



APPENDIX A



Municipal Infrastructure Investment Initiative Capital Program – Expression of Interest

On August 16, 2012, the Province of Ontario launched the Municipal Infrastructure Investment Initiative (MIII) as part of the Municipal Infrastructure Strategy. Through the MIII Capital Program, up to \$51 million will be made available to address necessary road, bridge, water and wastewater projects identified as top priorities through comprehensive asset management plans. Funding will be targeted to municipalities and Local Services Boards (LSBs) that are unable to pay for proposed projects without provincial assistance.

Ontario municipalities and LSBs that own roads and/or bridges and/or water systems and/or wastewater systems are eligible. In addition, municipalities that have not done so already must submit their 2011 Financial Information Return to the Ministry of Municipal Affairs and Housing by January 9, 2013.

The MIII Capital Program includes both a pre-screening and an application process. To begin, municipalities and LSBs may submit this Expression of Interest form for pre-screening. Completed expression of interest forms must be submitted by 5 p.m. EST on January 9, 2013. Municipalities and Local Services Boards that pass the pre-screening process will be given the opportunity to submit a detailed application.

For more information, see the **Municipal Infrastructure Investment Initiative Capital Program manual** and **Building Together: Guide for Municipal Asset Management Plans**.

If submitting this form by email, please save the completed form to your desktop and send as an attachment to miii@ontario.ca

If submitting by mail please print the completed form and send to:

Municipal Infrastructure Investment Initiative Secretariat
c/o Rural Programs Branch
Ontario Ministry of Agriculture, Food and Rural Affairs
1 Stone Road West, 4th Floor
Guelph ON N1G 4Y2

<http://www.ontario.ca/municipalinfrastructure>

Please fill in all fields on this form that apply to your municipality or LSB.

Section 1 – Municipality/LSB Contact Information

Municipality/LSB Name*

City of London

Authorized Contact

Last Name Hayward		First Name Martin	Middle Initial
Position City Treasurer, CFO	Telephone Number 519 661-2500	Email Address mhayward@london.ca	

*Note if this is a joint project, please include all municipalities and LSBs that are part of the project, but only the contact information for the lead municipality/LSB.

Mailing Address

Unit Number	Street Number 300	Street Name Dufferin Ave	PO Box 5035
City/Town London		Province Ontario	Postal Code N6A 4L9

Section 2 – Project Information

Project Name

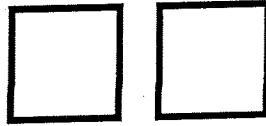
Wellington Road/Thames River Sanitary, Storm and Watermain Replacement

Project Type (road, bridge, water or wastewater)

Wastewater and Water

Project Financial Information

Total Project Cost \$3,100,000.00	Amount of Provincial Funding Request \$2,000,000.00
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Section 2 – Project Information (Cont'd)

List the sources of financing for the project other than the provincial funding requested.

Funding Source	Amount
Federal Gas Tax	\$500,000.00
Wastewater Capital Reserve Fund	\$400,000.00
Water Capital Reserve Fund	\$200,000.00

Project Location	Street Number	Street Name	PO Box
Unit Number		Weston, Fairview, Fairview Crt	
City/Town		Province	Postal Code
London		Ontario	N6C 4T5
Latitude		Longitude	
42.96 latitude N		81.23 longitude W	

Section 3 – Asset Management Planning

Please describe your municipality's or LSB's progress to date toward completing a comprehensive asset management plan according to the key elements outlined in **Building Together: Guide for Municipal Asset Management Plans**. Where possible, please provide supporting documentation.

State of local infrastructure

The City of London is well underway in the development of a comprehensive asset management program. Council approved a proposal in January 2012 consisting of seven program phases including a State of Infrastructure Report and a Corporate Asset Management Plan. In November 2012, the Finance Committee accepted the recommendation to move forward with funding the plan. This is expected to be approved at the December 11th Council meeting coincident with their support for this Expression of Interest. Please find attached links to the January and November reports.

- Corporate Assets - RFP 11-37 Corporate Asset Management Process
- Corporate Asset Management Plan and State of the Infrastructure Report

The City intends that the plan meet all the requirements of the provincial funding program and more.

The City of London has a \$450 million infrastructure deficit in water and wastewater systems. Like most municipalities in Canada, the City of London struggles to preserve the infrastructure that serves its citizens in these difficult economic times. London recently was identified as having 17% of its population living below the poverty line. Generating revenue to support this infrastructure and reducing the impact of taxes on the residents is a struggle.

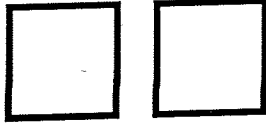
Expected levels of service

For the City of London the fundamental question that needs to be addressed through the plan is whether we are investing the right amount to sustain our assets and meet service level expectations. Defining levels of service (LOS) is a foundational element in the building of the City's Corporate Asset Management Program. The City is currently drafting the AM strategies that define the approach to level of service frameworks that will support creation of the corporate asset management plan.

The City plans to generate a cohesive suite of LOS measures, set at the appropriate levels within the organization in order to ensure an integrated approach from the corporate performance vision, down to day-to-day asset management decision making. Taking this approach puts level of service at the centre of our planning processes by understanding and quantifying the value that our services provide.

The City of London plans to:

- Seek Council endorsement of the corporate and customer LOS enabling the organization to clearly communicate service impacts associated with available operating and capital budgets.



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- Document the LOS at the corporate, customer and asset levels.
 - Ensure that all our investment and operational decisions are evaluated against their impact
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Asset management strategy

The City of London is currently drafting a set of AM strategies which includes an overriding corporate asset management strategy supported by distinct strategies for risk, level of service, asset lifecycle management, data management, integration, communication and governance. First drafts are available for six of the strategies.

The general approach for the City of London was the formation of a Corporate Asset Management Division staffed full time since 2011 and dedicated to the build of the corporate asset management program. For further information reference the 2012 and 2013 business plans linked below. The first corporate asset management plan is scheduled to be completed by July 2013.

The City of London's water and wastewater infrastructure service areas utilize comprehensive plans and processes that meet the definition of asset management. A comprehensive corporate asset management plan is being developed to link the independent service areas processes that will provide the financial requirements and maintenance for long term planning and a municipal infrastructure strategy that will meet the standardized municipal asset management planning. The Corporation has developed a financial strategy that identifies the infrastructure needs and infrastructure gap and an immediate move to addressing the capital needs to maintain a viable infrastructure and financial plan. Each of the service areas utilize the processes that allow for decision making regarding the management of the infrastructure assets. The actual Asset Management Plan detailed below outlines the steps in place to comply with the standardized definition of asset management plan which is scheduled to be in place in 2013.

With respect to the water and wastewater project selected for this application, a master plan for Wellington Road Storm and Sanitary Servicing was completed in 2009 by an engineering consultant. The master plan identified a need for separate storm sewers in this project area. The Water and Wastewater service areas maintain a comprehensive inventory (GIS based), a maintenance management plan and long term capital plans (20 year plans) that identify capital needs and planning within the available funding. This project area is identified as a top priority in these plans.

Financing strategy

Successful implementation of the Corporate Asset Management program requires continuing commitment from Council to fund the work. Council has to date approved the startup funding for the first three phases of corporate asset management which includes a current state analysis, asset management policy and strategies, asset register and hierarchy. The City's Finance and Administrative Services Committee has recommended the funding for the fourth phase which includes a State of Infrastructure report and Corporate Asset Management Plan in November 2012. Support to date has been clear and strong including requests to accelerate development of the program.

The core business of the Corporate Asset Management Division is funded through the operating budget of the City of London. The consulting support is less certain and funded where money can be found through the capital budget. The hope is that the ultimate asset management program costs will be absorbed by future efficiency measures in the City's operating budget.

Please explain in detail your community's workplan for completing a comprehensive asset management plan according to the key elements outlined in **Building Together: Guide for Municipal Asset Management Plans**.

State of local infrastructure

The City of London has defined the scope of its Corporate Asset Management Program to include fourteen service areas as follows; Water, Regional Water, Wastewater, Wastewater Treatment Operations, Stormwater, Roads & Bridges, Solid Waste, Parks & Recreation, Fire, Long Term Care, Facilities, Fleet, Land and Information Technology. The following work plan details the associated activities needed to implement corporate asset management:

Unit 1: Current State of Asset Management & Governance Model

- Develop a foundational understanding of the City of London's future asset management through defining the vision, key principles, etc.
 - Develop an understanding of the current state of asset management
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- Build the Corporate Asset Management Governance model
- Develop a high-level work plan to implement Corporate Asset Management
- Identify key milestones to implementation

Unit 2: Strategy Development

- Develop and document the following strategies and policy:
 - Corporate AM policy
 - Corporate AM Improvement strategy
 - Lifecycle management strategy
 - Level of service strategy
 - Risk management strategy
 - Integration strategy across the service areas
 - Data management strategy
 - Communications strategy

Unit 3: Corporate Asset Hierarchy and Registry

- Conduct workshops to assist in creation of Corporate Asset Hierarchy encompassing all core business areas with sub-hierarchies for each of the 14 asset classes
- Create inventory map identifying data storage locations and formats for each data repository for 14 asset classes
- Document data criteria/ index (Meta Data Report) for 14 asset classes
- Identify current and future anticipated (i.e. SOIR, PSAB Report, etc.) asset reporting requirements for 14 asset classes
- Identify the criteria needed for assets management modeling and flag identifiers as appropriate to ensure that the criteria meet the needs
- Develop and implement QA/QC data controls for 14 asset classes.

Unit 4: Develop State of Infrastructure Report & Corporate Asset Management Plan

- Produce State of the infrastructure report
- Produce Corporate Asset Management Plan
 - o Develop a corporate integrated long-term plan that outlines the asset activities across each service area (14 asset classes)
 - o Ensure the plan meets the needs of provincial funding requirements by including the six elements; executive summary, introduction, state of local infrastructure, desired levels of service, asset management strategy, financing strategy
 - o Define actions required to provide desired levels of service
 - o Define levels of service and performance standards
 - o Identify critical assets, associated risks and risk management strategies
 - o Develop lifecycle management processes
 - o Conduct cost analysis and forecast replacement cost and disposals
 - o Identify and prioritize CAM improvement actions

Unit 5: Integrated Software Systems

- Assess existing software tools and information systems available to support decision-making
- Assess the existing software tools relative to best practice software based on: functionality, software support, stability, strengths and weaknesses dealing with variables (Risk, LOS, Cost, Life cycles, etc.), specific requirements, integration with other corporate applications, web-based interface functionality and implementation effectiveness
- Recommend a design/ process for CAM integration software development and implementation including specifications
- Recommend, select and acquire CAM integration software
- Populate the database sufficiently for startup
- Trial startup of software system



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- Phased implementation of software system

Unit 6: CAM Pilot Trials

In order to initiate Corporate Asset Management Program, a pilot study for selected service areas will be undertaken. The pilot will cover the following five topics:

6.1 Level of Service (LOS)

- o Identify existing LOS and key performance indicators and where LOS need to be developed
- o Create Service to Asset diagrams (List and link Level of Service parameter to key performance indicators (both Technical and Customer LOS))
- o Finalize and document LOS

6.2 Inventory and Condition Assessment

- o Define protocols for Inventory and Condition Assessment processes
- o Populate inventory and condition data

6.3 Risk Modeling

- o Apply measurement tools against risk events to develop the risk matrix
- o Identify and quantify criticality (impact/consequence of failure) parameters
- o Identify and quantify likelihood / probability of failure
- o Report risk models, updating procedures and processes to address ongoing changes in risk parameters

6.4 Economics

- o Implement systems that identify true lifecycle costs on assets for specific levels of service
- o Integrate with capital / operational business planning and budget processes
- o Quantify and monitor infrastructure gaps

6.5 Lifecycle Management

- o Develop processes to integrate decision making across the corporation
- o Develop lifecycle and Optimized Decision Making (ODM) models
- o Define acquisition, amendment and disposal protocols
- o Develop a process to forecast lifecycle needs

Unit -7 CAM Implementation

- Expand the piloted processes to the remaining service areas within the scope of the project, following the same basic procedures used in the trial with the appropriate service specific attributes.
- Maintain asset registry in conformance with QA/QC data controls

Expected levels of service

Reference Units 2, 6, 7 in the workplan outlined above.

Asset management strategy

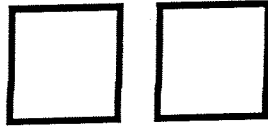
Reference Unit 2 in the workplan outlined above.

The first corporate asset management plan is scheduled to be completed by July 2013.

Financing strategy

Reference Unit 6: Economics in the work plan outlined above. Also see financing strategy section in part 1 above.

Section 4 – Problem Description



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The problem description should clearly describe the public health and/or safety problem arising from the current situation and the impact of the problem on the municipality or LSB (e.g., number of people affected).

A master plan for Wellington Road Storm and Sanitary Servicing was completed in 2009 by an engineering consultant (Dillon Consulting). The master plan identified that the project area has no separate storm sewer systems and contributes a significant volume of wet-weather-flow to the sanitary collection system. The combined sewers in this area, along with other wet-weather inflows, overload the sewers resulting in overflows to the ground (roadway or property) or to the storm sewer and a high volume of flows to the pollution control plant. Stormwater run-off currently discharges to the Thames River with little or no storm water quality measures in place, and flooding of streets and private property occurs in some areas. Run-off is affecting the habitat for the fish community in the Thames River.

Section 5 – Project Description

The project description should outline the scope of the project.

This project will address issues with combined sewer overflows (CSO's) in the area of Wellington Road and the Thames River. Specific streets to be addressed are Weston St from Trevithen St to Fairview Ave, Fairview Ave from Weston St to Whetter Ave, and Fairview Court from Fairview Ave to Thompson Rd. The chosen alternative is to separate combined sewer as infrastructure renewal proceeds, thus addressing the overflow issues and reducing flows to the pollution control plant. Construction of separate storm and sanitary sewers will effectively reduce the volume of storm drainage diverted to the sanitary sewer system which in turn reduces overflows to the ground (roadway or property) or to the storm sewer and a high volume of flows to the pollution control plan which in turn can result in discharges to the Thames River in heavy storm conditions. The project will remove 13 catchbasins from the sanitary sewer system. Watermains will also be replaced at the same time as these have passed their useful life.

Section 6 – Project Rationale

Please describe how the project would reduce or eliminate the public health and/or safety problem.

This project will improve social and environmental conditions in the project area in several ways, including:

- reduced combined sewer overflows;
- improvements to the the water quality and aquatic habitat of the Thames River; and,
- reduced stormwater flows to the pollution control plant.

This project is part of a larger master plan for the greater area that will remove approximately 120,000 cubic metres annually from the combined sewer system.

Section 7 – Project Readiness

Describe your workplan to complete the project by Dec. 31, 2014, including obtaining any necessary approvals (e.g., Environmental Assessment).

The City of London awarded the consultants for this project in July 2012. Pre-design started in 2012 and is ongoing at time of application. The detail design work will be completed in 2013. A public meeting for the area is tentatively scheduled for Fall 2013. Assuming the Water and Wastewater budgets are approved by Municipal Council in November 2013, as in past years, the construction tender for this project will be issued in January or February 2014. The project will be shovel ready April 1, 2014.

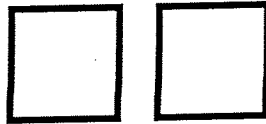
Section 8 – Alternative Options Considered

Please describe other options considered to address the problem.

The consultants identified the following alternative options:

- 1) Do nothing - This was dismissed as the health and safety issues were too extensive.
- 2) Combined sewers with high-rate treatment with the conveyance system - This option maintained some of the conveyance system partially combined and put in place high-rate treatment for wet-weather overflows. This option did not reduce flows to the pollution control plant.
- 3) Combined sewer with storage within the conveyance system - This option also maintained some of the conveyance system partially combined with storage for wet weather flows but directed more combined flow to the pollution control plant.

Section 9 – Funding Need



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Explain why your municipality or LSB requires the amount of provincial funding requested above and why it cannot implement the project on its own.

With this Expression of Interest, the City of London is requesting \$2 million from the MIII Capital Program. Federal Gas Tax and Water and Wastewater Capital Reserve Funds will be used to supplement the \$3.1 million total project cost.

The City of London has a \$450 million infrastructure deficit in water and wastewater systems. Water and wastewater rates have increased 53% and 87% respectively since 2005 (cumulative) to address this deficit. Like most municipalities in Canada, the City of London struggles to preserve the infrastructure that serves its citizens in these difficult economic times. London recently was identified as having 17% of its population living below the poverty line. Generating the revenue to support London's infrastructure against this background is a struggle.

Section 10 – Declaration

Each Expression of Interest must be accompanied by a declaration. For municipalities, the declaration can be made by a resolution or letter from municipal council. For LSBs, the declaration must be made by resolution from the LSB board.

I certify that:

- the information in the Expression of Interest is factually accurate; and
- the municipality or LSB has a comprehensive asset management plan that includes all of the information and analysis described in **Building Together: Guide for Municipal Asset Management Plans** in place; or
- the municipality or LSB is committed to developing a comprehensive asset management plan that includes all of the information and analysis described in **Building Together: Guide for Municipal Asset Management Plans** by December 31, 2013.

I have the authority to bind the municipality/LSB.

Full Name (Last name, first name) Martin Hayward	Position City Treasurer, CFO	Date (yyyy/mm/dd) 2012/12/11
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If submitting an electronic copy of the resolution or by-law, please attach this document to the email submitted.

Section 11 – Submission

Expressions of Interest must be received by 5 p.m. EST on January 9, 2013.

Questions? Call 1 888 588-4111 or send an email to miii@ontario.ca.

Mailing address:

Municipal Infrastructure Investment Initiative Secretariat
c/o Rural Programs Branch
Ontario Ministry of Agriculture, Food and Rural Affairs
1 Stone Rd West, 4th Floor
Guelph ON N1G 4Y2

Section 12 – Documents Submitted With This Expression of Interest

Please outline any files or documents (e.g., asset management plan) you will be submitting along with this Expression of Interest.

If you are submitting this form by email, write a description of the file's contents to the left and indicate the file name or hyperlink to the right.

Attach all documents to the same email as this form.

If you are submitting this form by mail, simply write a description of each document you are submitting along with this Expression of Interest, in the left-hand column.

Description of File or Document Attached	File Name or Hyperlink
Corporate Assets - RFP 11-37 Corporate Asset Management Process	http://sire.london.ca/agdocs.aspx?doctype=agenda&itemid=5868
Corporate Asset Management Plan and State of the Infrastructure Report	http://sire.london.ca/agdocs.aspx?doctype=agenda&itemid=15748
2013 Business Plan	http://www.london.ca/Business_Planning/pdfs/2013/Corporate_Operational/Corporate_Asset_Management.pdf
2012 Business Plan	http://www.london.ca/Business_Planning/pdfs/2012/Corporate_Operational/assetmanagement.pdf