

CAPITAL PROFILE REPORT

PROFILE NAME: **EQUIPMENT ACQUISITION (P&D)**
 PROFILE NUMBER: **CM-33-2009**
 DEPARTMENT: **City Operations**
 LEAD BRANCH: **Waste Management Services**
 PROGRAM NAME:
 PARTNER: **Waste Management Services**
 BUDGET CYCLE: **2015-2018**

FUNDED

PROFILE STAGE:	Approved
PROFILE TYPE:	Composite
LEAD MANAGER:	Chris Ward
PARTNER MANAGER:	Chris Ward
ESTIMATED START:	January, 2015
ESTIMATED COMPLETION:	January, 2024

Service Category:	Utilities	Major Initiative:
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GROWTH	RENEWAL	PREVIOUSLY APPROVED:	10,515
100		BUDGET REQUEST:	-
		TOTAL PROFILE BUDGET:	10,515

PROFILE DESCRIPTION

This business case reviews alternatives and requests funding for the acquisition of 92 replacement vehicles, 29 growth vehicles and specialized equipment for Waste Management Utility daily operations. The proposed initiative includes funding by the Waste Management Utility for growth and a portion of the replacement vehicles funded by Fleet Services. Waste Management Utility funding is outlined in Edmonton Waste Management Centre profile CM-33-2009.

Scope
 Timeframe: 2015–2018 Business Plan
 Department/Organization: Waste Management Utility
 Function: The profile is required to provide the funding for growth and replacement equipment and vehicles required for the daily operations of the Processing and Disposal sections.
 Technology: N/A

Out of Scope
 Light duty equipment leased by Materials Management
 Fixed or non-mobile equipment

PROFILE BACKGROUND

The four-year capital plan for vehicles and equipment, which must be financed through rates, identifies 92 vehicles required for replacement and 29 units (8 of these replace currently leased light vehicles) for growth to meet residential collection and waste processing demands. The level of funding requested will enable the Utility to continue to satisfy commitments to residents as set out in the Waste Management Fiscal Policy and the 2008 Waste Management Strategic Plan Update.

PROFILE JUSTIFICATION

The WMU must finance capital costs through rates & not tax supported debt. The funding requested will enable the Utility to satisfy commitments to residents as set out in the WM Fiscal Policy & the 2008 WM Strategic Plan Update.

- Anticipated Outcomes:
- (1) Maintain a high level of customer service
 Goal: 97% satisfaction rating
 - (2) Maintain an effective fleet
 Goal: 85% fleet availability in partnership with Fleet Services
 - (3) Maintain effective fleet lifecycle management
 Goal: 2016

Fleet replacements are required on an ongoing basis & new equip. is needed to address growth. Edmonton population is anticipated to increase by 2.1%/year with over 10,000 housing starts yearly. It will require add'l fleet to service single & multi-family homes and to deliver other core programs.
 Timing of acquisition affects pricing, delivery dates & service levels. Exchange rates also has a significant impact on cost. Fleet services & procurement expertise is also required.

STRATEGIC ALIGNMENT

See Pg 7 & 8 of the attached Business Case document.

ALTERNATIVES CONSIDERED

See Pg 9 & 10 of the attached Business Case document.

COST BENEFITS

See Pg 11 & 12 of the attached Business Case document.

KEY RISKS & MITIGATING STRATEGY

See Pg 13 of the attached Business Case document.

RESOURCES

It will be led by the Equip. Supervisor who will arrange for equip. refurbishment and/or replacement through Fleet Services. For new equip., a Proj Engineer, with the operating group, will develop equip. spec & an RFP for purchase direct from vendors.

CONCLUSIONS AND RECOMMENDATIONS

Alternative 1, Status Quo, is recommended for the acquisition of growth and replacement vehicles.

CHANGES TO APPROVED PROFILE

2016 Fall SCBA (AA#41): (CFO.4) To amend funding source from Self-Liquidating Debentures to Waste Management Retained Earnings for 2017-2018. This is a result of revised equipment life cycles under ten years which do not qualify for debt financing as per Waste Management Utility Fiscal Policy C558A. This does not impact the Utility's ability to maintain a positive cash balance and achieve cash targets.

CAPITAL PROFILE REPORT

PROFILE NAME: **Equipment Acquisition (P&D)**
 PROFILE NUMBER: **CM-33-2009**
 BRANCH: **Waste Management Services**

FUNDED
 PROFILE TYPE: **Composite**

CAPITAL BUDGET AND FUNDING SOURCES (000's)

	Prior Years	2023	2024	2025	2026	2027	2028	2029	2030	2031	Beyond 2031	Total	
APPROVED BUDGET	Approved Budget												
	Original Budget Approved	11,893	-	-	-	-	-	-	-	-	-	11,893	
	2015 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-	
	2016 Cap Administrative	-196	-	-	-	-	-	-	-	-	-	-196	
	2016 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-	
	2017 Cap Carry Forward	165	-	-	-	-	-	-	-	-	-	165	
	2018 Cap Release to Corp Pool	-1,347	-	-	-	-	-	-	-	-	-	-1,347	
	Current Approved Budget	10,515	-	-	-	-	-	-	-	-	-	-	10,515
	Approved Funding Sources												
	Self-Liquidating Debentures	5,067	-	-	-	-	-	-	-	-	-	-	5,067
Waste Mgt Retained Earnings	5,448	-	-	-	-	-	-	-	-	-	-	5,448	
Current Approved Funding Sources	10,515	-	-	-	-	-	-	-	-	-	-	10,515	

BUDGET REQUEST	Budget Request	-	-	-	-	-	-	-	-	-	-	-
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REVISED BUDGET (IF APPROVED)	Revised Budget (if Approved)	10,515	-	-	-	-	-	-	-	-	-	10,515
	Requested Funding Source											
	Self-Liquidating Debentures	5,067	-	-	-	-	-	-	-	-	-	5,067
	Waste Mgt Retained Earnings	5,448	-	-	-	-	-	-	-	-	-	5,448
Requested Funding Source	10,515	-	-	-	-	-	-	-	-	-	-	10,515

CAPITAL BUDGET BY ACTIVITY TYPE (000's)

REVISED BUDGET (IF APPROVED)	Activity Type	Prior Years	2023	2024	2025	2026	2027	2028	2029	2030	2031	Beyond 2031	Total
	Fleet Equipment	10,515	-	-	-	-	-	-	-	-	-	-	10,515
	Total	10,515	-	-	-	-	-	-	-	-	-	-	10,515

OPERATING IMPACT OF CAPITAL

Type of Impact:

Branch:																
	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE
Total Operating Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-