



FEDERATION
OF CANADIAN
MUNICIPALITIES

FÉDÉRATION
CANADIENNE DES
MUNICIPALITÉS

Canada 



Advancing Asset Management Program

LEVELS OF SERVICE

MODULE 5

Please take this time to change your name in the participants list to include your full name and organization



Acknowledgements

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This initiative is offered through the Municipal Asset Management Program, which is delivered by the Federation of Canadian Municipalities and funded by the Government of Canada.



Collaborators and Influencers



1. Recap last week and assignment (Performance Indicators & Identifying Gaps)
2. Addressing Gaps
3. Activity: Addressing Gaps
4. Next Steps – Reporting Out
5. Activity: Reporting Out



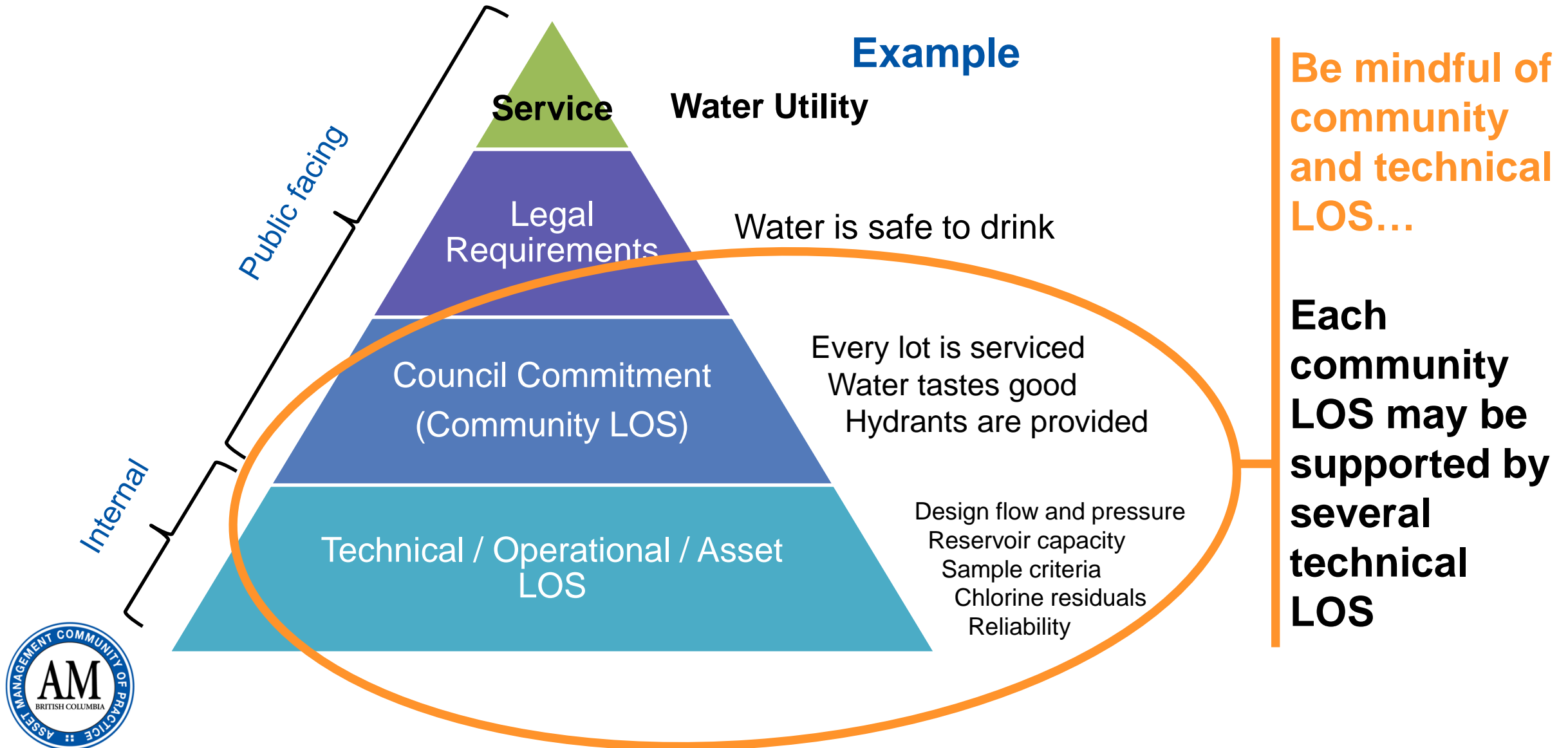
3. Describing and Assessing LOS

- Performance Indicators
- Identifying LOS Gaps
 - Performance Gaps
 - Sustainability Gaps
- Offline work – How did it go? *This is not easy!*



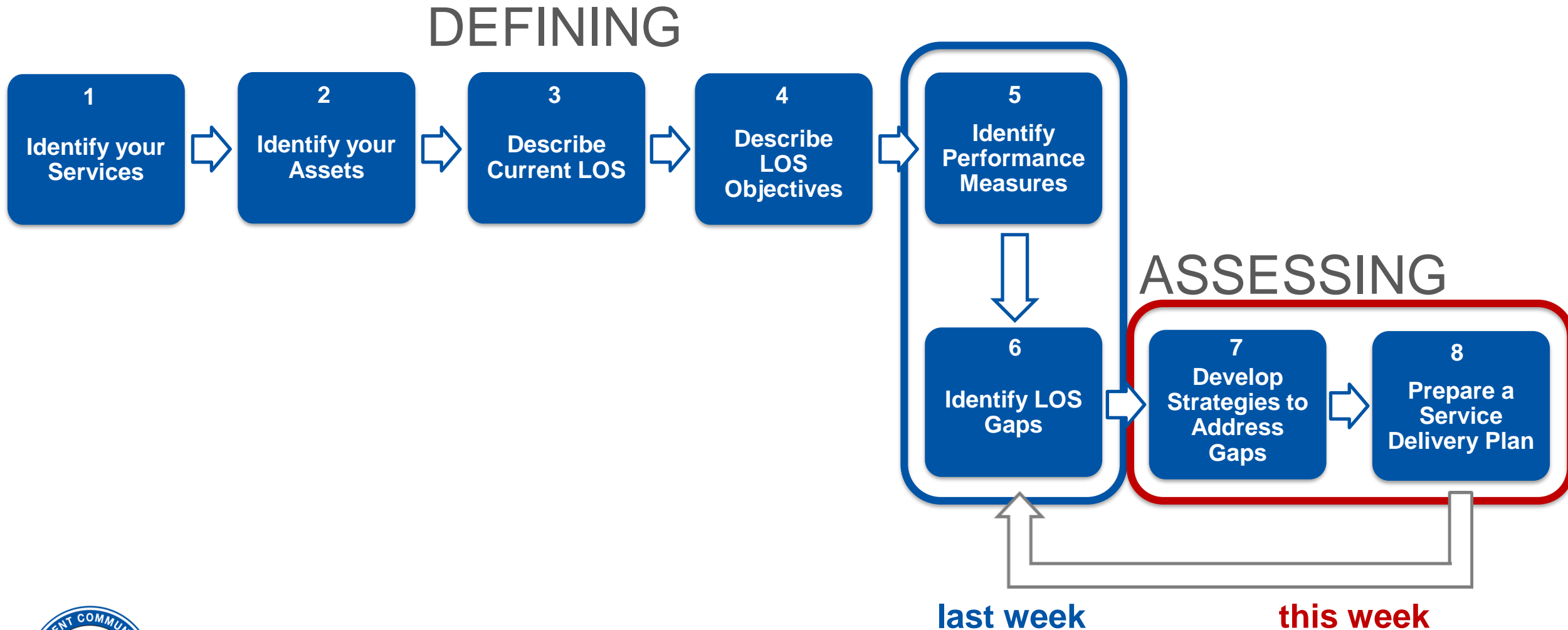
Levels of Service Hierarchy - Recap

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Levels of Service Process

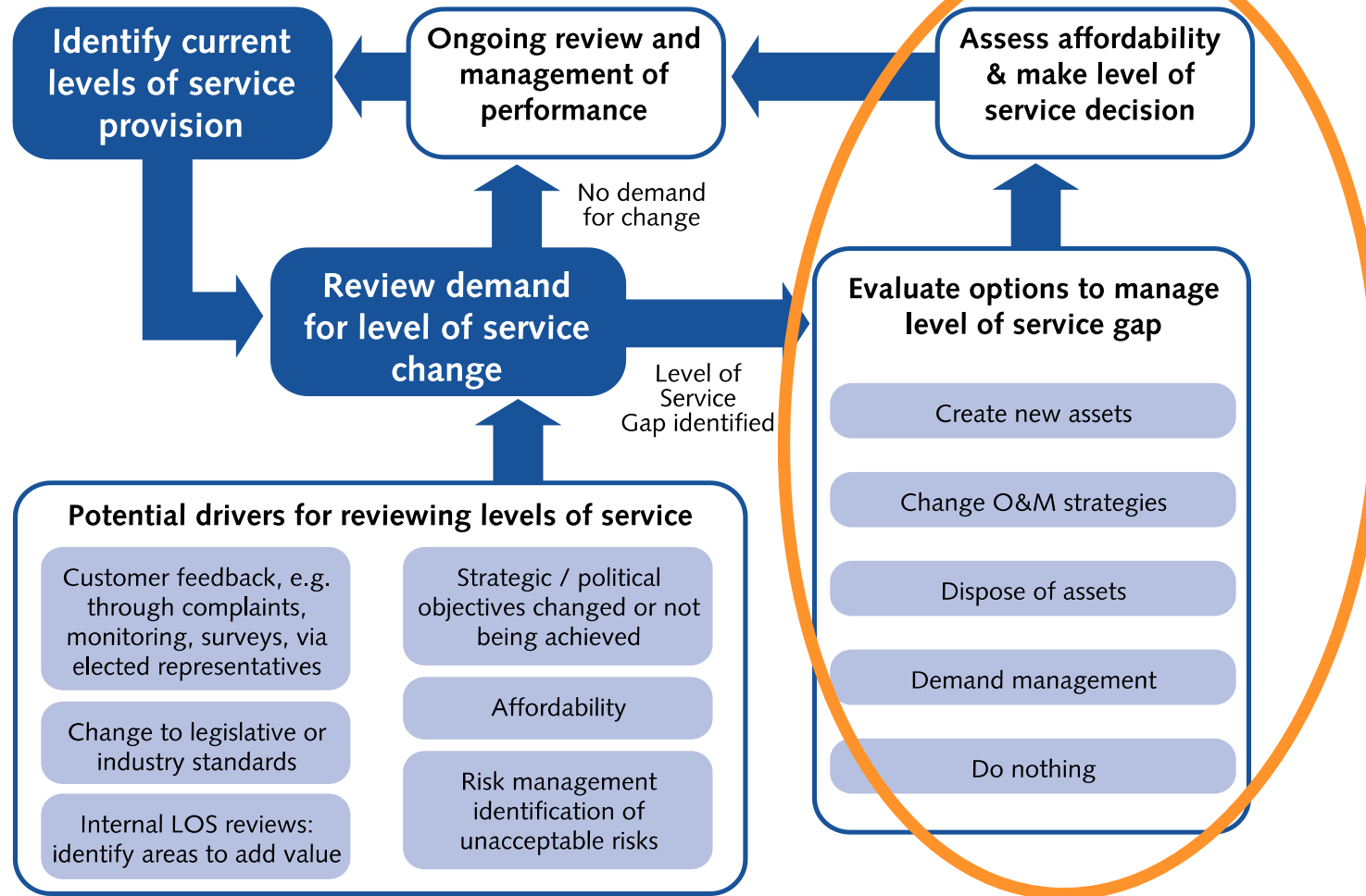
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Options to Address LOS Gaps

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3. Describing and **Assessing** LOS



3
Describe
Current LOS

4
Describe LOS
Objectives

5
Identify
Performance
Measures

6
Identify LOS
Gaps

7
Develop
Strategies to
Address
Gaps

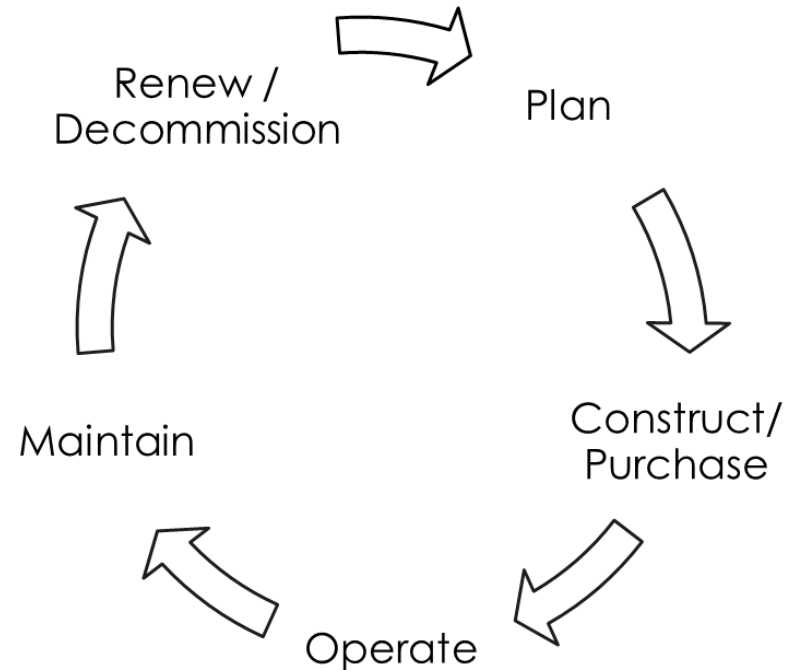


Source: Developing Levels of Service and Performance Measures, NAMS New Zealand, 2007

3. Describing and **Assessing** LOS

LIFECYCLE COSTING

- The true cost of delivering a service
- Owning and utilizing a community asset over its whole useful life
- Enables fact-based decisions on value of providing services
- Helps understand and compare alternatives that have different initial and ongoing costs



3
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Current LOS

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3. Describing and **Assessing** LOS

LIFECYCLE COSTING – Organics Collection

	Option 1 – Municipal Owned Equipment & Facility	Option 2 – Municipal Owned Equipment & Contracted Facility	Option 3 – Fully Contracted Service
Initial Capital	\$2M	\$1M	\$0
Operating Cost	\$100k	\$200k	\$300k
Maintenance Cost	\$75k	\$50k	\$0
Annualized Lifecycle Cost*	\$308k	\$317k	\$300k

*Assumes capital costs are borrowed and amortized over 20 years at an annual cost of 6.65% of the principal (2.43% current MFA indicative rate for 20-year debenture)

→ **Hey! What if we get a grant? Option 1 clearly wins, right?**



3
Describe
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3. Describing and **Assessing** LOS

1. What can be done to address gaps? Identify 3 options where possible.
2. Select a preferred option, recognizing that further study may be needed.
3. Document considerations for developing lifecycle costs (i.e. what kind of costs will there be in implementing the preferred option)
4. Determine the lifecycle cost for the preferred option, including capital, O&M, and decommissioning
5. Identify a timeframe for implementation

3

Describe
Current LOS

4

Describe LOS
Objectives

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Identify
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Measures

6

Identify LOS
Gaps

7

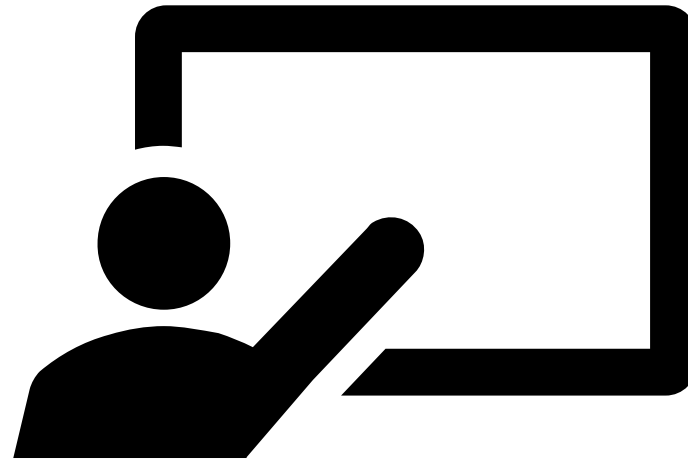
Develop
Strategies to
Address
Gaps

Activity – Strategies to Address LOS Gaps



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Group Discussion



3

Describe
Current LOS

4

Describe LOS
Objectives

5

Identify
Performance
Measures

6

Identify LOS
Gaps

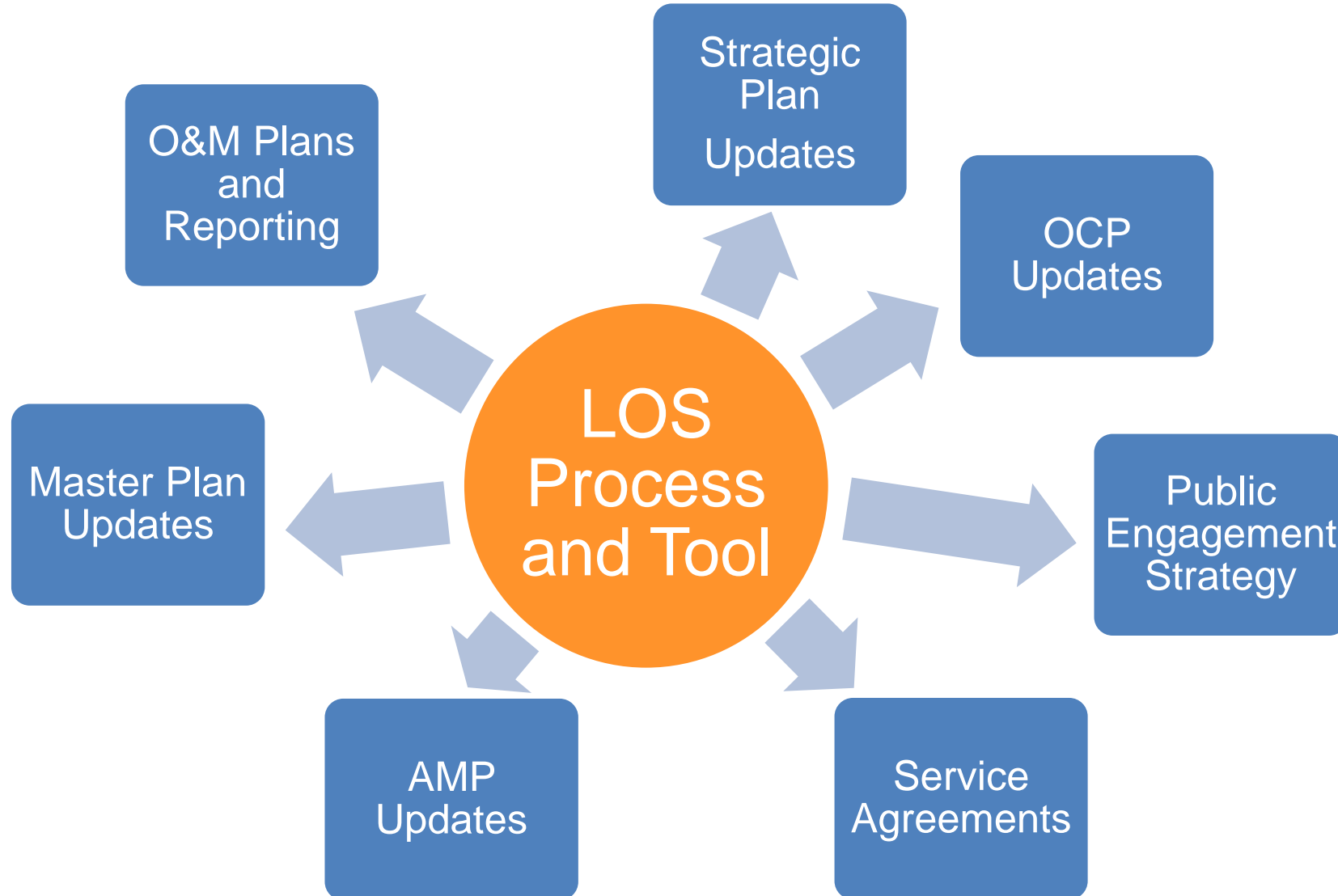
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Develop
Strategies to
Address
Gaps

How will you use this tool and process?

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TECHNICAL LOS



COMMUNITY LOS



4. Reporting Out

- Concise summary for a *non-technical* audience:
 - What documents guide our decision making? (“line of sight”)
 - What services do we provide?
 - What gaps do we have today? Will we have gaps in the future?
 - How can we address the gaps?
 - When do they need to be addressed?
 - How will cost of service be impacted? Who should pay the costs?



LOS Template – Reporting Out

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4) Reporting Out					
This worksheet documents step 8 in the LOS process.					
Hide the rows related to service areas that are not applicable to your municipality. Then, hide the rows where there is no level of service gap.					
<p>What are the highest priority areas to address, and what steps can be put in place to ensure services are continued to be delivered in a reliable and transparent manner?</p> <p>How can this process be communicated?</p>					<div>8</div> <div>Prepare a Service Delivery Plan</div>
Documented Level of Service Report					
[Your Community Name]					
<p>This report provides a summary of staff and asset management committee estimates of the current community levels of service and actions required to bring current levels of service in line with levels of service objectives. [Your Community Name] has the following goals and commitments in service delivery:</p> <ul style="list-style-type: none"> - Comply with all legislative requirements. - Provide capacity, quality, and reliability expected by Council and residents. - Ensure the safety of services and infrastructure. - Consider sustainability and long-term benefits to future generations. 					
Service Characteristic	Current Level of Service	Performance Gap	Describe Performance Gap to be Addressed	Sustainability Gap	Describe Sustainability Gap to be Addressed
Potable Water					
Regulatory	Drinking water quality complies with statutory requirements	No			
Capacity / Availability					
Capacity / Availability					
Safety					
Quality					
Quality					





4. Reporting Out

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Prepare a
Service
Delivery Plan

Focus on the gaps

- Hide all rows related to service areas that aren't applicable
- Hide rows where there is no performance or sustainability gap
- Flag your top 3-5 priorities (i.e. areas where you see an immediate need to address gaps or explore options to address gaps further)
- *Think about the highest priority gaps and focus on those!*



Key Issues



Before next Thursday (Session 6)...

- We'll send a link to the evaluation form & to the readiness assessment
- We'll do the evaluation together – but look if you'd like to

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