



# Lifecycle Management

Preparing for Compliance with O.Reg 588/17 by July 1st, 2025

# O.Reg 588/17 Compliance Requirement

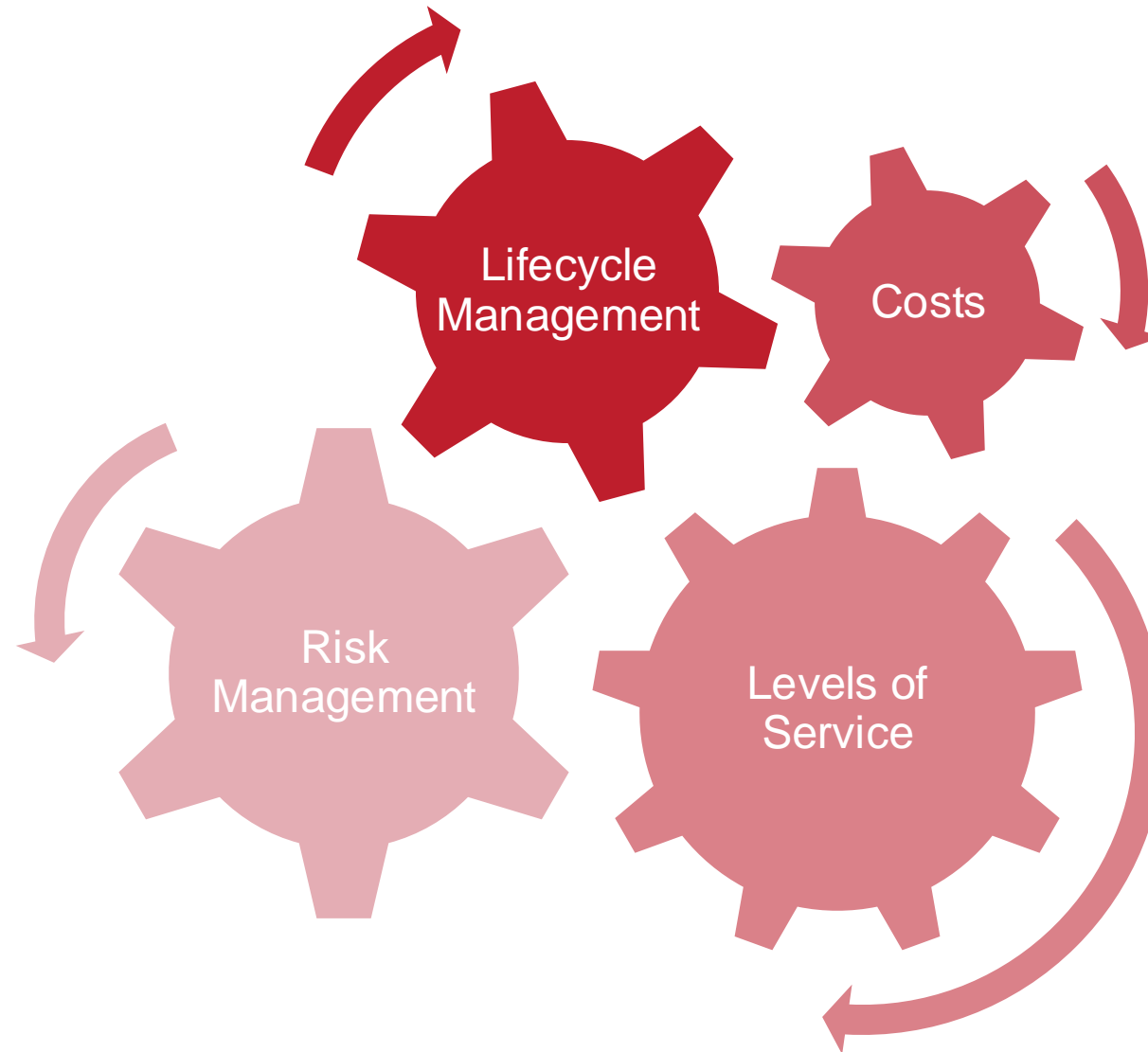
Earlier requirements focused more on current levels of service, asset conditions, and high-level risk management. The 2025 update requires a forward-looking approach that directly connects risk, lifecycle planning, and financial strategies to proposed levels of service.

## Key additions:

- **Proposed Levels of Service** – Define future service targets for each asset category
- **Risk Assessment Tied to Service Levels** – Risks must be evaluated in relation to their impact on achieving proposed service levels.
- **Lifecycle Management Strategy** – Plans must detail how assets will be maintained, rehabilitated, and replaced to sustain proposed service levels.
- **Financial Strategy for Service Sustainability** – Outline how asset needs will be funded while meeting service targets over the long term.

# Lifecycle Management

# Asset Management Strategy



Each One  
Impacts the  
Others

# Balancing Strategy & Sustainability

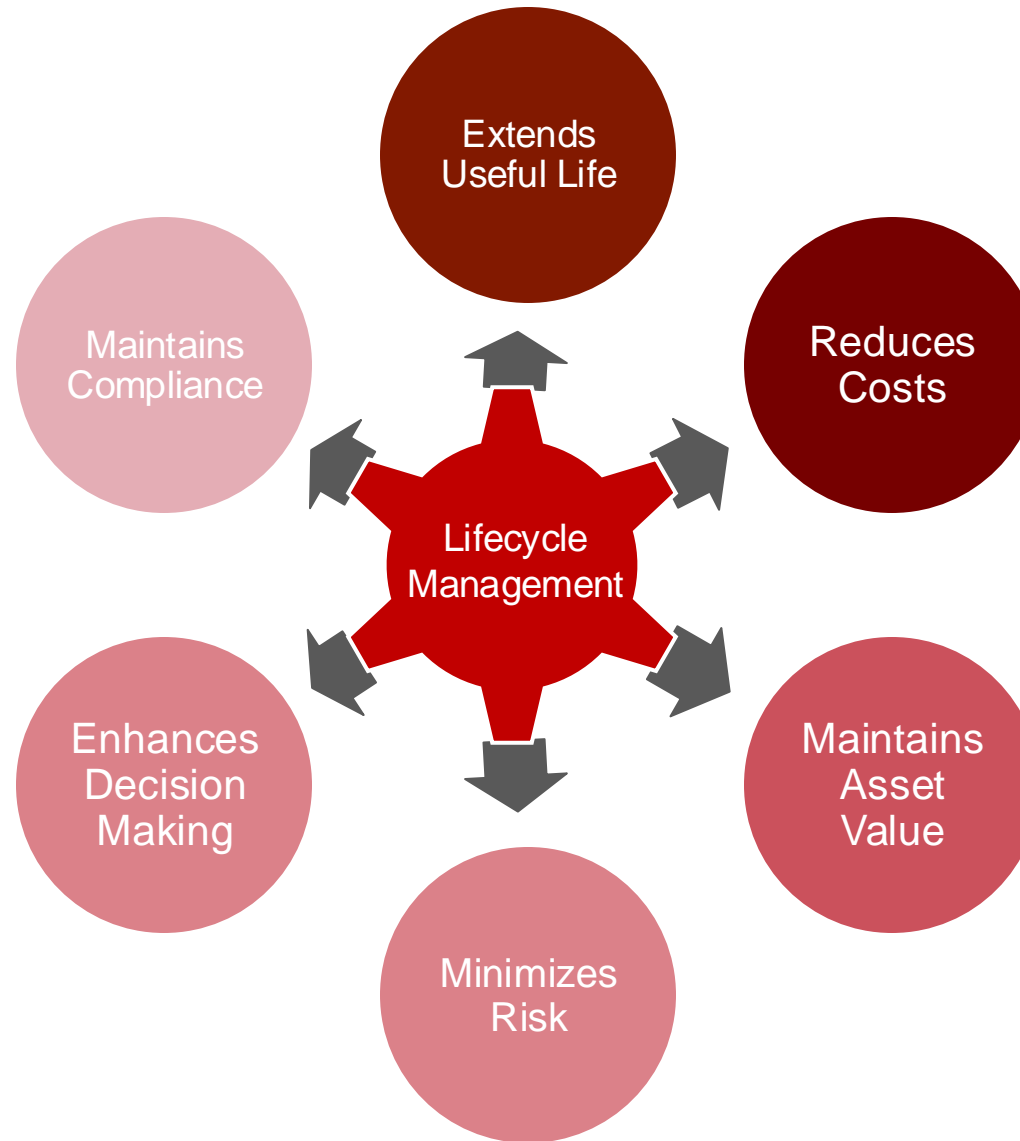
Lifecycle Management - The affordable management of assets over their lifecycles.

A combination of:

- Asset Lifecycle Strategies - Operating and capital activities to maximize assets and service delivery
- Financial Strategies - Affordably funding the assets throughout their lifecycles

Lifecycle and financial strategies are continually adjusted according to changing service requirements, risk and affordability

# Importance of Lifecycle Management



# Link to Levels of Service

Lifecycle Management	Service Outcomes
Regular maintenance and repairs	Safety, reliability and efficiency
Timely upgrades and replacements	Safety, reliability and efficiency
Cost-effective decision making	Affordable and sustainable
Risk management and compliance	Safety, regulatory requirements and reliability

# Link to Risk Management

## Good Lifecycle Management Reduces Risks:

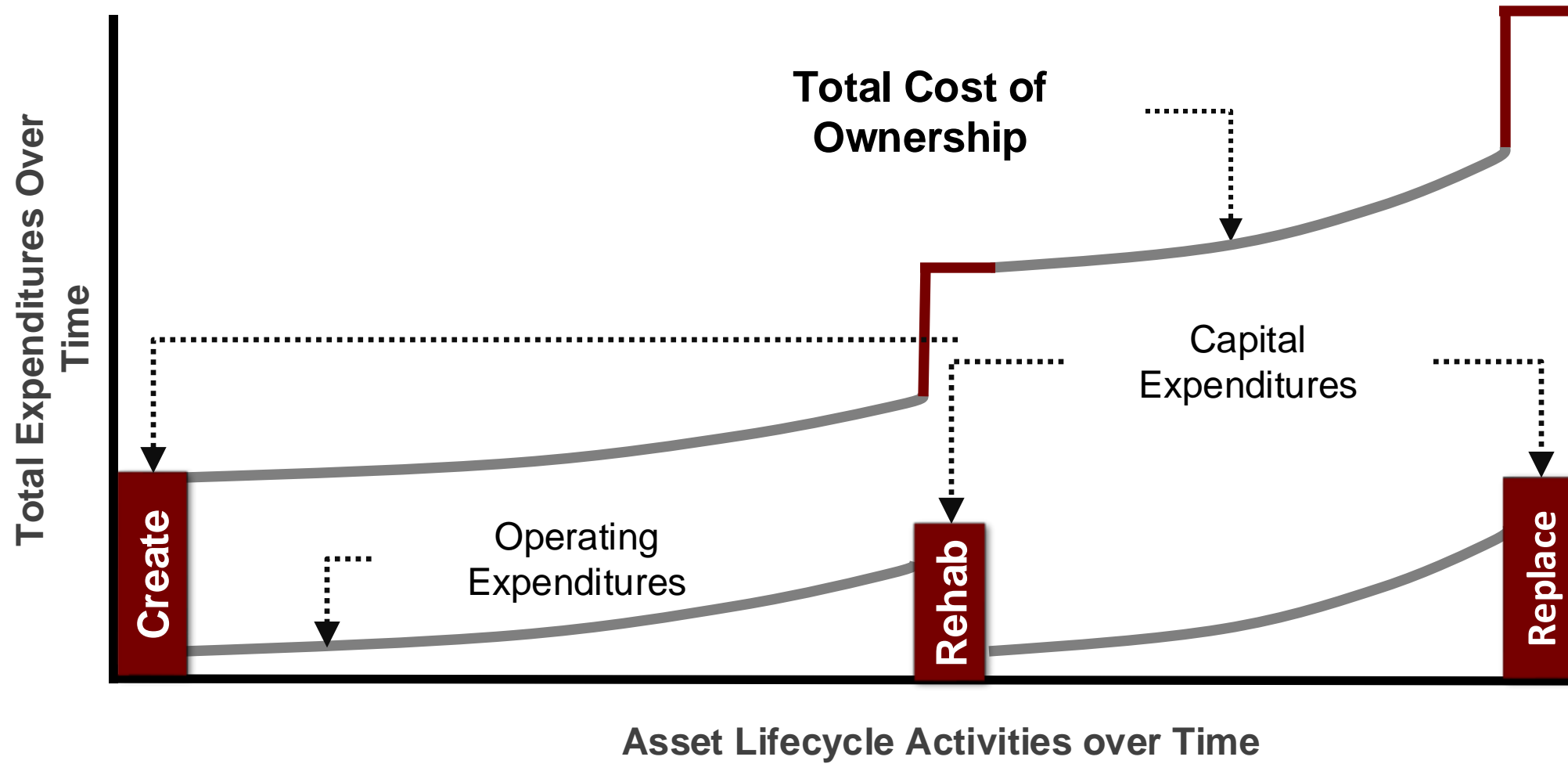
- Minimizes Service Disruptions: Regular maintenance plans and upgrades ensure smooth, continuous operation.
- Enhances Safety: Proactive risk mitigation lowers the chance of accidents or asset failures.
- Reduces Long-Term Costs: Reduces unplanned repair costs and extends asset lifespan.

## Risk-Based Decision Making:

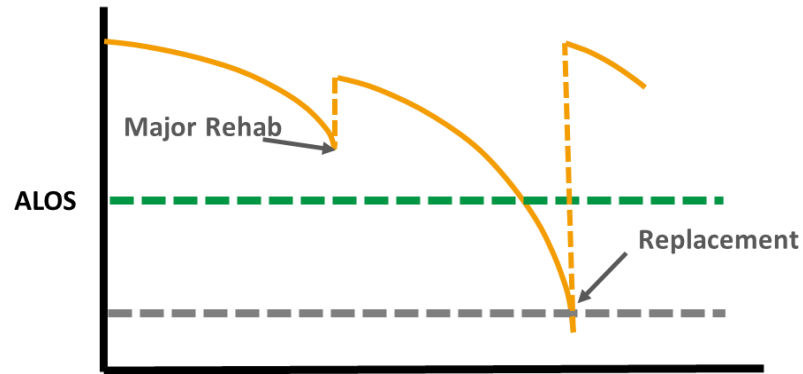
- By understanding where different assets are in their lifecycle decisions can be made on which asset repairs have greater priority to services
- Example: In next year's budget do we repave John Street which is in "poor" condition or replace the "very poor" roof on our long-term care facility?



# Total Cost of Ownership

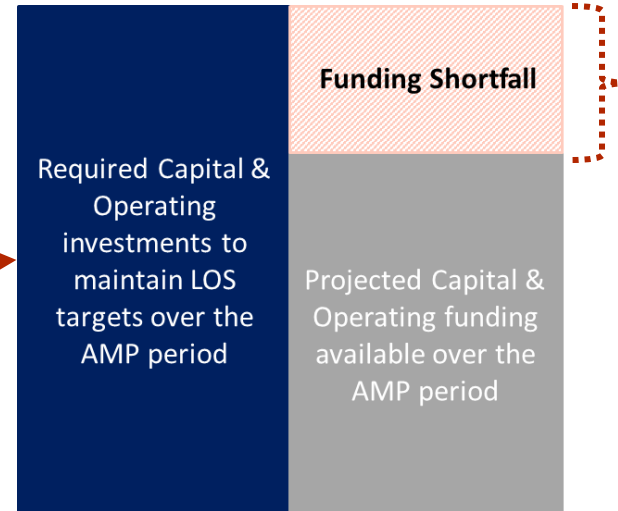


# Link to Financial Strategy



## Lifecycles

Investment needs for O&M,  
rehabilitation and  
replacements



## Infrastructure Funding Gap

(Options: Raise Revenue,  
Borrow, Reduce LOS,  
Accept)

## Current Funding Available

Current Available Resources  
(Taxes, Fees, Grants,  
Reserves etc)

# Key Take-away

**Lifecycle Management** = **Optimized Costs** + **Sustainable Services** + **Acceptable Risk**

- Ties directly to LOS, Risk and Financial Strategy
- Complies with O.Reg. 588/17
- Proactive Planning ensures long-term sustainability

# AMONTario Financial Model

## Asset Class Summary

### Current State

- Replacement Value
- Quantity
- Average age
- Overall Condition and Rating
- Distribution of Condition Rating

### Financial Planning

Capital Planning, O&M Planning and Total 10 Year Plans

- 10 Year Reinvestment Needs
- 10 Year Capital Plan & O&M Plan Reinvestments
- Reinvestment Rate & Sustainability Index

## 10 Year Reserve Financing

### Reinvestment Forecasting

- Annual Operating & Capital Investment Needs
- Annual Proposed Investments in the Capital Plan

### Reserve Forecasting

- Current Reserve Balance
- Annual Revenue
- Annual Recommended Investments
- Ending Reserve Balance

## Lifecycle Costing

### Operating & Maintenance Costs

- Annual O&M Costs (Labour, Parts & Materials etc.) by Lifecycle Activity

### Capital Costs

Lifecycle Strategy & Costs

- Define Lifecycle activities (Rehab & Replacements) and associated costs

Inventory & Lifecycle Costing

- Forecast the required expenditures based on the lifecycle strategy





# Thanks!

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