



Region of Waterloo

Engineering & Environmental Services

Date: September 4, 2024

Memorandum

To: 2025 Plan and Budget Sub-committee

From: Jennifer Rose
Comissioner, Engineering & Environmental Services

Subject: Capital Program Decision Making Framework

The Region of Waterloo's Plan and Budget is how we support what matters most in the community. Within the Capital Budget, the Capital Program is an extensive program of work that helps the Region achieve what is set out in the Growing with Care Strategic Plan. The development and management of the Capital Program is the result of a coordinated process which considers a few key categories of strategic guiding documents.

When we consider what is required to provide essential services to residents, the Region's Strategic Plan guides where capital investments are made, based on the plan's strategic priorities areas – housing for all, climate aligned growth, equitable services and opportunities and resilient and future ready organization.

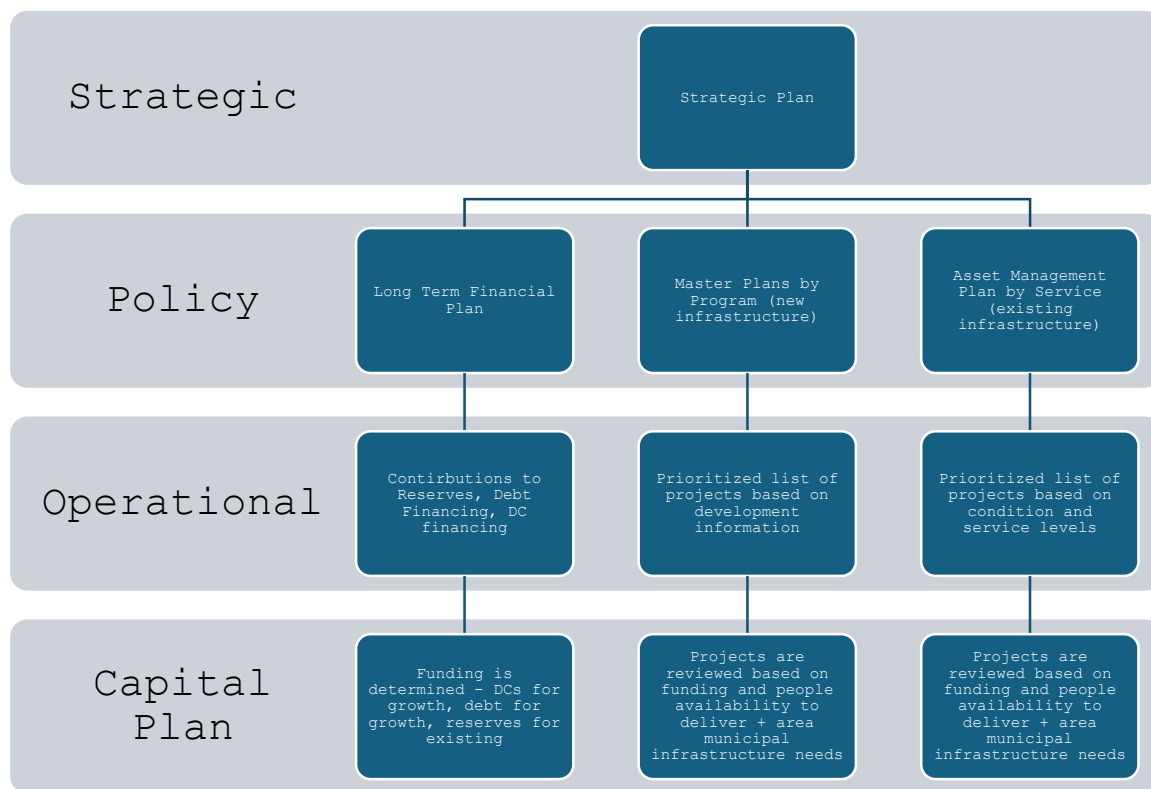
The Region's Asset Management Plan (AMP) supports the stewardship of the Region's portfolio of assets to ensure services can be delivered to residents safely and reliably and that the assets are managed in a way they provide greatest value for money and long-term financial sustainability. Specifically, the AMP identifies which assets will be needed in future to continue to deliver services, the activities needed to sustain the assets throughout their lifecycle at the best possible cost and the funds needed for these assets and maintenance activities.

Master Plans are Council-approved policy documents that outline the infrastructure and operational needs required to deliver specific services. They provide a detailed list of prioritized growth projects which that align with the strategic plan and the AMP and that further Council's vision.

The projects are prioritized by program and service delivery. The current model does not have the capacity to compare prioritization of projects corporately.

These strategic guiding documents bring together growth and renewal projects that are then prioritized based on strategic priorities, development, condition of assets, coordination with Area Municipalities (i.e. aligning sanitary sewer work) and the capital budget (\$) available.

This diagram provides a high-level snapshot of the complexity of developing the capital program:



Future Plans

As the Region matures and grows to service 1,000,000 people in 2051, the projects have become increasingly complex. Ageing infrastructure, new regulations, intensification and coordination with area municipalities, plus the infrastructure funding gap means the Region must modernize our processes to ensure that our projects are delivered without extra cost, time or scope. To further this work, the Region is embarking on:

Asset Management Plan – the asset management plan is being further developed as we have more condition data to pinpoint infrastructure which needs to be repaired and replaced. The

plan will also target where we need more infrastructure asset maintenance to extend the life of the asset.

Project Management Office (PMO) – this will provide all project managers across the Region with standardized tools and templates, processes and policies to ensure full interest holder collaboration, sign off on scope and changes to scope, stage gates to evaluate the project as it moves through the project stages to ensure appropriate sign off of significant changes in scope, timing or cost.

PPM - Project software – this software will incorporate the policies, processes and templates from the PMO with integration from the Finance for easier project management and reporting.

Capital Prioritization with an equity component – The Region is working on a policy for Council to help staff prioritize project corporately, rather than in each program or service delivery area. This will help prioritize tax dollars to the most critical projects to advance the Region's strategic plan.