

Facility Management

Led by: Director of Facility Management

Description

Buildings are necessary to deliver services to citizens. Facility Management (FM) stewards a diverse portfolio of 549 facilities totaling 7.3 million sq.ft and with a current replacement value of \$2.7 billion. Through professional facility management services, we create and enable positive experiences for staff to deliver effective and quality services to citizens. FM coordinates the facility and site needs to accommodate people, vehicles and equipment and provides the operations, maintenance and sustainment for these facilities and sites. FM's portfolio increased over 500 per cent as a result of consolidation of facility stewardship and will continue to grow through 2026.

Value and benefits

Service owners require a diverse portfolio of complex facilities to deliver their services. Facility Management provides professional expertise and customer service that is reliable, responsive and efficient, enabling them to focus on their critical service delivery to citizens. Service owners benefit from safe, reliable, sustainable, accessible, and resilient City facilities that optimize staff productivity. Citizens and community groups have access to City facilities that are safe, accessible, service-oriented, and also enrich and improve their quality of life. In addition, Facility Management seeks to preserve, conserve and protect our heritage assets on behalf of the Corporation to create strong and vibrant communities.

Customers

Facility Management is an enabling service providing services to Council, Executive Leadership Team, Service Owners and the public who access services within our facilities. We also have indirect customers including private/non-profit organizations, businesses, other levels of government, community associations and civic partners.

What we deliver

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

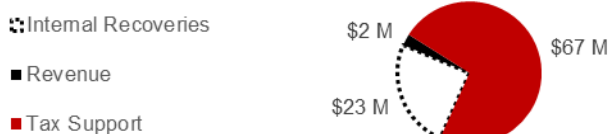
Partners

Internal partners include City Council, Executive Leadership, and Service Owners. External partners include third-party tenants, consultants, contractors, vendors, other orders of government and municipalities. Facility Management considers opportunities to work with the private sector, non-profit agencies, external organizations and other levels of government for optimal service delivery.

508	Number of staff moves completed (2021)
41550	Total work orders processed (2021)
\$23.3 million	Community Conservation Grants 2019-2021
7.3 million	Total square feet managed

Facility Management

2022 Budgeted Gross Operating Expenditures Funding Breakdown (\$ Millions)*



* Gross operating budget may include internal recoveries that are also included in other services' gross operating cost.

Note: Internal recoveries is how The City accounts for the costs of goods or services between services

Key assets

Key assets to deliver this service include: 198 community facing buildings, 40 office accommodation buildings, 294 operations facilities, 14 processing facilities, 2 Calgary Housing buildings and the supporting technology. FM stewards and maintains most of The City of Calgary buildings. These buildings provide office accommodation and support the delivery of all 61 service lines to the public.

What we have heard & what we are watching

What we have heard

The 2021 Facility Management Customer Engagement survey indicated 89 per cent of customers were satisfied with Facility Management services overall. High ratings were received in safety (89 per cent), expertise (89 per cent) and assurance (88 per cent). Quality (85 per cent) and availability (85 per cent) also received high ratings for satisfaction. Customers identified opportunities for improvement in communications and understanding customers' needs. The customer survey ranked responsiveness, workplace safety and the delivery of quality professional management services as most important to our customers. FM will continue to identify and implement opportunities for improved customer experience under the Facility Management Customer Service Framework.

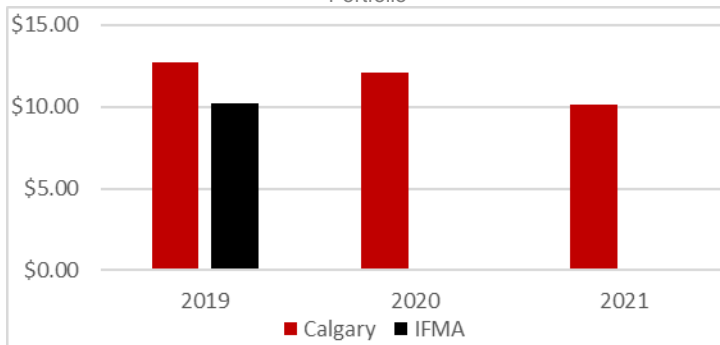
What Council has directed

We are directed to strategically operate, maintain and sustain City facilities and strive to balance the environmental, social, economic and cultural needs of employees, communities and citizens. This is supported by the Corporate Facility Planning and Delivery Policy and Framework, Corporate Coordinated Operations and Maintenance Program and Calgary Heritage Strategy. FM also administers the Council Capital Conservation Grant policy which provides investment for social recreation organizations and community associations. We enable the delivery of all 61 service lines through the stewardship of a diverse City facility portfolio. This contributes to long-term community sustainability through facility investment. We create and enable safe, positive facility spaces for staff to deliver effective and quality services to citizens.

What we are watching

FM continues to monitor and address ongoing and emerging risks and trends that impact facilities and service delivery. With a portfolio of facilities categorized as critical to fair, FM is prioritizing investments to protect its aging building infrastructure while meeting climate and energy efficiency requirements. Post COVID has presented FM an opportunity to explore a hybrid workplace, review the increasing reliance on flexible office space and the divestment of its portfolio as the workforce becomes more distributed. An emerging trend is the increasing number of employees departing the organization. Shifting demographics and workstyles make recruiting and retaining the best possible workforce increasingly complex and challenging. Supply chain delays, labor shortages and the rise of inflation may impact construction project delivery in terms of costs, timelines and quality. FM is addressing this trend by taking a proactive approach in procurement, sourcing locally and project timing.

Annual Operating Cost per Square Foot for Facility Management's Office Portfolio



IFMA - International Facilities Management Association

Comparing our service

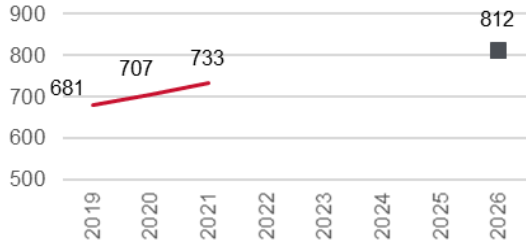
Operating costs of office buildings have reduced by transitioning to a service delivery model that focuses on preventative maintenance, strategic investment in critical building systems, and energy management. Our costs are typically higher due to 24-hour operations in some facilities. Moving forward,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

Measuring performance & where we want to go

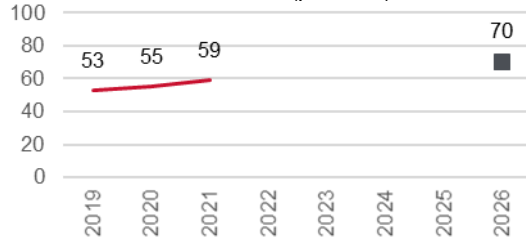
For Council Approval

— Actuals ■ Expected Future Performance

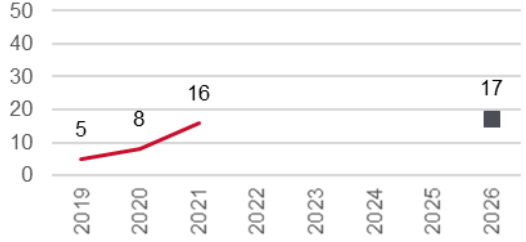
PM1: Facility Management Age Based Deferred Maintenance (millions of dollars)



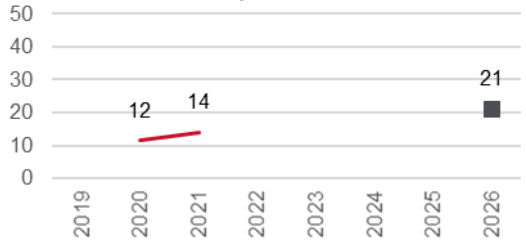
PM2: Proportion of Work Orders that are Preventative Maintenance (per cent)



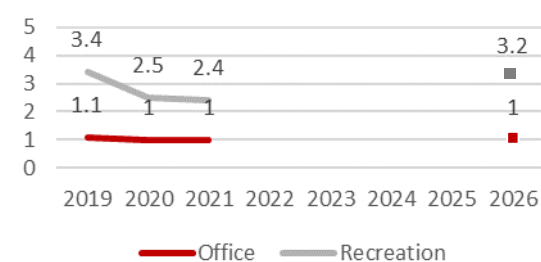
PM3: Facility Management Assets in Poor & Critical Condition (per cent)



PM4: Hybrid Workspace for Key Downtown Administrative Buildings (per cent)



PM5: Energy Consumption per Square Meter for Office and Recreation Portfolios (GJ/SQM)



Story behind the curve

Deferred maintenance is the amount of investment required to maintain facilities but is not performed. If left unfunded, accelerated deterioration of facilities will have a compounding effect on future capital costs, higher operating costs, increased risk exposure, potential unexpected service disruptions and reduced levels of service and customer satisfaction. Deferred maintenance continues to increase each year due to ageing infrastructure and investment is needed to minimize the increase.

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

Facility assets are assessed through the building condition assessments (BCAs) program. Tracking the assets in poor and critical condition enables data driven investments to reduce facility risk. We forecast the percentage of facilities assets in poor and critical condition will increase as we continue to on-board and assess additional buildings transferred through CCOM. To prevent this percentage from increasing, we plan to focus on strategic capital investment in life safety and critical building systems, ensuring facilities meet building code requirements while minimizing service disruptions.

Facility Management intends to increase hybrid workspace by 50 per cent in downtown Corporate Accommodation facilities by 2026. Responding to the requirements of a hybrid workforce by investing in renovations and space allocations that increase collaboration opportunities, develop desired amenities, and a reduction of redundant real estate, we will begin to drive incremental change towards vibrancy in our spaces and amenities. This will provide the physical infrastructure to enable the desired workstyles and workplace cultures in a post pandemic state.

This measure tracks the energy efficiency of our buildings. The Office Accommodation and Recreation Portfolios were selected based on the size and significant contribution to total facility energy consumption. The 2020 and 2021 values are low due to the pandemic; therefore, Facility Management will use 2019 as the appropriate comparison year. All energy sources are included, and a weather correction was made. The expected future performance value is a 5% reduction in energy use per square meter across both portfolios during this budget cycle.

What we plan to do

Result for 2023-2026

Enable the delivery of services through operations, maintenance and sustainment of City facilities. We will do this with a focus on the evolving needs of our workplace, an investment in safety and critical building systems, preventative maintenance, and reducing the climate footprint of our building portfolio.

How we are going to get there

Enable the delivery of all City services to Calgarians by operating, maintaining and sustaining 549 City facilities, which will increase to approximately 1000 with the completion of the Corporate Coordinated Operations & Maintenance (CCOM) implementation.

Improve the utilization of existing facilities and reduce the corporate facility footprint, reducing overall climate impact by responding to evolving corporate needs and post-pandemic workplace requirements through the development of a robust corporate accommodation strategy for workstyles and distributed workplaces.

Complete Corporate Coordinated Operations and Maintenance (CCOM) mandate by finalizing the transfer of remaining facility service and buildings to Facility Management.

Generate long-term corporate gains through a mix of process harmonization, cost and procurement efficiencies, economies of scale, risk management, and investments that optimize value for money to achieve the long-term benefits from the Corporate Coordinated Operations & Maintenance (CCOM) transfers.

Reduce Facility Management's environmental footprint by implementing practices, systems and technologies within facilities in alignment with the Climate Strategy and the Corporate Greenhouse Gas and Energy Plan to meet climate change goals and targets.

Extend the life span and maintain existing facilities through a defined multi-year investment plan while improving climate and energy efficiencies and reducing negative service impacts.

Reduce unanticipated down time and number of break/fix work orders by harmonizing the preventative maintenance program across buildings transferred to Facility Management.

Inform lifecycle and sustainment investment decisions for the provision of operations and maintenance of the Corporation's facilities by enhancing transferred facilities' building asset data for Corporate Coordinated Operations & Maintenance (CCOM).

Foster operational sustainability of 191 community organizations by providing expertise and funding for facility investments through the Capital Conservation Grant in alignment with Council's Capital Conservation Grant policy.

Optimize, right size and maximize value from The City's facility portfolio through operationalizing The City's integrated approach to portfolio management, including coordination of service requirements, delivery of The City's portfolio management plan, maturing the processes for management of the facility pipeline and benefit realization, and identifying where to strategically invest in multi-service facilities and sites, including internal services' and Civic Partners'.

Promote physical and psychological safety for employees by providing a safe and healthy work environment through the Culture Initiative, training and development, employee engagement and participation in health and safety programs.

Operating budget needed to achieve results

For Council Approval

Breakdown of net operating budget (\$000s)

	2023		2024		2025		2026	
	Base	One-time	Base	One-time	Base	One-time	Base	One-time
Previous Year's Net Budget	63,565		69,386		70,075		70,954	
Previously approved One-time budget		250		250		250		-
2022 One-time carry forward		-		-		-		-
Revenue Changes	-	-	-	-	-	-	-	-
Internal Recoveries Changes	255	-	-	-	-	-	-	-
Inflation	2,262		612		710		694	
Operating Impact of Previously Approved Capital	1,349	575	-	575	169	575	-	575
Operating Impact of New Capital (Incremental)	-	-	-	-	-	-	-	-
Service Reductions	-	-	-	-	-	-	-	-
Service Increases	1,955	1,488	77	1,488	-	1,488	-	1,488
Transfers to/(from) reserves	-	-	-	-	-	-	-	-
Transfers (to)/from services	-	-	-	-	-	-	-	-
Total net budget*	69,386	2,313	70,075	2,313	70,954	2,313	71,648	2,063

*The previous year's One-Time Budget is not carried forward to the following year.

Total Operating Budget (\$000s) for Approval

	2022 Budget	2023			2024			2025			2026		
	At April 30	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	91,604	94,180	2,313	96,493	94,869	2,313	97,182	95,748	2,313	98,061	96,442	2,063	98,505
Recoveries	(22,669)	(22,414)	-	(22,414)	(22,414)	-	(22,414)	(22,414)	-	(22,414)	(22,414)	-	(22,414)
Revenue	(2,380)	(2,380)	-	(2,380)	(2,380)	-	(2,380)	(2,380)	-	(2,380)	(2,380)	-	(2,380)
Net	66,554	69,386	2,313	71,699	70,075	2,313	72,388	70,954	2,313	73,267	71,648	2,063	73,711
Base	63,565												
One-Time	2,990												

* Note: Figures may not add up due to rounding.

Capital budget needed to deliver service

For Council Approval

Activity	Investment Name	2023 Request (\$000s)	2024 Request (\$000s)	2025 Request (\$000s)	2026 Request (\$000s)	2027+ Request (\$000s)	Total Request (\$000s)
Annual Investment Program(s)							
480775	Facility Climate Sustainment	134	1,209	4,188	3,650	-	9,181
480750	Facility Sustainment	20,051	35,116	19,074	16,276	-	90,517
480754	Data & Technology	541	541	541	541	-	2,165
480777	Workplace Planning Sustainment	11,054	16,054	13,336	5,336	-	45,779
Program(s)							
480759	Historic Building Program Asset Sustainment	500	3,000	4,000	3,100	-	10,600
480774	Walden Fire Station	460	1,800	1,650	1,990	-	5,900
411292	Capital Conservation Grant	7,550	7,550	7,550	7,550	-	30,200
480776	Operations Facilities Portfolio Upgrades	15,500	19,940	44,560	40,000	-	120,000
480761	Facility Portfolio Planning	1,875	1,875	1,875	1,875	-	7,500
480757	Forest Lawn Civic Centre - Phase 1A	1,000	3,000	12,000	9,000	-	25,000
480753	Corporate Coordinated Operations and Maintenance	500	-	-	-	-	500
Projects(s)							
480773	Privacy and Accessibility Project for the Multi-Agency Training Centre	200	1,500	2,000	300	-	4,000
Sub-Total (New Budget Requests)		59,365	91,585	110,774	89,618	-	351,342
Previously Approved Budget Remaining		35,150	13,950	-	-	-	49,100
Total Capital Investment		94,515	105,535	110,774	89,618	-	400,442

Explanation of capital budget requests

Annual Investment Program(s)

Activity 480775: Facility Climate Sustainment

Funding supports Facility Management specific strategies and actions related to climate change and energy performance. Funding will enable improvement of The City's environmental footprint and contribute to net zero GHGs by 2050.

Funding From: Municipal Sustainability Initiative (\$4,591 thousand) Canada Community-Building Fund (\$4,590 thousand)

Contributing Services: None

Operating Impact: None

Activity 480750: Facility Sustainment

Funding for lifecycle needs and demolition of facilities no longer viable to use or maintain; includes Recreation, Fire, Parks and Roads services' buildings. Funding enables multiple service lines, increases accessibility and inclusivity, operational efficiencies, building performance and reduces the City's environmental footprint.

Funding From: Municipal Sustainability Initiative (\$90,517 thousand)

Contributing Services: None

Operating Impact: None

Activity 480754: Data & Technology

Funding for implementation of new InforEAM and Archibus modules; upgrades to Facility Management's Data warehouse and Corporate Structures List. Funding ensures accurate data, a key component for responsible asset management and investment decision making.

Funding From: Pay-As-You-Go (\$2,165 thousand)

Contributing Services: None

Operating Impact: None

Activity 480777: Workplace Planning Sustainment

Funding for major lifecycle needs, upgrades, expansion and optimization of operations depots and Operations Workplace Centres. Funding enables multiple service lines, increases accessibility and inclusivity, operational efficiencies, building performance and reduces environmental footprint.

Funding From: Lifecycle Maintenance & Upgrade Reserve (\$34,779 thousand) Capital Reserves (\$11,000 thousand)

Contributing Services: None

Operating Impact: None

Program(s)**Activity 480759: Historic Building Program and Sustainment**

Funding to plan and complete deferred maintenance and rehabilitation projects for the City's historic buildings, many of which are in poor condition. Funding enables delivery of many civic services, supports accessibility and inclusiveness, and improves building condition and performance generally.

Funding From: Municipal Sustainability Initiative (\$10,600 thousand)

Contributing Services: None

Operating Impact: None

Activity 480774: Walden Fire Station

Funding for a Fire Station, and public WCs in growing communities of Wolf Willow, Legacy, Chaparral and Walden. Funding ensures development permit conditions for a permanent station to be operational by 2024 and Fire service delivery targets are met.

Funding From: Municipal Sustainability Initiative (\$4,200 thousand) Developer & Other Contributions (\$1,700 thousand)

Contributing Services: None

Operating Impact: None

Activity 411292: Capital Conservation Grant

The Capital Conservation Grant provides expertise and funding to assist Community Associations and Social Recreation Groups address aging infrastructure. Lifecycle conservation funding and technical expertise enables these groups to manage and improve building conditions, in turn enhancing the delivery of services provided from these spaces.

Funding From: Lifecycle Maintenance & Upgrade Reserve (\$16,308 thousand) Pay-As-You-Go (\$13,892 thousand)

Contributing Services: None

Operating Impact: None

Activity 480776: Operations Facilities Portfolio Upgrades

Funding for major lifecycle needs, upgrades, expansion and optimization of operations depots and Operations Workplace Centres. Funding enables multiple service lines, increases accessibility and inclusivity, operational efficiencies, building performance and reduces environmental footprint.

Funding From: Municipal Sustainability Initiative (\$120,000 thousand)

Contributing Services: None

Operating Impact: None

Activity 480761: Facility Portfolio Planning

Funding for sustainment of Corporate Facility Portfolio Planning as well as integrated multi-service facility feasibility studies, as per CP2018-04. Funding enables integrated service delivery, with aim of optimizing the portfolio, aligning with corporate initiatives and improving service to citizens.

Funding From: Pay-As-You-Go (\$7,500 thousand)

Contributing Services: None

Operating Impact: None

Activity 480757: Forest Lawn Civic Centre - Phase 1A

Funding for the first phase of a multi-service civic facility; includes the relocation and replacement of Fire Station 12. A completed facility improves Fire coverage and response times; initiates a program to address Library, Recreation, Calgary Neighbourhoods, Transit and Arts and Culture citizen needs.

Funding From: Reserve for Future Capital (\$25,000 thousand)

Contributing Services: None

Operating Impact: None

Activity 480753: Corporate Coordinated Operations and Maintenance

Funding for salaries for CCOM employees responsible for consolidating and optimizing operations & maintenance for facilities across the corporation. Funding to consolidate facility services for long-term gains through process harmonization, efficiencies, economies of scale and risk management

Funding From: Lifecycle Maintenance & Upgrade Reserve (\$500 thousand)

Contributing Services: None

Operating Impact: None

Projects(s)**Activity 480773: Privacy and Accessibility Project for the Multi-Agency Training Centre**

Funding required for accessibility and inclusivity; identified as a human rights issue; represents a portion of the funds required for the whole facility.

Funding From: Municipal Sustainability Initiative (\$4,000 thousand)

Contributing Services: None

Operating Impact: None
