History repeats itself, first as tragedy, second as farce.

KARL MARX
Sustainably Managing our Assets

City of Ryde
Lifestyle and opportunity @ your doorstep
FCM – Why invest in Asset Management

Building a BC Model

IT'S THE SAME CHALLENGE, JUST DIFFERENT PEOPLE.

Nyla Milleson

QUOTEHD.COM
Asset Management for Sustainable Service Delivery: A BC Framework

IT WORKS!
Getting Started

Material development

- Many hours and meeting and information development led by the team at Asset Management BC: Wally Wells, Glen Brown, Dave Allen, Andy Wardell, David Love, Brian Bedford, Liam Edwards, myself, others and the Team at Urban Systems.

- The Team has developed the wheel with the short program which can be found on the Asset Management BC website.
The Framework

Implement:
- Measure and Report
- Implement Asset Management Practices

Communicate:
- Integrate to Long-term Financial Plan
- Asset Management Plan
- Asset Management Strategy

Plan:
- Asset Management Policy

Assess:
- Assess Asset Management Practices
- Assess the Current State of Assets

Engage:
- Information
- Finances
- People

Review:
- Sustainable Service Delivery
The Framework

- Outcomes focused framework (i.e. identifies **why** and **what**, but not **how**)
- Developed in partnership by UBCM, Ministry of Community, Sport and Cultural Development, and Asset Management BC, with consulting support by Urban Systems
- Developed to meet administrative requirements of the renewed gas tax agreement
- Short version and long versions currently available on AMBC website
The Process

- Continuous quality improvement process
- Incremental and scalable
- **Assess** capacity, demand and results
- **Plan** what needs to be done
- **Implement** plans
The Core Elements of Asset Management

- **ASSETS** - physical infrastructure to enable service delivery
- **INFORMATION** – to support decision-making for sustainable service delivery
- **FINANCES** – understanding long term costs of service delivery
- **PEOPLE** – culture and capacity for informed decision-making
1. Assess asset management practices (today):
   - Organizational capacity for asset management
   - Current status in each of the core elements

2. Assess the current state of assets:
   - What do you have and where is it?
   - What’s it worth?
   - What is its expected remaining life?
   - How much will it cost?
Plan

- **Policy**: Coordinated principles and requirements.
- **Strategy**: Objectives for asset management, organizational approach, and connection to other plans and initiatives.
- **Asset Management Plan**: User-friendly, long-term document that identifies current assets, conditions, and risks, and the cost and timing of activities are required to maintain service levels.
- **Integrate to Long Term Asset Management Plan**: Identify gaps between long term investment requirements and revenue, and adjust revenue or service levels to address the gap.
Implement

- **Implement asset management practices:** implement actions in the plans, build the systems and processes required to continuously improve asset management.

- **Measure and report:** assess performance against asset management objectives (may use a set of indicators), and report results through annual and financial reports.
Communicate, Engage, Review

- Ongoing and throughout the process
- Develop alignment internally
- Understand expectations and priorities of the community
- Communicate service level and cost tradeoffs

Asset Management is critical to achieving informed decision-making and Sustainably Delivering Services.
The Grand Forks Experience:

IT WORKS!
We started our journey scared and paralyzed.
Natural Reaction within and outside the organization
ASSESS: taking our head out of the sand.

Asset Management Assessment and Gap Analysis
- Staff Capacity Assessment and Development of a Cross Functional Team
- Data, Work Flow and Process Assessment

Asset Management Investment Plan (AMIP)
- 20 Year Investment Scenario for renewal all of the City’s Assets
- Needs and timing based on age and theoretical service lives

Key Takeaways
- City owns $127M in assets
- Infrastructure replacement
  - Deficit of $32M
- Average Annual Replacement
  - Value is $3.85M
2. Developing a plan is easy, implementation is tough.
PLAN: Identifying essential projects

Essential Projects

Condition
- 20 Year prioritization scoring model using condition and capacity for renewal projects
- Focus on Priority 1 renewal projects ~ $700K/yr
- New well #2 Replacement (71 Lps)
- 5th Street Watermain (Kettle River Crossing)
- 22nd Street, 3rd Street and 68th Ave

Capacity
- Improve Fire Protection (underway)
- Sewage Treatment Plant improvements

Compliance
- Future Upgrades to the East Side Reservoir (IHA)
- Groundwater Quality and Licensing
- Bio-solids Management
- Effluent Discharge
IMPLEMENT: How will we pay for it?

The community responded to these challenges with overwhelming support, passing a referendum to borrow up to $4.2 million for capital renewal of water, sewer, drainage and road infrastructure, and increasing taxes by 15% for asset renewal, along with a AM policy that provides stability to the budget process.

The City’s objective is to develop a realistic program grounded in affordability.
3. We are now going to realize the benefits we get out of asset management.

Image: https://www.roberthalf.com
Questions?