

September 15th 2022

Presentation to
Council

Bruce County Facilities Review

ThinkingStrategy: New Paradigms Inc.



Agenda:

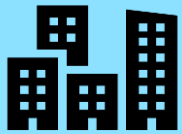
1. Approach
2. Key Findings
3. Administrative Hubs
 - Findings and needs
 - Options
 - Implementation
4. Portfolio Review
 - Portfolio findings and changes
 - Capital Plan
5. Organizational Assessment
 - Findings and challenges
 - Options
 - Recommendations on organizational changes

Approach



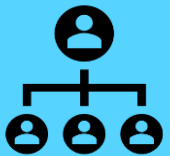
1: Explore Requirements

- Understand your portfolio
- Clarify County objectives and outcomes



2: Portfolio Assessment

- Understand asset categories
- Existing asset management and capital plans
- Integrate future actions into road map



3: Shared Services Assessment

- Explore how to optimize facilities management across County departments
- Integrate future actions into road map



4: Administrative Space – Hub Locations

- Impact of AWL and future space use
- Options and costs, recommendations
- Integrate future actions into road map

Road map
(actions over time)



Portfolio and Organizational Assessment

Key Findings Work Streams 2 and 3

- Scope of review:
 - Review of portfolio and building types (special purpose space) – 75 sites
 - Capital planning, capital maintenance and capital project delivery practices
 - Facilities and real estate organization and staffing
- Key findings:
 - Portfolio has complexity due to nature of portfolio and multiple County roles (owner, tenant, landlord)
 - Strategic and fiscal planning for facilities, and facilities management and project implementation, is hampered by the current decentralized organization structure, skill set gaps and lack of resourcing
 - An enterprise approach is needed to management of facilities resources

Administrative Hubs

Key Findings Work Stream 4

- Scope of review: Administrative space at the Inland, Lakeshore, Peninsula and Penetangore Hubs
- Review considered:
 - Current building condition (site visits, BCA's, capital plan)
 - Future space needs (Departmental interviews, surveys)
 - Capital maintenance needs / State of Good Repair (SOGR)
 - Options to accommodate future needs
- Emergent needs were identified at Inland and Lakeshore Hubs, due to unmet space pressures or functionality, and building condition deficiencies

Administrative Hubs

Key Findings Work Stream 4

Three important themes were identified:

- The Alternate Work Location (AWL) Policy has space impacts which allow you to accommodate growth without expanding footprints of Hubs
- There are building condition and State of Good Repair (SOGR) needs which should be addressed
- Portfolio synergies emerged: opportunities for co-locating some administrative staff in operations facilities (Paramedic and TES) to relieve space pressure in Hubs.

Administrative Hubs (Work Stream 4)



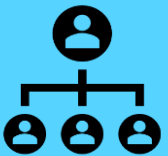
1: Explore Requirements

- Understand your portfolio
- Clarify County objectives and outcomes



2: Portfolio Assessment

- Understand asset categories
- Existing asset management and capital plans
- Integrate future actions into road map



3: Shared Services Assessment

- Explore how to optimize facilities management across County departments
- Integrate future actions into road map



4: Administrative Space – Hub Locations

- Impact of AWL and future space use
- Options and costs, recommendations
- Integrate future actions into road map

Road map
(actions over time)



Administrative Hubs – Current Accommodation Summary

Hub	Area	Department	Staff	Seats	Deficit
Penetangore Kincardine	547 m2	Human Services	26	19	7
Lakeshore Port Elgin	965 m2	Library	13	13	3
		Planning & Dev	8	5	
		Human Services	3	3	
		Total	24	21	
Peninsula Wiaraton	566 m2	Human Services	6	6	0
		Planning & Dev	9	9	
		TES	1	1	
		Total	16	16	
Inland Walkerton	3,522 m2	CAO + Warden	6 + 1	7	10
		Corporate Services	15	15	
		IT	9	9	
		Workplace Engagement	14	14	
		Planning & Dev	12	12	
		TES	12	9	
		Human Services	33	26	
		Paramedic	4	4	
		Total	106	96	

Inland Hub - Space Needs

Functional Program to Existing Inland Hub Comparison

Functional Program Areas Summary	Staff Count			Program Area	Existing Inland Hub
	Current	Future	Staff Count		
County Council, Office of the CAO	7	0	7	184 S.M., 1,984 S.F.	2,012 S.F.
Corporate Services	15	3	18	422 S.M., 4,535 S.F.	4,261 S.F.
Information Technology Services	9	2	11	247 S.M., 2,656 S.F.	2,443 S.F.
Workplace Engagement Services	14	0	14	332 S.M., 3,568 S.F.	4,433 S.F.
Planning and Development	12	3	15	328 S.M., 3,637 S.F.	2,174 S.F.
Library Services Services	0	0	0	0 S.M., 0 S.F.	0 S.F.
Transportation and Environmental Services	12	6	18	270 S.M., 3,130 S.F.	2,130 S.F.
Human Services	33	0	33	659 S.M., 7,094 S.F.	7,069 S.F.
Staff Facilities & Common Areas				344 S.M., 3,699 S.F.	
Support Areas				1475 S.M., 15,871 S.F.	
Total Building Program Assignable Area (m2)				4,291 S.M., 46,174 S.F.	
Building Gross up Factor (17%)				730 S.M., 7,854 S.F.	
TOTAL Functional Program Area				5,021 S.M., 54,023 S.F.	48,302 S.F.
Staff Count				102 Current	
				14 Future	
				116 TOTAL	
Accommodated				116	

Minor Space Deficits

Significant Space Deficits

Plus 4 Paramedic = 106 staff count. Current seat count of 96.

Strategies for Addressing Administration Space Shortages:

- ***Build or Lease*** additional space to accommodate staff and required support areas.
 - Could mean an addition to an existing facility or decanting particular department(s) to a new location.
- Reduce the existing ***Workspace Allocation*** for each staff member.
 - Potential culture shift for staff, requires a different mix of meeting spaces and amenity.
- Implement a ***Workspace Sharing*** strategy.
 - Needs to be done in conjunction with a Hybrid to A.W.L. accommodation strategy.

Inland Hub Options Summary

Longer time frame required.
Incorporated into Option 3

Option	Description	Seats	Space Change	Cost
1	Add 540m2 to 2 nd floor of Inland hub	Current: 96 Add: 15 + meeting space	Maintains existing office / workstation typology	\$3,000,000 (low) \$3,793,000 (high)
1B	Add 450m2 admin space at new works yard	Add: 18 Accommodates future TES	Rework existing TES space for meeting rooms and touch-downs. Rework Lakeshore hub to match the total 111 seat target. (pick up 3-5 seats at Lakeshore)	Yard cost increase: \$1,999,000 (low) \$2,732,000 (high) Lakeshore reno: \$2,587,000 (low) \$2,752,000 (high)
2	Significant renovation to Inland hub	111 seats + hotelling and meeting spaces.	New workplace standard	\$2,468,000 (low) \$3,154,000 (high)
3	86 seats using sharing ratio of 1 : 1.23 for current staff. Add meeting room capacity now. Build additional hotelling capacity when Paramedics move out. Exercise Option 1B in the future would allow more capacity	86 seats will accommodate 117 staff (10-year future growth) at 1:1.23 sharing ratio. Adds hotelling and meeting. Sharing will vary by department.	Some areas refitted to new standards (e.g. Paramedic and later TES space) but most existing spaces shared as-is. Significant behavioural change for staff where sharing is required, and discussion needed on space usage policies	\$250,000 (low) to \$343,000 (high) for Inland Hub Plus \$1,999,000 (low) to \$2,732,000 (high) for TES yard addition

Does not support AWL.

Not cost effective

Modified Option 3 as move forward Option

Bruce County Hubs Updated Option 3

Phase 1

- Room booking / reservation system
- Digitization & Cloud services
- IT cost to standardize hardware & software
- Conversion of offices to meeting rooms (10)

Low	High
\$110,000	\$160,000

Phase 2

Convert Paramedic space to open workstations

Low	High
\$50,000	\$68,000

Phase 3A

Implement Option 1B: Add 18+ seat capacity to new Walkerton TES Yard (upper-level offices)

- Shell construction (450m²)
- Add elevator
- Fit-up (50% office/small meeting room)

Low	High
\$1,999,000	\$2,732,000

Option 3: Enable mobile working, AWL

Phase 3B

Convert TES space to reservable space

Low	High
\$90,000	\$115,000

Phase 4

State of Good repair and Interior Renovations for Lakeshore Hub

- SOGR required to maintain building use
- New partitioning and HVAC for separation of Departments and activities.
- Opportunity to increase seat capacity (3-5 seats)

Low	High
\$2,587,000	\$2,752,000

Total all Phases

\$ 250,000	\$ 343,000 (Inland Hub)
\$2,587,000	\$2,752,000 (Lakeshore Hub)
\$1,999,000	\$2,732,000 (TES Yard Addition)
\$4,836,000	\$5,827,000 TOTAL

Bruce County Administration Hubs - Accommodation Option 3

Implementation Planning

Phase and Description		Immediate	1 - 2 Years	3 - 5 Years	5+ Years
		Timeline			
PHASE 1	Enable Mobile Working, Conversion of 10 offices to meeting spaces.	Budget Allocation, Planning and Design	Tender and Implementation		
PHASE 2	Convert Paramedic space to open workstations / hotelling.	Budget Allocation, Planning and Design	Tender and Implementation		
PHASE 3A	Build TES Administration capacity at new Walkerton Operations Yard.	Needs Assessment Study	Budget Allocation, Planning and Design	Tender and Implementation	
PHASE 3B	Convert TES Inland Hub Space to reservable space.		Budget Allocation		Planning and Design, Tender and Implementation
PHASE 4	Lakeshore Hub Interior Renovations and State of Good Repair.	Budget Allocation	Planning and Design, Tender	Implementation SOGR, Interior Renovations	

Facilities Capital Maintenance / State of Good Repair (SOGR)

- A major part of the Capital Planning (Capex) process, with the objective of maintaining facilities in a State of Good Repair.
- Under budgeting will eventually contribute to deterioration of facilities
- Good practise indicates Capex and Opex (operating costs) should be 1.5 - 2% each of 80% of the replacement value of the facility per year.
- Capex will vary by facility type and age (the 2% figure is for office facilities)
- Where Capex projects are identified from Building Condition Reports, any amount below the 1.5 - 2% figure should be placed in a reserve account.
- Projects to renovate interiors should be coupled with SOGR projects for efficiency

Implementation of AWL

Implementation of AWL requires a different way of using, and managing, space. It also requires implementation support in the area of technology (e.g. connectivity, mobile equipment, digital records) as well as behavioural change (e.g. space entitlement and allocation)

FACILITIES MANAGEMENT

- Review space allocation – dedicated versus mobile
- Tracking of daily occupancy. (sampling)
- De-personalizing workstations available for use of AWL participants.
- Addressing storage of personal papers and equipment.

TECHNOLOGY

- Quality of wifi and remote connectivity.
- Digitization of records.
- Reservation system.
- Personal IT equipment.

CHANGE MANAGEMENT PROGRAM

- Expectations relating to connectivity, dedicated personal space, access to personal files, quiet work environment.
- Behavioral adjustment to new way of working when using hub locations.
- Re-run AWL survey to assess the new “in-office” experience and adjust based on feedback.

Portfolio and Organization Review (Work Streams 2 and 3)



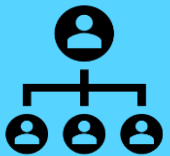
1: Explore Requirements

- Understand your portfolio
- Clarify County objectives and outcomes



2: Portfolio Assessment

- Understand asset categories
- Existing asset management and capital plans
- Integrate future actions into road map



3: Shared Services Assessment

- Explore how to optimize facilities management across County departments
- Integrate future actions into road map



4: Administrative Space – Hub Locations

- Impact of AWL and future space use
- Options and costs, recommendations
- Integrate future actions into road map

Road map
(actions over time)



Bruce County Facilities Portfolio

Portfolio Overview

- Purpose of portfolio is to provide County services. The County has approx. 75 owned and leased facilities / sites of 1 M SF:
 - 29 housing sites (581,000 SF)
 - 46 other sites (465,000 SF)
- 5 sites over 40,000 SF (LTC, Interior Hub, Museum and Cayley Street complex)
- Most facilities are small, and there are 28 leased sites (Libraries, Paramedic Stations, EarlyON ranging from 800 to 7,000 SF)

Characteristics and Challenges

- Portfolio is widely dispersed through the County – geography is a challenge
- Facilities condition – age, not always suited to purpose, unmet needs, limited capital available
- Mix of owned and leased. County has multiple roles (owner, user, landlord and tenant) complexity is a challenge
- Diversity of functions (admin, special purpose), some requiring specialized technical needs (e.g. heritage)
- Legacy siloed organization structure for facilities management with no centralized facilities expertise
 - newly established corporate project management capacity

Bruce County Facilities Portfolio

Asset Class	Planned Changes and Potential Challenges
Hub Locations 4 locations	Impacts of future growth and AWL policy (subject of Work Stream 4).
Libraries 17 leased locations	Branches in Paisley, Lions Head, Southampton, Tiverton and Ripley could be reviewed (dependent on local authority plans).
Cayley Street Complex	MAG lease expiring near term, mechanical upgrades required, re-negotiation ongoing. Plan B required if MAG vacates. Heritage buildings could impact future redevelopment.
Paramedic Stations 7 facilities (leased, owned, co-located), 1 new (future)	Facilities plan required to support recently updated service plan. Port Elgin (with admin staff) being relocated (adjacent Lakeshore Hub), Sauble Beach location being added (co-location with South Bruce Peninsula), one new location (Lucknow or Holyrood). Functional obsolescence in many locations due to age.
Museum	Expansion is being planned, dependent on capital funding.
TES 5 shop sites	Walkerton and Paisley shops to be reviewed for renovation or replacement – health and safety issues. Facilities requirements to be defined.
Long Term Care 2 LTC buildings	Capital maintenance planning required to address facility, AODA upgrades, staying current with MLTC standards.
Early ON sites 6 leased buildings	No change identified.
Housing Multiple sites	One additional multi-unit building planned.

Capital Plan

Major Facilities Expenditures

Timeline and expenditures (current capital budget)

Bruce County	2022	2023	2024	2025	2026
Corporate Services	356,000	31,000	31,000	31,000	31,000
Non-departmental	266,792	787,545	939,103	575,026	1,305,263
Information Technology	506,774	546,605	487,826	979,514	1,052,094
Workplace Engagement	34,000	34,500	34,500	34,500	34,500
Paramedic	751,100	693,389	1,615,776	752,271	914,720
Transportation & Environmental	16,243,590	12,543,630	19,868,349	12,951,139	14,493,593
Human Services	5,146,436	5,518,579	13,580,026	12,511,898	5,475,367
LTC & Seniors	416,829	387,000	293,000	279,000	199,000
Museum	167,300	358,400	570,400	1,172,158	607,461
Library	524,800	413,178	418,560	393,946	394,335
Planning & Development	17,510	16,126	16,448	18,581	-
Total Capital Budget	24,431,131	21,329,952	37,854,988	29,699,033	24,507,333

Paramedic Holyrood Station 2024 \$0.8 M (under-estimated)

Human Services New Build 2024/25 \$15.585 M

TES Walkerton (2023/24 - \$5 M) Paisley (2024-26 - \$3.075 M) shop replacements

Lakeshore hub renovation 2023/24 \$1 M

Museum Expansion 2022 to 2026 \$2 M (Council contribution)

Fiscal Planning for Facilities Findings – Current State

Capital Planning

- Asset Management planning is being driven by the Regulation
- County's fiscal planning process is evolving to address this:
 - Capital budget informed by Building Condition Assessments (BCA) and Asset Management Plan (AMP)
 - Need to integrate Project Planning more consistently across departments into Capital budget

Facilities Capital Maintenance

- Industry best practice for budgeting - if projects not identified, balance should be in reserve funding
- Review of facilities capital maintenance spend shows inconsistencies between asset types
- Under-budgeting will lead to deterioration of building condition

Fiscal planning for facilities and project implementation is hampered by (a) lack of centralized facilities skills, and (b) lack of resourcing to implement projects within the 5-year Capital Plan

Organizational Capabilities Findings – Current State

Functions Required for Facilities and Real Estate

- Strategic planning
- Business management
- Facilities management
- Transactions and portfolio management
- Project and program management
- Asset management
- Housing property management
- Other: technology, facilities standards

Assessment of Current State

- Historically a decentralized Model (Directors are responsible)
- Centralized project management capability introduced in 2021 - central source of expertise
- **Strengths:** Directors have accountability for the resources and assets they use to deliver services
- **Weaknesses:**
 - Directors have varying levels of technical skills and knowledge of real estate, facilities and capital project planning – lack of specialist expertise
 - Inconsistent practices across the organization
 - Lack of optimization
 - Lack of overall strategic planning, gaps in some functional areas
 - Inconsistent use of reserves

Organization Options



Design Principles

Assets support **service delivery**

Align specialized functions with appropriate **expertise**

Maximize **economies of scale** where applicable

Flexibility to find point of optimization by using **three design dimensions: function / geography / asset types**

Strive for **consistency** where responsibilities are shared

	Status Quo	Expanded CoE	Partially Centralized
Assets support service delivery	+	+	+
Align specialized functions with appropriate expertise	×	+	+
Maximize economies of scale where applicable	×	×	+
Flexibility to find point of optimization by using three design dimensions: function / geography / asset types	×	×	+
Strive for consistency where responsibilities are shared	×	+	+

Recommended Organizational Changes

(see Appendix B for details)

1. Create a **centralized asset management** function responsible for supporting departments in strategic portfolio planning, capital planning and project delivery
2. Improve capacity to manage **lease administration and leasing strategy**, and investigate innovative approaches
3. Review **facilities management service delivery** for potential for consolidation
4. Develop an **enterprise approach to technology** for Asset Management, Facilities Management and Real Estate

Implementation Considerations

- Balance economies of scale (more centralization) with needs of special assets
 - Timing of implementation
 - Increased need for enterprise thinking and matrix management (e.g. Portfolio Management Committee)
- ➔ Further work needed on optimal resourcing, reporting structure and budget re-alignment



**Comments
or
questions?**

Appendix A

Administrative Hubs - Detail

Inland Hub – Opportunities and Constraints



Second Floor



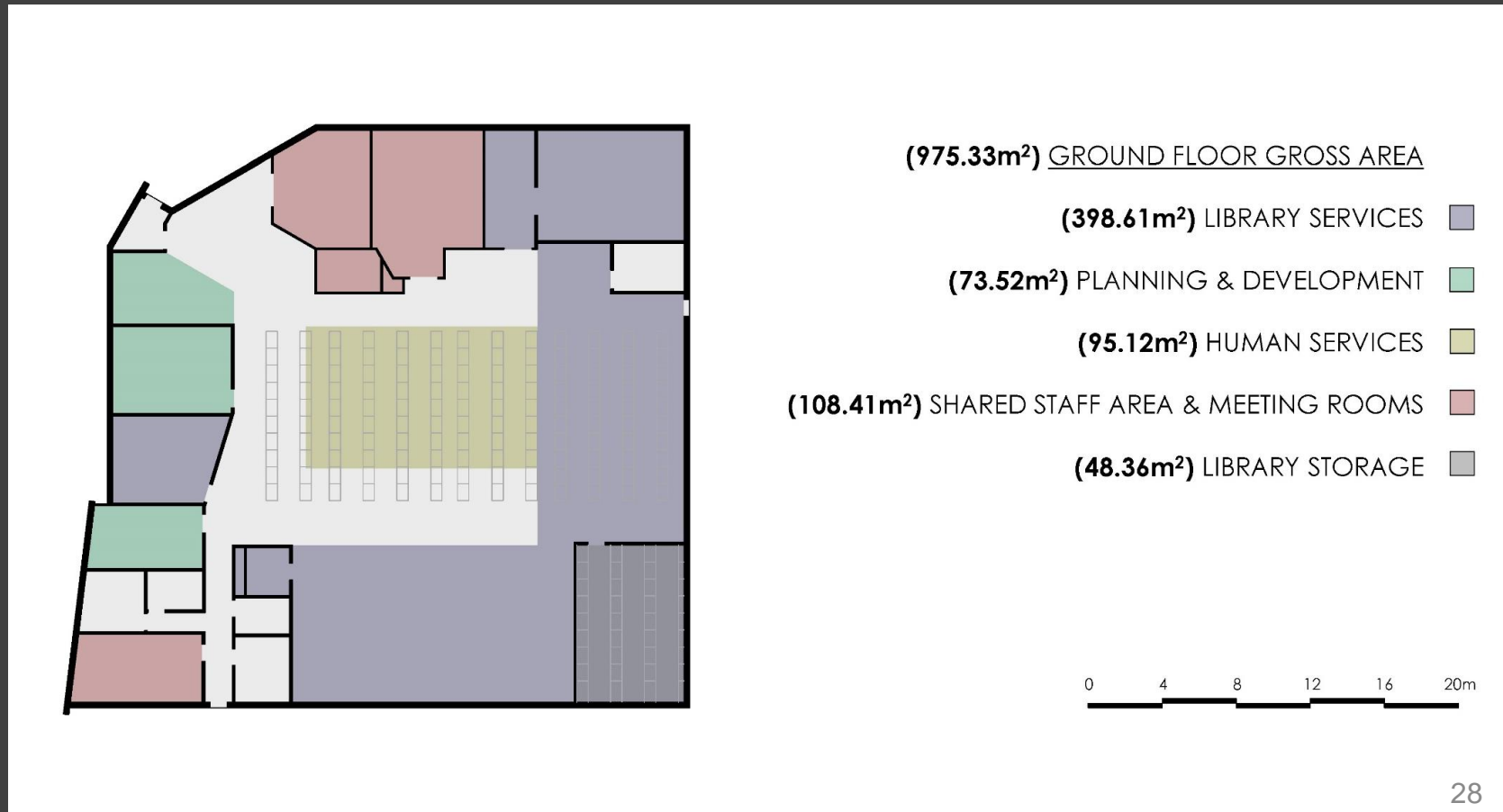
Ground Floor

- 3,522 m2 area + basement storage space, Walkerton
- Opportunities: Largest Hub, centrally located, supports all departments. Seat of County Council.
- Constraints: Older facility with multiple additions, lacks meeting spaces, siloed approach to departmental organization.
- Observations:
 - Location supports all departments
 - Multiple renovations over time
 - Not currently configured to meet a modern office standard.
 - Large area = best opportunity to reorganize to accommodate more staff.

Bruce County Lakeshore Hub

- *Has Accommodation Deficiencies*
- *Some systems reaching end of useful service life. (SOGR)*
- *Has space to build some additional capacity*
- *Part of Future Solution*

Current Program and Department Organization



Appendix B:

Road Map Recommendations - Detail

1. A Centralized Asset Management Function

Create a centralized asset management function responsible supporting departments in strategic facilities planning, capital planning and project delivery

What	When	Why	How	Who
<p>Standardize portfolio and asset planning processes:</p> <ul style="list-style-type: none"> • Clarify accountabilities • Integrate with AMP and Capital Planning processes under Corporate Services 	<ul style="list-style-type: none"> • Soon 	<ul style="list-style-type: none"> • Converge facilities planning with current AMP and Capital Plan processes • Improve quality of information and capital budget priority setting 	<ul style="list-style-type: none"> • Additional technical skills and resources (some external) • Incorporate training into current budget training process • Enterprise thinking and coordination 	<ul style="list-style-type: none"> • Corporate services • Directors • New AM function
<p>Project implementation planning for major capital projects, including:</p> <ul style="list-style-type: none"> • Housing new build • Paramedic stations • TES • Museum • Admin hub renovations 	<ul style="list-style-type: none"> • Timelines based on capital plan 	<ul style="list-style-type: none"> • Conduct due diligence studies in a timely fashion • Improve quality of capital budgeting and planning for funding • Set up for success (= on time, on budget, funding available) in project delivery 	<ul style="list-style-type: none"> • Additional technical skills and resources (some external) • Enterprise thinking and coordination 	<ul style="list-style-type: none"> • New AM function • Directors
<p>Deliver capital and major repair projects</p>	<ul style="list-style-type: none"> • Soon, address timing of project pipeline 	<ul style="list-style-type: none"> • Move from reactive to proactive • Pipeline for 2023/4/5 	<ul style="list-style-type: none"> • Additional technical skills and resources 	<ul style="list-style-type: none"> • New AM function
<p>Develop facilities standards</p>	<ul style="list-style-type: none"> • Window of opportunity timed with planned facility investments 	<ul style="list-style-type: none"> • Go forward standardization can simplify operations and maintenance 	<ul style="list-style-type: none"> • Leverage current resources 	<ul style="list-style-type: none"> • AM and FM functions

2. Leasing and Lease Administration

Improve leasing strategy, investigate innovative approaches, and improve capacity to manage lease administration

What	When	Why	How	Who
<p>Leasing strategy:</p> <ul style="list-style-type: none"> • Address Paramedic portfolio leases before expiry • Investigate the option of using new approaches (private sector design-build RFPs) where co-location not possible 	<ul style="list-style-type: none"> • Window of opportunity driven by Paramedic leasing 	<ul style="list-style-type: none"> • Move from reactive to proactive • Potential to renew or replace aging facilities 	<ul style="list-style-type: none"> • External expertise to develop leasing strategy 	<ul style="list-style-type: none"> • Director • Leasing specialists (external) • Corporate services (procurement)
<p>Lease administration</p> <ul style="list-style-type: none"> • Create central repository of lease information with critical dates • Improve standard form of lease 	<ul style="list-style-type: none"> • Contingent on budget and resource availability 	<ul style="list-style-type: none"> • Address critical dates proactively and in time • Avoid hold-overs • Expand options • Standardize lease terms 	<ul style="list-style-type: none"> • External expertise for lease abstraction and lease terms 	<ul style="list-style-type: none"> • Corporate services • Realty services • Leasing specialist (external)

3. Review Facilities Management Service Delivery

Review facilities management service delivery for potential for consolidation

What	When	Why	How	Who
Consolidate FM function: <ul style="list-style-type: none"> • Potential to pool FM resources across departments • Organize geographically for optimization • Identify need for exceptions (e.g. LTC janitorial) 	Soon	<ul style="list-style-type: none"> • Optimize services that should be internally delivered versus contracted • Improve effectiveness of maintenance spend • Address under-served assets and improve consistency 	<ul style="list-style-type: none"> • Shift FM operating budget accountability • Leverage existing resources • Potential need for additional resources 	<ul style="list-style-type: none"> • Directors • New FM function
Enterprise view of strategic sourcing: <ul style="list-style-type: none"> • Review sourcing strategies for third-party FM services and goods 	Soon	<ul style="list-style-type: none"> • Address risks of thin supplier base in some communities • Contract aggregation opportunities 	<ul style="list-style-type: none"> • Leverage existing expertise 	

4. Enterprise Approach to Technology for Asset Management, Facilities Management and Real Estate

Develop an enterprise approach to technology for asset management, facilities management and real estate

What	When	Why	How	Who
Enterprise technology strategy: <ul style="list-style-type: none">Assess business requirements and business case for:<ul style="list-style-type: none">Facilities ManagementAsset ManagementReal Estate	<ul style="list-style-type: none">Window of opportunity timed with planned IT investments	<ul style="list-style-type: none">Reduce duplicationLeverage technology investments	<ul style="list-style-type: none">Leverage internal expertise with specialist external expertise	<ul style="list-style-type: none">ITNew AM functionFM functionDirectors