

# Facility Management

Led by: Director of Facility Management

## Service Description

Facility Management (FM) stewards a diverse portfolio of Buildings that are necessary to deliver services to citizens. 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 continues to increase as a result of consolidation of facility stewardship and will continue to grow through 2026.

## Service Updates

### Key Service Results

#### Awards

NAFA Clean Air Awards Program

Over 2023 there has been several on-going dynamic initiatives which Facility Management (FM) has managed through responsiveness and flexibility while maintaining our customer service focus. In preparation for the return to the workplace FM updated our preventative maintenance program and completed deep cleans and sanitization of offices and appliances. To maximize space and minimize disruption to operations 684 moves were completed for individuals. As a result of the Return to the Workplace initiative and building transfers via Corporate Coordinated Operations & Maintenance (CCOM), we managed an 18 per cent increase in work orders from last year. These are being managed through adjustments to the preventative maintenance program and the harmonization of service delivery through CCOM to maintain customer service levels. FM continues to achieve economies of scale, enhance building safety requirements, improve processes, and find cost efficiencies.

### Service Challenges

Facility Management experienced a significant rise in electricity, natural gas, and District Energy costs. This was driven by market price increases and consumption increases due to colder weather, City employees returning to the workplace, and public facing facilities like Recreation buildings returning to full utilization. FM will continue to monitor utility costs and has determined a funding strategy with the Corporate Budget Office for 2023. Due to the aging infrastructure, unplanned shutdowns continue to be a challenge. FM continues to identify opportunities to enhance resilience and protect our portfolio. FM remains focused on strategic capital investment in life safety and critical building systems, ensuring facilities meet building code requirements while reducing service disruptions.

### Trends & Potential Uncertainties

In relation to FM's net zero target, initial investigations on net zero building retrofits indicate that a detailed analysis is required to inform a larger energy and emissions reduction plan. Additional information on costs, technologies and impact on operational efficiency is on-going. To fully understand the feasibility of net zero, FM will gather more information through studies and pilot projects to inform evidence-based decision making that maximizes outcomes for climate, facility resiliency and operations. Facility Management provided the physical workplaces to meet the corporate return to work objectives. Many staff remain at different points on the change journey, and some have a longer adjustment period than others.



# Measuring Our Performance

### Legend

— Actuals

■ Expected Future Performance

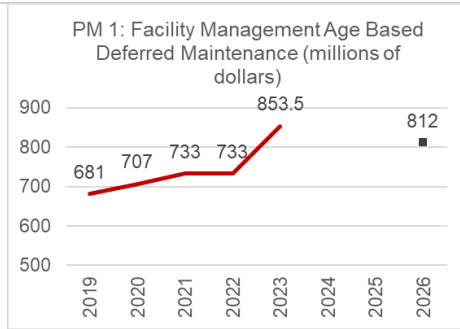
→ Progressing as planned

⊖ Not progressing as planned

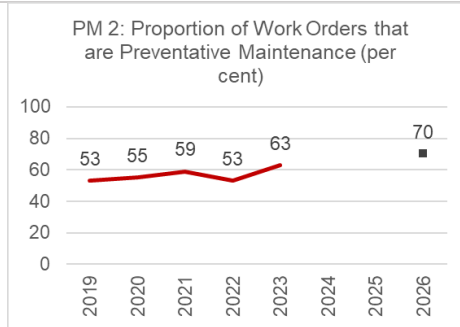
## Performance Measures

## Story behind the numbers

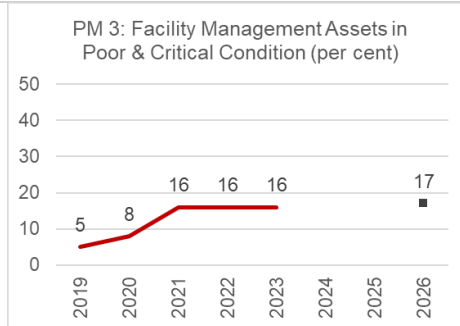
## Status



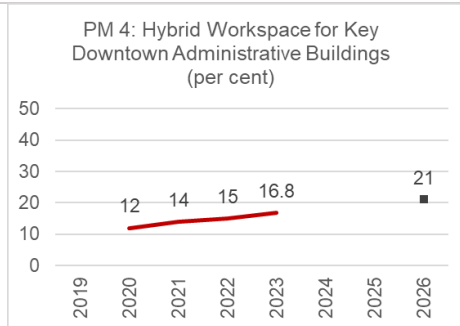
The deferred maintenance for Facilities has grown primarily due to the integration of new facility assets into our stewardship portfolio. At present the age based deferred maintenance of the Facilities portfolio is \$853.5 million. Facilities will continue to use sustainment budgets and leverage other investment programs to reach the expected future performance of \$812 million by the end of 2026.



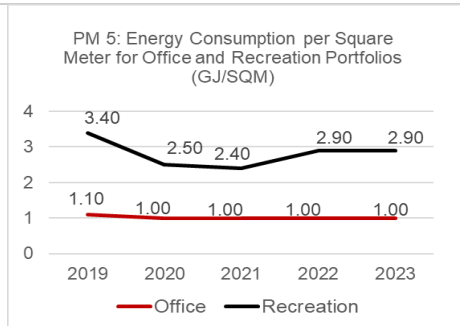
Facilities conducted two failure analysis reviews in 2023 at the Water Centre and Whitehorn Buildings. The reviews test the building reliability and efficiency, minimize equipment and facility downtime, and present opportunities to refine the Preventative Maintenance (PM) for each building's unique needs. In 2023, Facilities increased the PM ratio to 63 per cent, putting us on track to reach 70 per cent by 2026. Through CCOM, Facilities' portfolio has increased by over 100 per cent since 2019. Despite this significant increase, on-demand work orders have only risen by 37 per cent, demonstrating our effective management strategies.



Facilities continues to improve our building data by conducting Building Condition Assessments. These assessments are used to prioritize investments in buildings with poor and critical building components. Particular attention will continue to be given to key building components to ensure reliable service delivery and occupant safety.

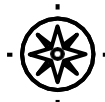


Workstations continue to be allocated as unassigned, so that Facilities can accommodate more staff within the same footprint, facilitating growth without growing. Low-cost space modifications to increase collaboration areas within existing workspaces have been evaluated and will be incorporated from 2024 to 2026. This will provide multiple work points and increase hybrid workspaces in Facilities buildings.



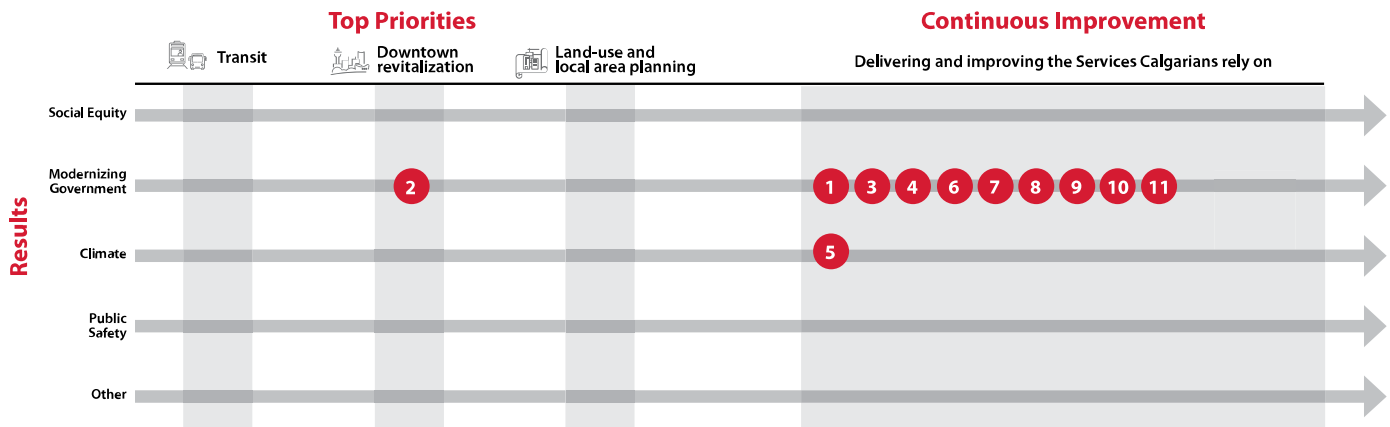
The Recreation portfolio had a large year over year increase in energy use intensity (EUI), from 2.4 gigajoules per square metre (GJ/sqm) in 2021 to 2.9 GJ/sqm in 2022. This was the result of Recreation facilities re-opening and returning to pre-pandemic service levels. The office portfolio is expected to remain at 1.0 GJ/sqm, in line with previous years. Full-year utility data for 2023 will be reported at mid-year 2024. Facilities will continue to work on initiatives to improve energy efficiency and reduce energy consumption to help achieve the 2026 expected future performance.





# Progress on Service Delivery


## Alignment with Council Refined Priorities and Result Areas



- Legend**
- Completed
  - Progressing as planned
  - Not progressing as planned
  - Not started
  - Initiative number

Initiative	Initiative Update	Status
1 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.	As a result of the Return to the Workplace initiative and building transfers via CCOM, FM has been managing an 18 per cent increase in work orders from last year, increase in space requests and a higher volume of building condition assessments. These are being managed through adjustments to the Preventative Maintenance Program and the harmonization of service delivery through CCOM to maintain customer service levels.	
2 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.	The corporate accommodation strategy remains in development with engagement from The City's Executive Leadership Team. In the interim, strategic investments in workspace and employee experience continue to increase workspace amenities and drive space utilization and employee experience. In 2023 projects included beautification of downtown City buildings with flowers in summer and exterior lighting in winter, activation of fitness spaces, densification of workstations, and increased collaboration areas.	
3 Complete Corporate Coordinated Operations and Maintenance (CCOM) mandate by finalizing the transfer of remaining facility service and buildings to Facility Management.	The three remaining CCOM Phase Two implementation projects (Water Services, Calgary Parking & Transit) are nearing completion of the Negotiation/Decision making phase and agreement has been made on the final scope of buildings, operations and maintenance services, value-add services, budget and/or resources to transfer to FM. All projects are anticipated to be substantially complete by the year end 2023.	
4 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.	Through the CCOM program, value through savings and efficiencies have been realized by supporting the creation of a more efficient operating model and contract consolidation. From a holistic portfolio perspective, FM has increased focus and time spent on upfront planning activities (linked to initiatives 7 and 8) resulting in reduced reactive service work orders. We have also increased the number of building condition assessments carried out to provide the data required to make investments in life safety and critical building systems, ensuring facilities meet building code.	

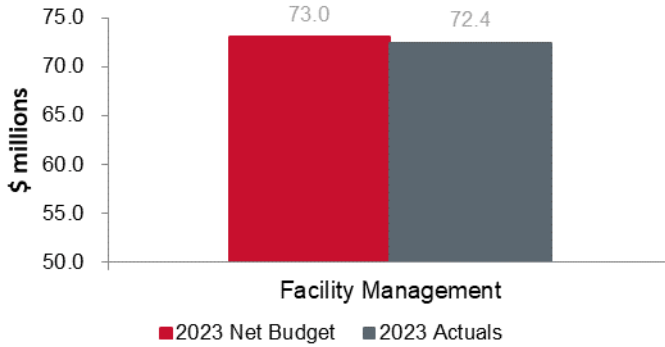
Initiative	Initiative Update	Status
5 Reduce Facility Management's environmental footprint by implementing practices, systems and technologies within facilities in alignment with the Climate Strategy and the Corporate Greenhouse Gas and Energy Plan to meet climate change goals and targets.	Facility Management continues progress towards the implementation of the FM Climate Program. The RFSO for the Facility Net Zero Transition Feasibility Study has closed and work on the first two facilities is about to begin. We've added funding to the program to include additional solar projects and a full LED replacement project at Manchester Operational Workplace Centre. We continue to learn about the impacts of climate change and severe weather on our facilities and people. We are collaborating with other business units to help advance our climate objectives.	
6 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.	The Facility Lifecycle Project Delivery Roadmap was developed with a focus on strategic capital investment in life safety and critical building systems, ensuring facilities meet building code requirements while reducing service disruptions. In 2023 FM completed 34 projects. In addition, Facilities selected three consultants to develop the facility Net Zero Transition Feasibility studies. These will inform pilot projects to reduce our Facilities GHG emissions and increase the energy efficiency of our building.	
7 Reduce unanticipated down time and number of break/fix work orders by harmonizing the preventative maintenance program across buildings transferred to Facility Management.	Facilities continues to expand the Preventative Maintenance (PM) Program based on the business needs to drive safety excellence. Anti-entrapment for pools, ammonia management, and pre-action full trip Fire System Testing are new PMs added that meet or exceed provincial regulations and standards to support unique business needs. Facilities completed the Certificate of Recognition (COR) audit report which identified the PM program data as efficient and effective.	
8 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).	As buildings are transferred to Facilities through CCOM, they are assessed and harmonized to Facility Management's (FM) building data standards, which provides a standardized data set that can be relied on for lifecycle investment prioritization. FM is on track to complete 120 Building Condition Assessments (BCA's) by the end of year. These inform FM's facility portfolio as well as Community Associations and Social Recreation Groups. Community Associations and Social Recreation Groups leverage these reports for lifecycle planning and applications to the Capital Conservation Grant program.	
9 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.	The Capital Conservation Grant (CCG) team received: 74 Lifecycle Capital Grant applications; 31 Engineering Consultant Program applications; 21 advisory services for Community Association (CA) or Social Recreation Organizations (SRO) for technical support for the procurement of lifecycle investments; and reimbursed \$7.2M for completed lifecycle capital projects and has outstanding commitments for lifecycle projects of \$6.4M. The CCG team will continue to monitor requests and provide advice and support as requested by CA's and SRO's for their building and amenities lifecycle investment.	
10 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'.	The City's Portfolio Management Strategy and the Financial Strategy have considered input from Service Lines and their unique service delivery requirements, timing, budget, and risks. The strategic direction of these documents will aim to address challenges related to aging assets, climate change, population growth, and budget constraints. Several delivery strategies have been tested for multi-service facilities and sites focusing on best-value and high-benefit investments. Lessons learned will help us optimize the programs and project investment in our Portfolio Plan for the next 12 years.	

Initiative	Initiative Update	Status
11 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.	FM held our first safety summit this year with 90 per cent attendance. We have set up a business unit safety implementation team with the goal of advancing safety accountability and culture. FM is working with Equity, Diversity, Inclusion and Belonging to develop a strategic plan to move this work forward in FM. We are also working with the Anti-Racism Team on an FM pilot and has installed information kiosks in the Municipal Building's atrium with accessibility and multiple language options to provide members of the public an effective means of navigating the facilities.	



## Service Updates on Financial Performance

### Net Operating Budget and Actuals as of December 31, 2023

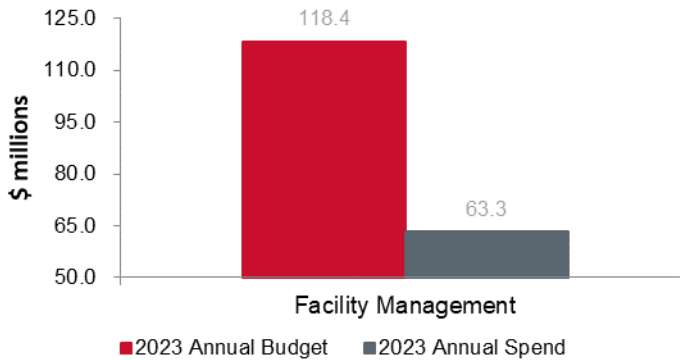


### Operating Budget Updates - 2023 net operating budget vs actuals:

Facility Management has a favorable variance of \$0.6 million as the result of unbudgeted revenues.

The three remaining Corporate Coordinated Operations and Maintenance (CCOM) Phase 2 implementation projects (Water Services, Calgary Parking & Transit) were substantially complete by the end of 2023. CCOM program objective of realizing optimal value for money in facility operations, including procurement, integrated risk management, and asset condition management, continues to generate operational efficiencies for The City.

### Capital Budget and Spend as of December 31, 2023



### Capital Budget Updates - 2023 total capital budget vs 2023 spend:

Facility Management has spent 53.5 per cent of the 2023 approved capital budget. The underspend is attributed to project delivery delays for two large multiservice facility projects. In 2023, Facility Management spent 131.0 per cent of its Asset Sustainment budget which include investments into existing facilities and sites, operations, office, heritage and citizen facing buildings. Sustainment projects include lifecycle projects to ensure health and safety standards are maintained and supporting climate retrofit upgrades. Project highlights include the Fire Station 8 full renovation, Clean Energy Solutions Pilot at Edworthy Park and Glenmore Park Washrooms, and lifecycle projects at various recreation and operations buildings. As well, a significant portion of capital expenditures were for the Capital Conservation Grant (CCG) program. In 2023, this program has invested over \$9.0 million in funding to support Community Association and Social Recreation Organizations lifecycle projects.