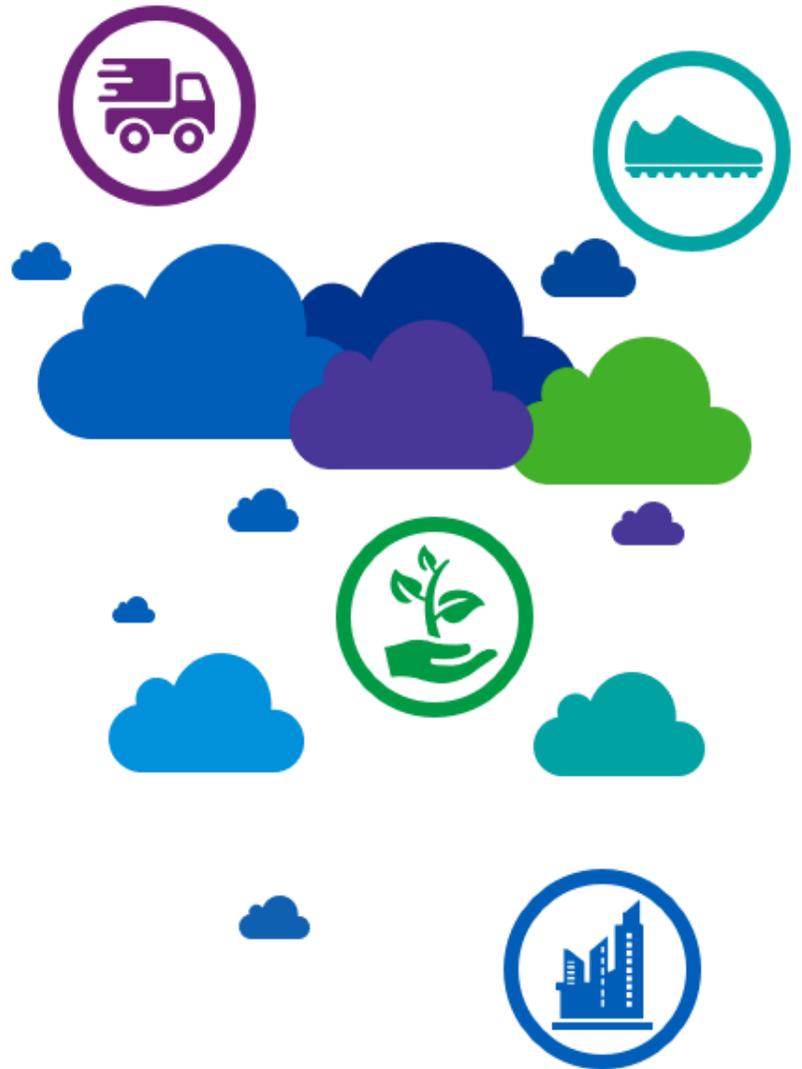


Reimagine Services

Business Case: Facility
Maintenance Role
Consolidation

CITY OF EDMONTON

MAY, 2021



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Table of Contents

OPPORTUNITY SUMMARY	1
OPPORTUNITY BACKGROUND & CONTEXT	3
OPTIONS	9
IMPACT ASSESSMENT	11
OPPORTUNITY ASSESSMENT	15
APPENDIX A: GBA+ ASSESSMENT	17
APPENDIX B: FINANCIAL PROJECTIONS	19
APPENDIX C: RISK ANALYSIS	30

Opportunity Summary

The City's Facility Management Services (FMS) maintains facility assets across a 16 million square foot portfolio, with a book value of approximately \$1.8 billion,¹ and has specialized facility maintenance knowledge, processes, and management capabilities to maintain facilities efficiently.

Facility maintenance is not fully centralized in the City, and as a result there may be some duplicate effort and overlapping facility maintenance roles between FMS and several other departments: Edmonton Transit Service (ETS), Waste Management Services and Community Recreation Facilities (CRF).

The City may have an opportunity to improve facility maintenance efficiency by further consolidating performance of the maintenance function within FMS. Specific options explored related to this opportunity included:

- Centralizing ETS's LRT facility maintenance function into FMS to reduce coordination and administration.
- Centralizing facility maintenance activities performed within CRF by:
 - Increasing contracted custodial service to reduce custodial effort spent by Aquatic Servicepersons; and
 - Installing remote pool monitoring and automation to reduce manual aquatic maintenance and monitoring.

Waste Management Services was excluded from the analysis because it is a utility and its maintenance costs are fully recovered, meaning there would be no net savings from operational efficiencies.

These options would primarily impact the staff whose roles could become redundant. The opportunities are not expected to materially change the level of service delivered. ETS and CRF and their respective customers should not notice a change to service levels.



Recommendation: Facility Management Role Consolidation

Based on the analysis completed, **the City should consider centralizing ETS' LRT facility maintenance function into FMS**. This could result in reduced managerial, coordination and administration Full Time Equivalent positions (FTEs).

It is estimated that this opportunity could deliver potential cumulative savings between \$0.7 to \$2.4 million over five years and potential annual savings of approximately \$0.1 to \$0.5 million by year 5.

This recommendation is predicated on utilizing FMS' existing managerial, coordination, and administration capacity. While there is consensus around the ability to absorb the managerial effort from ETS, there is some uncertainty around the coordination and administrative effort. However, using staffing ratios to approximate level of effort there appears to be opportunity to absorb ETS' coordination and administrative effort in FMS.

¹ City of Edmonton, 2019 Annual Report. Accessed April 2021 at https://www.edmonton.ca/city_government/documents/2019_Financial_Annual_Report.pdf

The primary risk with this opportunity is the unknown future facility maintenance service delivery model for the Regional Transit Services Commission.² If the Regional Transit Services Commission chooses to insource facility maintenance and absorb Edmonton Transit Service's facility maintenance staff, they would need to rehire for the roles made redundant under this opportunity. Prior to proceeding with this opportunity, it would be prudent to determine if the Regional Transit Services Commission has developed a target operating model and the anticipated timing of its implementation. This could help determine if the LRT facility maintenance function is anticipated to reside with the Commission or with the City, and inform any decisions related to the recommendation.

² The City is working with regional municipalities to establish a Regional Transit Services Commission that would assume responsibility for providing transit services within Edmonton. The Commission is in the process of being established and its operating model has not yet been fully defined. It is possible that the Commission will want to perform its own facility maintenance internally.

Opportunity Background & Context

OPPORTUNITY AND CURRENT SITUATION

Facility Management Services (FMS) manages a portfolio in excess of 16 million square feet, as outlined in Table 1, and has the people, processes, and tools required to maintain this portfolio.

There is an opportunity to further centralize facility management and maintenance within FMS, which could capitalize on FMS' specialization and reduce facilities management and administrative FTE requirements in other departments.

Table 1: Approximate facility portfolio breakdown.

Building Class	Area (sq. ft.)
Service and Operations/Training	3,389,000
Leisure Centre/Swimming Pool	2,776,000
Vehicle Repair/Vehicle Storage/Wash/Fuel	2,288,000
Arena	1,412,000
Office	1,246,000
Assembly/Gallery/Museum/Theatre	849,000
Police Station	751,000
Commercial	677,000
Library	438,000
Fire Station	360,000
Clubhouse/Senior Centre	302,000
Historic	285,000
Office Field/Modular	270,000
LRT Station	178,000
Visitor Centre	159,000
Storage/Shed/Barn	64,000
Restroom	45,000
Ambulance	34,000
Mechanical/Electrical/Substation	32,000
Dome/Quonset/Tent	27,000
Grandstand/Stadium	24,000
Transit Station	21,000
Shelter	5,000
Total	~16 million*

Source: Information extracted from Facility Metadata provided by the City.

*Based on Gross CAD Area; Using Manual Gross Area would result in an area of approximately 18 million square feet.

FMS is currently undergoing a transformational change initiative that covers many aspects of their operating model. As part of FMS' transformation, Service Level Agreements are being developed to better define the facility maintenance responsibilities between FMS and the two relevant City branches explored through this case: Edmonton Transit Service (ETS) and Community and Recreation Facilities (CRF). Changes from this business case could help shape the Service Level Agreements to provide better understanding across all groups.

EDMONTON TRANSIT SERVICE (ETS)

ETS has two teams focused on facilities maintenance: Bus Transit Facilities team; and, LRT Transit Facility Maintenance team. These teams consist of approximately 35 FTEs, with 23 of them being considered “core” facility maintenance roles (i.e., foremen and trades personnel), as shown in Table 2.

There is also a Track and ROW Maintenance team that operates parallel to the LRT and Bus Facility teams. Track and ROW maintenance is functionally different from facility maintenance, and therefore no FTEs related to Track and ROW maintenance were included in this business case.

Even though ETS has two teams focused on facility maintenance, FMS also provides maintenance services to the same facilities. In 2019, FMS provided approximately \$3 million worth of maintenance services to ETS-owned facilities.³ ETS facility maintenance typically focuses on public areas of their facilities while FMS facility maintenance covers both public and non-public areas.

Table 2: ETS Facility Maintenance Roles

Team	Role	FTEs	Opportunity to Centralize into FMS
LRT Facility Maintenance	Maintenance Supervisor	1	High: Opportunity to centralize these roles is high. FMS already completes a large volume of work at LRT facilities and centralization could benefit from existing processes and skillsets within FMS. It could also allow for improved coordination of activities and a reduction in managerial and administrative overhead.
	Maintenance Coordinator	4	
	Document Processing Clerk	1	
	Maintenance Repair Foreman*	1	
	Maintenance Repairman*	4	
Bus Facility Maintenance	Maintenance Supervisor	1	Moderate: Opportunity to centralize these roles is moderate. While the type of work is similar, this team maintains a highly distributed asset base of over 7,000 bus shelters and associated furniture (i.e., benches), which differs substantially from FMS' focus on fewer but more complex facilities.
	Maintenance Coordinator	1	
	Document Processing Clerk	1	
	Utility Worker Foreman and Sub-Foreman*	2	
	Utility Worker / Maintenance Repair Worker*	16	
	Engineering Technologists	2	None: The technologists in the LRT Bus Facility Maintenance team manage the design and accessibility of bus shelters. Additionally, they support with detour management and bus shelter relocation.

³ Based on 2019 Maintenance work order data for transit facilities provided by the City.

Team	Role	FTEs	Opportunity to Centralize into FMS
	LRT Fleet Shop Clerk	1	None: This role does not have any overlap with FMS' function.

Source: Information from the City's OrgPlus system and discussions with ETS.

*Core maintenance positions.

COMMUNITY AND RECREATION FACILITIES (CRF)

CRF has several roles that include some facility maintenance functions, which results in some role ambiguity between CRF and FMS. Through interviews with FMS, it was suggested that this has caused some challenges. For instance, this ambiguity has led to instances where maintenance activities were not completed in an optimal manner, resulting in increased maintenance costs.

One example provided by the City was the improper maintenance of pool sand filters which resulted in a reduced useful life and more frequent replacements being needed. There have also reportedly been instances where building equipment was acquired by CRF without consultation with FMS, but with the expectation that FMS would maintain the equipment. Stakeholders suggested that this has, in some cases, resulted in increased maintenance costs to the City because of the choice of equipment.

Table 3 summarizes the CRF roles and number of FTEs that are related to facility maintenance, along with a high-level assessment of the potential for consolidation.

Table 3: CRF Roles

Role	Description	FTEs	Consolidation Opportunity
Facility Manager / Foreman	These roles are responsible for the coordination of overall recreation facility operations, including visitor services and programming.	19	Low: Opportunity for consolidation is low since the position is focused on the day-to-day operations at a given site. However, there are instances of facility managers not specifically assigned to a building.
Aquatic Serviceperson	These roles are responsible for providing overnight pool monitoring and maintenance. City stakeholders indicated that the role spends a significant amount of time on general custodial services and other non-aquatic maintenance tasks (e.g., security checks).	26.1	High: Opportunity for consolidation is high because of the potential to reduce the role's custodial tasks by utilizing existing custodial contracts.
Maintenance Repairperson / Fitness Repair	These are skilled labour position with a focus on the maintenance of moveable / recreation-specific equipment.	9	Low: Opportunity for consolidation is low as this role focuses on maintenance of moveable equipment inside the recreation facilities, whereas FMS handles maintenance of core building systems (i.e., HVAC, electrical, etc.).
Labourer	These are unskilled labour positions that are often combined with other roles, such as Arena Attendant or Front Desk Clerk.	-	None: There is no opportunity for consolidation. FMS is generally focused on the delivery of skilled labour.

Source: Information from the City's OrgPlus system and discussions with CRF.

CITY CONTEXT

This business case aligns with the City's strategy and objectives as shown in Table 4.

Table 4: Alignment to City Strategy

City Context	Alignment
Corporate Business Plan (2019 – 2022)	<p>The City's Business Plan highlights that, "... processes are robust and helpful for integrated service delivery."</p> <p>With the current lack of clear definitions surrounding facility maintenance coordination, the City has room to more efficiently deliver services to Edmontonians.</p>
City Plan	<p>The City Plan policy direction 4.2.1.3 states, "<i>adapt City operations, equipment and infrastructure to contribute to intensification.</i>" This aligns with the opportunity to consolidate roles and bundle maintenance work.</p>

Source: Information extracted from various City sources.

LEADING AND COMPARATIVE PRACTICES

Calgary, Winnipeg, Ottawa, and Halifax were reviewed to compare how Edmonton's facility management and maintenance differed. At a municipal level, these comparator jurisdictions tend to centrally manage most of their buildings, except for transit facilities (see Table 5). However, this trend appears to be changing in favour of increased centralization; for example:

- Ottawa has noted duplication in its facility maintenance (between the central facility maintenance group and the transit group) as a potential opportunity for improvement. In Ottawa's *Audit of Facility Management (November 24, 2020)* report, the first finding highlighted a few key points:⁴
 - The siloed nature of facility management prevents cross-departmental resource analysis and allocation from being performed.
 - There is an absence of clear ownership over the management of facilities.
- Calgary is currently undergoing a facility management centralization initiative,⁵ which includes an assessment of transit facilities. The exact scope of the transit facilities to be centralized has not yet been determined (i.e., it is unclear whether centralization will include stations and supporting infrastructure, just supporting infrastructure, or a combination).⁶
- Halifax is an example of a fully centralized facility maintenance function. The central team maintains all facility assets, including transit and waste facilities.

⁴ City of Ottawa, Office of Auditor General, Audit of Facility Management. Accessed November 2020 at https://documents.ottawa.ca/sites/documents/files/facility_fnl_en.pdf

⁵ City of Calgary, Facility Full Service Plan. Accessed April 2021 at https://www.calgary.ca/ca/city-manager/about-us/our_services/service-facility-management.html

⁶ Discussion with City of Calgary Facility Management staff

Table 5: Peer Jurisdiction’s Transit Maintenance Function

Municipality	Transit Group	Maintenance Model
Calgary	Calgary Transit	Calgary Transit currently maintains its own facilities ⁷ but does outsource janitorial and outdoor maintenance. ⁸ This may change as a result of the City of Calgary’s facility maintenance centralization initiative. The review of transit facilities is underway, with the final scope of what will be centralized still to be finalized.
Winnipeg	Winnipeg Transit	Transit facility maintenance is completed within Winnipeg Transit. ⁹
Ottawa	OC Transpo	OC Transpo, through its Transit Fleet Facilities and Maintenance unit, maintains its own facilities that service OC Transpo’s administration, customer service, and bus operations. While OC Transpo currently completes its own facility maintenance, this may change as the City has noted this duplication of maintenance work to be an opportunity for improvement as mentioned above. ⁴
Halifax	Halifax Transit Authority	Facility maintenance is fully centralized within one department.

Source: Based on information from various municipalities.

ENVIRONMENTAL CONSIDERATIONS

Trends and external influences that may impact the implementation and execution of this business case are summarized in Table 6.

Table 6: Trends and External Influences

Consideration	Description
Regional Transit Services Commission	<p>The Edmonton Metropolitan Region established a Regional Transit Services Commission in January 2021.¹⁰ While a general operating model and organizational structure has been proposed, the final detailed operating model has not yet been established. As such, who is completing facility maintenance, on which assets, and whether facility maintenance is insourced, outsourced externally, or outsourced to a municipality has not been defined. The initial schedule has the phased service deployment starting in July 2022 and continuing to the end of 2023. A stabilization period of three years follows. The current schedule may be at risk because of the delayed hiring of a CEO, which was initially projected to be completed by the end of 2020.¹¹</p> <p>The final operating model may have an impact on this opportunity.</p>

⁷ City of Calgary, Calgary Transit: Our Organization Website. Accessed March 2021 at <https://www.calgarytransit.com/content/transit/en/home/about-calgary-transit/corporate-information/our-organization.html>

⁸ City of Calgary, Calgary Transit ZBR Update (2017). Accessed April 2021 at <https://pub-calgary.escribemeetings.com/filestream.ashx?DocumentId=1170>

⁹ City of Winnipeg, Winnipeg Transit Department Organizational Chart. Accessed March 2021 at <https://www.winnipeg.ca/cao/organizational-charts/transit.stm>

¹⁰ City of Edmonton, Regional Transit Services Commission Website. Accessed March 2021 https://www.edmonton.ca/projects_plans/transit/regional-transit-services-commission.aspx

¹¹ EY, WSP, & Anderson, Accelerating Transit in the Edmonton Metropolitan Region: Building a Regional Transit Services Commission. Accessed January 2020 at https://www.edmonton.ca/documents/transit/Accelerating_Transit_in_Edmonton_Metropolitan_Region.pdf

Consideration	Description
Economic Conditions and Value	Per the <i>2018 Edmonton Transit Service Customer Satisfaction Tracking Survey</i> report, affordability continues to be the top motivator for the use of transit services. ¹² With the continued downturn in the oil and gas sector and the impacts of COVID-19 on the economy, it is likely that citizens will continue to expect transit services to be affordable. This price sensitivity underscores the need for operational efficiencies where the ability to deliver transit facility maintenance services at a lower cost will help keep transit affordable and viable.
COVID-19 and the Future of Work	The possible impact of COVID-19 on the future of work could impact transit ridership. A move towards working from home and telecommuting may suppress ridership. This may place further pressure on the financial viability of transit services.

Source: Based on City information.

¹² Mustel Group, *Edmonton Transit Service Customer Satisfaction Tracking Service 2018 Annual Report*. Accessed April 2021 at https://www.edmonton.ca/transportation/transit/2018_ETS_Customer_Satisfaction_Report.pdf

Options



This business case explores three options that are outlined in Table 7.

Table 7: Option Summaries

Option	Summary
<p>Option A: ETS Centralization – Consolidate ETS’ LRT facility maintenance function into FMS</p>	<p>This option would see the transfer of one (1) Maintenance Repair Foreman and four (4) Maintenance Repairmen into the FMS organization.</p> <p>FMS would then coordinate all LRT facility-related maintenance. Given the relatively low volume of FTEs being transferred, it would be expected, based on analysis of spans of control ratios, that FMS has the capacity to manage them within the current number of zone supervisors. Zone supervisors currently have a span of control of between 1:7 to 1:8, depending on where the ETS maintenance team was slotted this would change the span of control of 1:8 to 1:9, which is within the expected range for this position.</p> <p>Based on discussions with ETS, it would retain two (2) maintenance coordinator positions to cover off maintenance coordination responsibilities that are not directly related to LRT facilities. ETS would also like to keep the administrative position; however, based on the reduced number of staff in ETS it would be expected that the administrative role would either be transferred or made redundant.</p> <p>Based on discussions with FMS, up to two coordination roles and the administrative role may need to be transferred. However, FMS already has a team of dedicated maintenance planners and administrators that may have enough capacity to cover off this additional coordination work. Staffing ratios (not to be confused with spans of control) can be used to estimate approximate level of effort required for these supporting roles.</p> <p>ETS has a maintenance coordinator to core maintenance staff ratio of 1:1.25, while FMS has a ratio of 1:18.4. An increase of 5 additional core maintenance staff would equate to a 2% increase in workload for the existing FMS coordinators (based on staffing ratios).</p> <p>ETS has an administrator to staff ratio of 1:10, while FMS has a ratio of 1:22.8. An increase in 5 core maintenance staff and two coordination roles would equate to about a 2% increase in workload for the existing FMS administrators (based on staffing ratios).</p> <p>A high savings case assumes that both the maintenance coordinator positions, and the administrative position could be made redundant. A lower savings case assumes that neither the two maintenance coordinators nor the administrative position can be reduced, but these roles would still be transferred to FMS.</p>

Option	Summary
Option B1: CRF Consolidation – Reduce Aquatic Serviceperson FTEs by increasing use of FMS custodial contracts	<p>This option would see FMS providing contracted custodial services to leisure centres that currently do not have contracted custodial.</p> <p>This could reduce the custodial requirement of Aquatic Servicepersons by an estimated 4.1 FTEs. Currently, custodial work requires an estimated 27% of an Aquatic Servicepersons' effort.</p>
Option B2: CRF Consolidation – Reduce Aquatic Serviceperson FTEs by increasing pool remote monitoring capabilities	<p>This option would use process automation (remote pool monitoring) to allow one Aquatic Serviceperson to monitor multiple pools.</p> <p>Aquatic maintenance schedules would need to be staggered between pools to balance effort over time. This opportunity would require an upfront investment to improve remote monitoring capabilities.</p> <p>This could reduce the custodial requirement of Aquatic Servicepersons by an estimated 4.0 FTEs. Currently, aquatic monitoring and maintenance requires an estimated 31% of an Aquatic Servicepersons' effort.</p>

Impact Assessment

SERVICE IMPACT

Table 8: Service Impacts by Option

Option	Service Impact
Option A: ETS Centralization	<p>It would be expected that facility maintenance service levels for ETS would stay the same under this option. This would be captured in a Service Level Agreement between ETS and FMS. FMS already provides approximately \$3 million worth of facility maintenance services annually to ETS. It has the existing processes in place and familiarity with ETS facilities to support the transition. ETS may experience a perceived service level reduction due to a loss of direct control.</p> <p>There may be an opportunity for improved levels of service because of FMS' expertise and economies of scale. FMS' processes, supplier network, and staff expertise that support the City's facility portfolio could be used to enhance service delivery at ETS facilities.</p>
Option B: CRF Consolidation	<p>Option B1: Contracted custodial is already used at number of leisure centres. It is expected that applying this to other leisure centers would not result in an impact to service levels.</p> <p>Option B2: Using pool remote monitoring and automation is not expected to impact service levels on a day-to-day basis. It is not meant as a substitute for onsite work, but rather to extend the capacity of a single Aquatic Serviceperson so that they can monitor multiple pools.</p>

Source: Based on 2019 WO data provided by the City and through discussions.

DELIVERY IMPACT

Table 9: Delivery Impacts by Option

Option	Delivery Impact
Option A: ETS Centralization	<p>This option would reduce the number of facility coordination, administration, and management roles in ETS, and would transition maintenance foremen and repairpersons to FMS. As a result, there would be changes to the organization and reporting structure. In FMS' new zone service delivery model, there is already a "Global Zone" that includes ETS facilities. It is anticipated that ETS maintenance repairpersons would be moved into this zone.</p> <p>It is expected that there would be minimal procedural changes required, since FMS already provides services to ETS. Change management would need to focus on training ETS staff to route requests through FMS using pre-existing procedures.</p>
Option B: CRF Consolidation	<p>Option B1: CRF would see a reduced number of Aquatic Serviceperson FTEs, while FMS would increase the level of custodial contracting service provided to CRF to cover off the lost custodial capacity. FMS already provides custodial services to select leisure facilities, and because of this, there are existing custodial contracts and contract management procedures in place that can be expanded.</p>

Option	Delivery Impact
	Option B2: The use of remote pool monitoring, and automation would be a marked shift from the current approach that relies heavily on staff time. Proper training would be required to ensure that Aquatic Servicepersons could calibrate the equipment and could use the monitoring application from a mobile device.

Source: Based on data provided by the City and through discussions.

VIABILITY

Table 10: Viability by Option

Option	Viability Impact
<p>Option A: ETS Centralization</p>	<p>In the City’s current organizational structure, FMS provides facility maintenance services to various departments who then operate facilities to provide citizen facing services. This model requires a clear allocation of roles and responsibilities but has been used effectively. Further centralization of facility maintenance from ETS into FMS can follow this same approach</p> <p>A key consideration is the transition of ETS into the Regional Transit Services Commission. The Regional Transit Services Commission is just at its inception, with a CEO just recently hired. At this stage, the final operating model for facility maintenance has not been defined. As the organizational design progresses and the Commission negotiates with the relevant entities, the Commission could end up with any of the following:</p> <ul style="list-style-type: none"> – Absorb facilities maintenance staff from the various commission members and deliver facility maintenance inhouse. – Outsource facilities maintenance to a private organization. – Outsource facilities maintenance to one or many of the commission member(s). – A combination of the above three options. <p>Of these operating models, the one that negatively impacts the viability of Option A would be the choice to insource facility maintenance. If the Regional Transit Services Commission chooses to insource facility maintenance, they will require managerial, coordination, and administrative staff, and if Option A is selected, these roles would have already been made redundant. This could result in the need to rehire for these roles.</p> <p>Another consideration is that the core maintenance positions from ETS moving over to FMS fall under the ATU Local 569 (ATU) union jurisdiction. According to City data, FMS has both ATU and CUPE Local 30 (CUPE) union employees within its core maintenance group, with ATU Maintenance Repairmen reporting to a CUPE Maintenance Foreman. Furthermore, City data suggests that the salaries across the two unions, and across FMS and ETS appear to be similar for the Maintenance Repairmen and Maintenance Foreman positions. Hence, the centralization of positions from ETS appear to be viable.</p> <p>Nonetheless, there is a concern regarding the ability of the ETS core maintenance staff to complete maintenance work on other types of facilities. This is because some maintenance of transit facilities is completed by employees under the ATU jurisdiction and other City facilities can only be maintained by employees in CUPE. Therefore, centralization may not result in optimal efficiencies as the ETS core maintenance staff may not be able to perform the work that is considered in another union’s jurisdiction. These concerns will need to be addressed by the City.</p>

Option	Viability Impact
Option B: CRF Consolidation	There are no major concerns about viability with this option.

Source: Based on City provided information and discussions.

GBA+ IMPACTS AND MITIGATIONS

There are no known GBA+ impacts to service users as a result of implementing either Option A or Option B.

For Option A, impacted staff are predominantly male between the ages of 30 – 49 with less than 5 years of tenure at the City. These employees are regular full-time employees. All employees are union with the exception of the maintenance supervisor which is a management exempt role.

For Option B, impacted staff are predominantly male between the ages of 30 – 49 with less than 5 years of tenure at the City. These employees are provisional/temporary employees. All impacted FTEs are union employees.

FINANCIAL IMPACTS

Appendix B: Financial Projections provides a notice to readers and significant assumptions concerning the financial projections.

OPTION A: ETS CENTRALIZATION

Pursuing Option A has an estimated potential net savings in the range of \$0.7 to \$ 2.4 million over a five-year period based on different reduction scenarios described in Appendix B: Financial Projections. The only material upfront cost noted would be severance payments.

There may be some internal staff time required to plan and coordinate the transition. However, the total number of FTEs being moved would be low and FMS is already familiar with ETS facilities.

OPTION B1: CRF CONSOLIDATION – INCREASE USE OF FMS CUSTODIAL CONTRACTS

Option B1 does not appear to be financially viable for the City. The ongoing annual contracted custodial costs, estimated at \$805,000 per year, exceed the estimated potential annual salary savings of \$213,000 (4.1 FTEs at approximately \$52,000).

OPTION B2: CRF CONSOLIDATION – INCREASE POOL REMOTE MONITORING CAPABILITIES

Option B2 may result in savings within the five-year period. However, there is a risk that no savings are realized within the five-year window as a result of the variability of installation costs, which could be between \$15,000 to \$25,000 per pool basin. The ongoing salary savings are estimated to outpace ongoing maintenance costs and, as a consequence, could result in savings beyond the five-year window.

RISKS

Key risks associated with this opportunity and the proposed approaches to mitigate them are summarized in Table 11. Additional risks and mitigations, and a more detailed risk assessment can be found in **Appendix C: Risk Analysis**.

Table 11: Key Risks and Mitigations

Potential Risk	Potential Mitigation
<p>Regional Transit Commission FM Service Delivery Approach</p> <p>The Regional Transit Services Commission may opt to fully insource facility maintenance. This could result in ETS facility maintenance staff being moved twice.</p>	<p>This risk cannot be mitigated. However, the City would likely realize benefits prior to any action the Regional Transit Services Commission would take.</p>
<p>Perceived Service Level Reductions for ETS and CRF</p> <p>There is a risk that ETS and CRF may experience a perceived service level reduction as they are no longer directly managing their maintenance and custodial work.</p>	<p>As part of FMS' transformation, service level agreements are being drafted between FMS and ETS/CRF. By working together with ETS and CRF to draft these agreements there is more ownership and transparency of the required level of service.</p>
<p>Negative Public Reception</p> <p>There is a risk that laying off staff could come with negative public reception.</p>	<p>A communications strategy that emphasizes the current fiscal reality and the need to operate leaner could be used to minimize negative reputational impacts.</p>

Source: Based on discussions with the City.

Opportunity Assessment

OVERALL ASESMENT OF OPPORTUNITY AGAINST CRITERIA

The opportunity assessment of the options against the impact and implementation criteria is summarized in Table 12, where green, grey and red represent a positive, neutral, and negative impact respectively.

Table 12: Opportunity Assessment

Options	Impact						Implementation			
	Service	Delivery	GBA+	Financial	Risk	Estimated Potential Five-Year Benefit (millions)	Time	Cost	Risk	Estimated Potential Implementation Cost (millions)
Option A: ETS Centralization	●	●	●	●	●	\$0.7 to \$2.4	●	●	●	\$0.1
Option B1: CRF Consolidation – increasing use of FMS custodial contracts	●	●	●	●	●	No savings	●	●	●	\$0.1 ¹³
Option B2: CRF Consolidation – increasing pool remote monitoring capabilities	●	●	●	●	●	(\$0.2) to \$0.3	●	●	●	\$1.0 ¹⁴

Source: Based on information outlined in the 'Impact Assessment' section.

¹³ Severance costs for the reduced Aquatic Serviceperson positions.

¹⁴ Includes procurement/installation of the equipment and severance costs for the reduced Aquatic Serviceperson roles.

CONCLUSION AND RECOMMENDATION

The City should consider proceeding with **Option A: Centralize the ETS facility maintenance function for LRT facilities by transitioning responsibility for the function to FMS.**

Option B2 is not recommended because of the variability in savings potential over the five-year window. The City could consider implementing remote pool monitoring capabilities for future capital infrastructure planning and rehab projects, which could result in lower upfront installation costs, changing the economics of the business case.

Recommended Action 1

The City should consider dissolving the ETS LRT Facility Maintenance team and transition the four (4) Maintenance Repairmen and one (1) Maintenance Foreman into FMS' organization under the Global Zone Supervisor.

FMS already coordinates and provides a large volume of maintenance for LRT facilities and is equipped to complete the remaining work using existing managerial, coordination and administrative staff. This could remove the need for the one (1) maintenance supervisor, up to two (2) maintenance coordinators, and up to one (1) document processing clerk.

Appendix A: GBA+ Assessment

EVALUATION SUMMARY

What is the overall GBA+ assessment?

There are no known GBA+ impacts to citizens or users as a result of implementing Option A or Option B.

For Option B, there may be some GBA+ considerations given that many Aquatic Serviceperson roles are part-time. These part-time roles may be desirable for the employed individuals to accommodate other aspects of their life. Examples could include single parents and students. However, detailed demographic information was not available for this analysis.

What are the main groups that could be affected (including those with no vulnerabilities), and what impacts are noted?

The options are not expected to impact any external groups.

What do we know about the people who would be affected by this change?

-2. Very little known about them or their characteristics	-1. Some general idea of numbers or types of people affected	0. Good idea of overall numbers and some other aspects (e.g., time / nature of needs)	+1. Good information on the numbers of people affected and some key characteristics	+2. Good information on numbers, demographics groups, and contact lists (e.g., email / phone lists)
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What impact would there be from this change on the staff members of the City or other agencies who may be from these groups?

The main groups that will be affected are staff in ETS and CRF whose roles are made redundant.

It is expected that potential staffing reductions would disproportionately affect people with less tenure with the City. In recent years, the City has been promoting greater diversity in its hiring practices, and this may be evident in a greater diversity among employees with less tenure.

What equity measures could we use or implement to improve or positively mitigate impact for one or more of the groups identified?

Employment support services could be provided to support laid off staff in finding new employment.

How confident we are in the information we are basing our decisions on? What could we do to check or confirm our assumptions?

No demographic information was analyzed for the impacted roles. However, the nature of the opportunity does not appear to result in inequitable impacts to vulnerable groups.

IMPACT OF THIS CHANGE ON PEOPLE BY KEY IDENTIFIED VULNERABILITIES

Consider how you would expect this change to affect people with various types of characteristics that may give rise to vulnerabilities:

Personal Characteristics	-2 Could create new barriers	-1 Could exacerbate existing barriers	0 Limited effect or impact unknown	+1 Could reduce existing barriers	+2 Substantially improved access
People who are not physically strong or confident in their movements			0		
People with vulnerable people with them			0		
People who currently have very limited or no income			0		
People who may experience fear or distress due to threats or violence			0		
People with additional language or communication needs			0		
People who may find mainstream activities unwelcoming or not appropriate for their needs			0		
Total Score	0 Limited effect or impact unknown				

Appendix B: Financial Projections

NOTICE

The financial projections contained in this document provide future-oriented financial information. The projections are based on a set of circumstances and the City's assumptions as of April 2021. Significant assumptions are included in the document and must be read to interpret the information presented. Should events differ from the stated assumptions, actual results will differ from the financial projections and such differences may be material.

The financial information and assumptions contained herein has been prepared to assist readers in deciding whether or not to proceed with their own in-depth investigation and evaluation of the options presented, and does not purport to contain all the information readers may require. Readers should conduct their own investigation and analysis of the options.

KPMG accepts no responsibility or liability for loss or damages to any party as a result of decisions based on the information presented. Parties using this information assume all responsibility for any decisions made based on the information.

FIVE-YEAR PROJECTIONS

OPTION A: ETS CENTRALIZATION

Table 13: Option A Five-Year Estimated Potential Cost Savings Summary

Savings (Cost)	2022	2023	2024	2025	2026	Estimated Potential Five Year Net Savings
High	\$403,000	\$472,000	\$481,000	\$493,000	\$506,000	\$2.4 million
Low	\$115,000	\$135,000	\$138,000	\$141,000	\$145,000	\$0.7 million

Source: Based on City provided information and outlined assumptions.

OPTION B1: CRF CONSOLIDATION – INCREASE USE OF FMS CUSTODIAL CONTRACTS

This option was not financially viable. Refer to further information in the high and low scenarios and the assumptions made.

OPTION B2: CRF CONSOLIDATION – INCREASE POOL REMOTE MONITORING CAPABILITIES

Table 14: Option B2 Five-Year Estimated Potential Cost Savings Summary

Savings (Cost)	2022	2023	2024	2025	2026	Estimated Potential Five Year Net Savings
High	\$(543,000)	\$168,000	\$220,000	\$226,000	\$183,000	\$0.3 million

Savings (Cost)	2022	2023	2024	2025	2026	Estimated Potential Five Year Net Savings
Low	\$(1,011,000)	\$168,000	\$220,000	\$226,000	\$183,000	(\$0.2 million)

Source: Based on City provided information and outlined assumptions.

HIGH AND LOW SCENARIOS

OPTION A: ETS CENTRALIZATION

The difference between the high and low scenarios for Option A are driven by different assumptions around the number of reduced FTEs. The high scenario represents the circumstance where all managerial and administration FTEs, and two of the coordination FTEs can be reduced.

The two coordination FTEs that is not reduced would either be transferred over to FMS or remain in ETS to provide support as needed. The low scenario represents the circumstance where only the managerial FTE and none of the other FTEs can be reduced as the coordination and administration FTEs may need to be transferred over to FMS to support the ETS core maintenance staff that are centralized into FMS, and/or remain as a part of ETS to complete tasks unrelated to managing the core maintenance work. These FTE assumptions are stated in Table 19.

Table 15: Option A – Potential High Scenario

Estimated Potential Savings (Cost)	2022	2023	2024	2025	2026
Maintenance Supervisor Severance	(17,000)	-	-	-	-
Maintenance Coordinator Severance	(34,000)	-	-	-	-
Document Processing Clerk Severance	(8,000)	-	-	-	-
Maintenance Supervisor Salary	132,000	135,000	138,000	141,000	145,000
Maintenance Coordinator Salary	264,000	269,000	275,000	282,000	289,000
Document Processing Clerk Salary	66,000	67,000	69,000	70,000	72,000
Estimated Total Potential	403,000	472,000	481,000	493,000	506,000
Estimated Cumulative Potential	403,000	845,000	1,327,000	1,820,000	2,356,000

Source: Salaries are based on City provided information and severance costs are based on outlined assumptions.

Table 16: Option A – Potential Low Scenario

Estimated Potential Savings (Cost)	2022	2023	2024	2025	2026
Maintenance Supervisor Severance	(17,000)	-	-	-	-
Maintenance Coordinator Severance	-	-	-	-	-
Document Processing Clerk Severance	-	-	-	-	-
Maintenance Supervisor Salary	132,000	135,000	138,000	141,000	145,000
Maintenance Coordinator Salary	-	-	-	-	-
Document Processing Clerk Salary	-	-	-	-	-
Estimated Total Potential	115,000	135,000	138,000	141,000	145,000
Estimated Cumulative Potential	115,000	242,000	379,000	520,000	673,000

Source: Salaries are based on City provided information and severance costs are based on outlined assumptions.

OPTION B1: CRF CONSOLIDATION – INCREASE USE OF FMS CUSTODIAL CONTRACTS

Option B1 does not appear to be financially viable. The ongoing annual contracted custodial costs, estimated at \$805,000, exceed the estimated potential annual salary savings of \$213,000 (4.1 FTEs at approximately \$52,000).

OPTION B2: CRF CONSOLIDATION – INCREASE POOL REMOTE MONITORING CAPABILITIES

Option B2 has the potential to produce modest savings within the five-year window, but the level of savings is highly dependent on the upfront equipment installation costs. Ongoing maintenance of the systems would be expected to consist of routine maintenance and calibration, to be completed by the Aquatic Serviceperson (training will be required). Ongoing costs related to network requirements would be expected to be negligible as modern pool monitoring systems are equipped with WiFi and/or cellular connection capabilities. The primary maintenance cost would be expected to be sensor replacement, which is typically on a two-year cadence assuming proper ongoing maintenance and calibration.

Table 17: Option B1 – Potential High Scenario

Estimated Potential Savings (Cost)	2022	2023	2024	2025	2026
Installation Cost	(702,000)	-	-	-	-
Sensor Replacement	-	(48,000)	-	-	(48,000)
Aquatic Service Person Severance	(53,000)	-	-	-	-

Estimated Potential Savings (Cost)	2022	2023	2024	2025	2026
Aquatic Service Person Salary	212,000	216,000	220,000	226,000	231,000
Estimated Total Potential	(543,000)	168,000	220,000	226,000	183,000
Estimated Cumulative Potential	(543,000)	(375,000)	(155,000)	70,000	253,000

Source: Salaries are based on City provided information and severance costs are based on outlined assumptions.

Table 18: Option B2 – Potential Low Scenario

Estimated Potential Savings (Cost)	2022	2023	2024	2025	2026
Installation Cost	(1,170,000)	-	-	-	-
Sensor Replacement	-	(48,000)	-	-	(48,000)
Aquatic Service Person Severance	(53,000)	-	-	-	-
Aquatic Service Person Salary	212,000	216,000	220,000	226,000	231,000
Estimated Total Potential	(1,011,000)	168,000	220,000	226,000	183,000
Estimated Cumulative Potential	(1,011,000)	(843,000)	(623,000)	(397,000)	(214,000)

Source: Salaries are based on City provided information and severance costs are based on outlined assumptions.

SIGNIFICANT ASSUMPTIONS

COMMON ASSUMPTIONS

1. Inflation will follow the expected change in CPI provided in the following table:

	2022	2023	2024	2025	2026
Inflation Rate (%)	1.7%	1.9%	2.1%	2.5%	2.5%

2. Staff training and benefits are assumed to be 30% of base salaries for full time staff and 15% for part time staff based on City of Edmonton guidance.
3. Severance is assumed to be, on average, 2 months of base salary.
4. Discount rate is 1.976%, which is based on the 10-year indicative interest rate from the Alberta Municipal Finance Corporation as of April 1, 2021 (<https://acfa.gov.ab.ca/loan-form-script/rates.html>).

OPTION A: ETS CENTRALIZATION

The following table highlights key assumptions used in the preparation of the five-year projections of option A.

Table 19: Option A Financial Projection Assumptions

Role	Base Salary	Overhead (30%)	Total Salary	FTE Reduction (Low)	FTE Reduction (High)
Maintenance Supervisor	\$100,000	\$30,000	\$130,000	1	1
Maintenance Coordinator	\$100,000	\$30,000	\$130,000	0	2
Document Processing Clerk	\$50,000	\$15,000	\$65,000	0	1

Source: Average salary information by role based on information provided by the City of Edmonton. FTE reduction estimates are based on information from OrgPlus and discussions with ETS and FMS.

Table 20: Demographic Breakdown of Potential Impacted FTEs for Option A

Estimated Potential Reductions in Regular Employees (FTEs)	
Estimated Reductions in Existing Employees	4
Estimated Reductions by Age	
Under 20	-
20 – 29	-
30 – 39	2
40 – 49	1
50 – 59	-
60 and over	1
Estimated Reductions by Sex	
Female	1
Male	3
Estimated Reductions by Tenure	
Under 5 years	3
5-10 years	-
Over 10 years	1
Estimated Additions	-
Estimated Potential Net Impact	(4)

Source: Based on City provided information.

It is estimated that 4 individuals could be affected by the FTE reductions noted above.

Table 21: Estimated Impacts to City of Edmonton Employees by Union Classification

	Estimated Potential Changes in Regular Employees (FTEs)	Estimated Potential Changes in Temporary Employees (FTEs)	Estimated Potential Reductions in Employees (FTEs)
Estimated Reductions in Existing Employees	4	-	4
CSU 52	3	-	3
CUPE Local 30	-	-	-
Out of Scope	1	-	1

Note: Analysis is based on data at a point in time. Totals may be affected by rounding.

Source: Analysis of information and assumptions provided by the City.

OPTION B1 AND B2

The following tables highlight key assumptions and information used in the preparation of the five-year projections for options B1, and B2.

Table 22: Recreation and Leisure Centre Custodial and Facility Information

Facility	Area (square feet)	2019 Custodial Cost	2019 Custodial Cost per Square Foot	# of Pool Basins
Bonnie Doon Leisure Centre	34,954			2
Confederation Leisure Centre	43,042			3
Eastglen Leisure Centre	22,230			2
Grand Trunk Leisure Centre	53,518			2
Hardisty Leisure Centre	36,457			2
Jasper Place Leisure Centre	35,909			2
Londonderry Leisure Centre	61,934	\$147,303	\$2.38	2
Mill Woods Recreation Centre	91,398	\$298,266	\$3.26	4
O'Leary Leisure Centre	55,270			4
ACT	55,936	\$135,778	\$2.43	3
Peter Hemingway Leisure Centre	78,581	\$124,863	\$1.59	2
Commonwealth Community Recreation Centre	346,983	\$901,909	\$2.60	3
Kinsmen Sports Centre	347,787	\$538,432	\$1.55	4
Terwillegar Community Recreation Centre	277,185	\$1,049,727	\$3.79	4
Meadows Community Recreation Centre	216,667	\$853,719	\$3.94	3
Clareview Community Recreation Centre	288,299	\$991,115	\$3.44	4
Average	-	-	\$2.86	-

Source: Custodial spend was extracted from FMS provided work order data. Area was provided based on a building information list provided by FMS. The number of pool basins was provided by CRF.

Table 23: Current Aquatic Serviceperson Time Allocation by Facility and by Function

Facility	Aquatic Maintenance & Monitoring	Pool Side Custodial Duties	General Custodial Duties	Other	Total Aquatic Serviceperson FTE
Bonnie Doon Leisure Centre	0.20	0.30	0.37	0.18	1.05
Confederation Leisure Centre	0.50	0.36	0.61	0.28	1.75
Eastglen Leisure Centre	0.29	0.19	0.33	0.25	1.05
Grand Trunk Leisure Centre	0.25	0.27	0.71	0.28	1.50
Hardisty Leisure Centre	0.41	0.45	0.51	0.38	1.75
Jasper Place Leisure Centre	0.24	0.18	0.64	0.24	1.30
Londonderry Leisure Centre	0.57	0.46	2.18	0.68	3.90
Mill Woods Recreation Centre	0.69	0.39	0.04	0.39	1.50
O'Leary Leisure Centre	0.41	0.27	0.93	0.30	1.90
ACT	0.30	0.20	0.03	0.21	0.75
Peter Hemingway Leisure Centre	0.22	0.23	0.33	0.22	1.00
Commonwealth Community Recreation Centre	0.39	0.17	0.02	0.22	0.80
Kinsmen Sports Centre	0.55	0.77	0.04	0.43	1.80
Terwillegar Community Recreation Centre	1.34	0.53	0.05	0.59	2.50
Meadows Community Recreation Centre	0.73	0.47	0.03	0.28	1.50
Clareview Community Recreation Centre	0.89	0.60	0.04	0.46	2.00
Total	7.97	5.83	6.85	5.39	26.05

Source: Information provided by CRF. Time allocations for Confederation Leisure Centre and Commonwealth Community Recreation Centre did not equal the total Aquatic Serviceperson FTEs, the 'Other' category was adjusted to ensure it matched.

Table 24: Aquatic Serviceperson Salary Information

Role	Base Salary	Overhead (15%)	Total Salary
Aquatic Serviceperson	\$45,000	\$7,000	\$52,000

Source: Approximate salary from OrgPlus.

Table 25: Demographic Breakdown of Potential Impacted FTEs for Option B

Estimated Potential Changes in Temporary/Provisional Employees (FTEs)	
Estimated Reductions	4.1
Estimated Reductions by Age	
Under 20	-
20 – 29	-
30 – 39	2.9
40 – 49	1.2
50 – 59	-
60 and over	-
Estimated Reductions by Sex	
Female	0.9
Male	3.2
Estimated Reductions by Tenure	
Under 5 years	3.2
5-10 years	0.9
Over 10 years	-
Estimated Additions	-
Estimated Potential Net Impact	(4.1)

Source: Based on City provided information.

OPTION B1: CRF CONSOLIDATION – INCREASE USE OF FMS CUSTODIAL CONTRACTS

For facilities that do not have contracted custodial, custodial was estimated using the average cost per square foot from other facilities (\$2.86). Aquatic Servicepersons FTE requirements are filled using a combination of full time and part time positions, it is assumed that partial FTE reductions can occur by scaling back hours and/or transitioning full time roles to part time roles.

Table 26: Option B1 Custodial Costs and Potential FTE Savings Estimate

Facility	Estimated Custodial Cost	Custodial FTE Requirement	Original FTE Requirement	Potential Revised FTE Requirement	Estimated Potential Difference
Bonnie Doon Leisure Centre	\$100,000	0.37	1.05	0.68	0.37
Confederation Leisure Centre	\$123,000	0.61	1.75	1.14	0.61
Eastglen Leisure Centre	\$64,000	0.33	1.05	0.73	0.33
Grand Trunk Leisure Centre	\$153,000	0.71	1.50	0.80	0.71
Hardisty Leisure Centre	\$104,000	0.51	1.75	1.24	0.51
Jasper Place Leisure Centre	\$103,000	0.64	1.30	0.66	0.64
O'Leary Leisure Centre	\$158,000	0.93	1.90	0.97	0.93
Total	\$805,000				4.1

Source: Analysis based on 2019 WO data and information provided by the City of Edmonton.

OPTION B2: CRF CONSOLIDATION – INCREASE POOL REMOTE MONITORING CAPABILITIES

The conservative estimated cost to install remote pool monitoring equipment is \$25,000 per basin, a more optimistic cost is \$15,000.¹⁵ It is assumed that in doing that, ‘Aquatic Maintenance & Monitoring’ can be reduced by 50%. Aquatic Servicepersons FTE requirements are filled using a combination of full time and part time positions, it is assumed that partial FTE reductions can occur by scaling back hours and/or transitioning full time roles to part time roles.

Ongoing maintenance is expected to primarily consist of sensor replacement, which is estimated to be about \$1,000 per basin based on available online pricing for pH and ORP sensors (savings from bulk purchasing has not been included).

Table 27: Option B2 Pool System Upgrade Estimates and Estimated Potential FTE Savings

Facility	Estimated Pool System Upgrade Cost (Low)	Estimated Pool System Upgrade Cost (High)	Bi-Annual Sensor Replacement	Aquatic Maintenance & Monitoring FTE Requirement	Original FTE Requirement	Potential Revised FTE Requirement	Estimated Potential Difference
Bonnie Doon Leisure Centre	\$30,000	\$50,000	\$2,000	0.20	1.05	0.95	0.10
Confederation Leisure Centre	\$45,000	\$75,000	\$3,000	0.50	1.75	1.50	0.25
Eastglen Leisure Centre	\$30,000	\$50,000	\$2,000	0.29	1.05	0.91	0.14
Grand Trunk Leisure Centre	\$30,000	\$50,000	\$2,000	0.25	1.50	1.38	0.12

¹⁵ Based on conversations with pool contractors and IIS. The \$25,000 is for top of the line equipment. The lower end of \$15,000 is for more modest equipment and assumes some cost efficiency through integration with existing Building Management Systems (BMS), refer to

Table 28

Facility	Estimated Pool System Upgrade Cost (Low)	Estimated Pool System Upgrade Cost (High)	Bi-Annual Sensor Replacement	Aquatic Maintenance & Monitoring FTE Requirement	Original FTE Requirement	Potential Revised FTE Requirement	Estimated Potential Difference
Hardisty Leisure Centre	\$30,000	\$50,000	\$2,000	0.41	1.75	1.54	0.21
Jasper Place Leisure Centre	\$30,000	\$50,000	\$2,000	0.24	1.30	1.18	0.12
Londonderry Leisure Centre	\$30,000	\$50,000	\$2,000	0.57	3.90	3.61	0.28
Mill Woods Recreation Centre	\$60,000	\$100,000	\$4,000	0.69	1.50	1.16	0.34
O'Leary Leisure Centre	\$60,000	\$100,000	\$4,000	0.41	1.90	1.70	0.20
ACT	\$45,000	\$75,000	\$3,000	0.30	0.75	0.60	0.15
Peter Hemingway Leisure Centre	\$30,000	\$50,000	\$2,000	0.22	1.00	0.89	0.11
Commonwealth Community Recreation Centre	\$45,000	\$75,000	\$3,000	0.39	0.80	0.61	0.20
Kinsmen Sports Centre	\$60,000	\$100,000	\$4,000	0.55	1.80	1.52	0.28
Terwillegar Community Recreation Centre	\$60,000	\$100,000	\$4,000	1.34	2.50	1.83	0.67
Meadows Community Recreation Centre	\$45,000	\$75,000	\$3,000	0.73	1.50	1.14	0.37
Clareview Community Recreation Centre	\$60,000	\$100,000	\$4,000	0.89	2.00	1.55	0.45
Total	\$690,000*	\$1,150,000*	\$46,000				4.0

Source: Based on discussions with pool contractors, City provided information, and outlined assumptions.

*Includes procurement and installation of the equipment, does not include City project management and/or coordination time.

Table 28: Building Management System at pool facilities

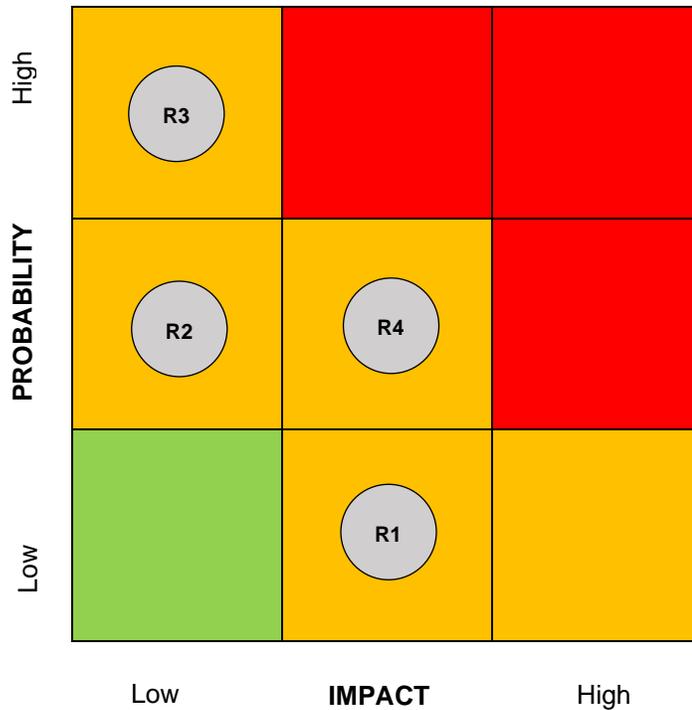
Facility	BMS Vendor	Pool Ventilation System	BMS Scheduling Details (Occupancy Hours)
Bonnie Doon Leisure Centre	Reliable Controls	VU-1 Pool	24
Confederation Leisure Centre	Reliable Controls	AHU-1 Pool Natatorium	24
Eastglen Leisure Centre	Reliable Controls	AHU-1 Pool	No DDC Control on Ventilation Scheduling
Grand Trunk Leisure Centre	Reliable Controls	AS-1 Pool Natatorium	24
Hardisty Leisure Centre	Delta Controls	AHU-1 Natatorium	24
Jasper Place Leisure Centre	Reliable Controls	AHU-1 Pool Natatorium	Varies
Londonderry Leisure Centre	Johnson Controls	AHU-2 Pool Natatorium	24
Mill Woods Recreation Centre	Delta Controls	APU-4/EF-10/EF-11 Pool Natatorium	24
O'Leary Leisure Centre	Reliable Controls	AS-1 Pool Natatorium	24
ACT	Reliable Controls	AS-1 Pool Natatorium	24
Peter Hemingway Leisure Centre	Reliable Controls	AHU-1 Pool and all other areas	24
Commonwealth Community Recreation Centre	Reliable Controls	AS-5 Pool Natatorium	24
Kinsmen Sports Centre	Reliable Controls	AS-4 Pool	24
Terwillegar Community Recreation Centre	Delta Controls	AHU-2102 Leisure Pool	24
Meadows Community Recreation Centre	Delta Controls	AHU-1 Pool Natatorium	24
Clareview Community Recreation Centre	Johnson Controls	AS-1 Pool Natatorium	24

Source: FMS Automated Building Scheduling data provided by the City.

Appendix C: Risk Analysis

RISK ASSESSMENT

Figure 1: Risk Matrix



RISK ASSESSMENT AND MITIGATIONS

The risks and mitigation strategies that have been identified for this opportunity are outlined in the table below.

Table 29: Risk Register

Risk	Relevant Categories	Highest Rating	Mitigation	Residual Risk
R1. Regional Transit Commission FM Service Delivery Approach	Operations	Operations	This risk cannot be mitigated. However, the City would likely realize benefits prior to any action the Regional Transit Services Commission would take.	Financial
	Financial	Impact: Medium		Impact: Low
		Probability: Low		Probability: Low
		Overall: Medium		Overall: Low
The Regional Transit Services Commission may opt to fully insource facility maintenance. This could result in ETS facility				

Risk	Relevant Categories	Highest Rating	Mitigation	Residual Risk
<p>maintenance staff being moved twice.</p>				
<p>R2. Service Disruption During Transition</p> <p>There is a risk of short-term facility maintenance service impacts while staff from ETS are centralized into FMS and reporting structures are realigned.</p>	Operations	<p>Operations</p> <p>Impact: Low</p> <p>Probability: Medium</p> <p>Overall: Medium</p>	<p>Proper transition planning should provide staff with the necessary training, adjustment time, and resources to minimize service disruptions that could arise during the transition.</p>	<p>Operations</p> <p>Impact: Low</p> <p>Probability: Low</p> <p>Overall: Low</p>
<p>R3. Perceived Service Level Reductions for ETS and CRF</p> <p>There is a risk that ETS and CRF may experience a perceived service level reduction as they are no longer directly managing their maintenance and custodial work.</p>	Operations	<p>Operations</p> <p>Impact: Low</p> <p>Probability: High</p> <p>Overall: Medium</p>	<p>As part of FMS' transformation, service level agreements are being drafted between FMS and ETS/CRF. By working together with ETS and CRF to draft these agreements there is more ownership and transparency of the required level of service.</p>	<p>Operations</p> <p>Impact: Low</p> <p>Probability: Low</p> <p>Overall: Low</p>
<p>R4. Negative Public Reception</p> <p>There is a risk that laying off staff could come with negative public reception.</p>	Reputation	<p>Reputation</p> <p>Impact: Medium</p> <p>Probability: Medium</p> <p>Overall: Medium</p>	<p>A communications strategy that emphasizes the current fiscal reality and the need to operate leaner could be used to minimize negative reputational impacts.</p>	<p>Reputation</p> <p>Impact: Low</p> <p>Probability: Medium</p> <p>Overall: Medium</p>



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The information that was used in this document was determined to be appropriate to support the analysis. Notwithstanding that determination, it is possible that the findings contained could change based on new or more complete information. All calculations or analysis included or referred to and, if considered necessary, may be reviewed and conclusions changed in light of any information existing at the document date which becomes known after that date.

Analysis contained in this document includes financial projections. The projections are based on assumptions and data provided by the City. Significant assumptions are included in the document and must be read to interpret the information presented. As with any future-oriented financial information, projections will differ from actual results and such differences may be material. No responsibility is accepted for loss or damages to any party as a result of decisions based on the information presented. Parties using this information assume all responsibility for any decisions made based on the information.

Actual results achieved as a result of implementing recommendations in this report are dependent upon, in part, on the City decisions and actions. The City is solely responsible for its decisions to implement any recommendations and for considering their impacts and risks. Implementation will require the City to plan and test any changes to ensure that the City will realize satisfactory results.

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