

## Council Strategy

# Asset Management Improvement

**City of Albany**

**Asset Management Improvement Strategy**

Revision Status

Revision No.	Status	Distribution	Issue Date	Comment
0	Preliminary	Asset Management and City Services Strategy and Policy Committee	6/11/08	Draft
1	Preliminary	Asset Management and City Services Strategy and Policy Committee	2/12/08	Draft
2	Final	Council	16/05/09	Amendments to timeframe dates.

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## 1.0 EXECUTIVE SUMMARY

The City of Albany has agreed to participate in the Western Australian Asset Management Improvement Programme being supported by the Western Australian Local Government Association (WALGA), Department of Local Government and Regional Development (DLGRD), Local Government Manager's Association (LGMA) and the Institute of Public Works Engineers Australia (IPWEA).

Initial workshops have been held and the City is commencing the process of implementing the programme. The workshop highlighted an opportunity for the City to build on our strategic approach to asset management over past years and to lead the way by utilizing this state wide approach.

This Asset Management Improvement Strategy is a key document in the WAAMI programme and has been developed to communicate the City's commitment to improving asset management practices and to ensure that our activities are undertaken in accordance with the guidance offered by the WAAMI framework.

In brief, this Improvement Strategy plans to;

- Ensure Councillors and Staff participate in the creation of asset management strategies;
- Capitalize on the state wide and national framework;
- Make use of the tools offered with the programme;
- Encourage continuous improvement in the processes and practices;
- Promote informed planning and decision making, and;
- Determine the gaps and develop long term strategies.

To achieve these aims, the City will undertake the following four (4) steps;

- Develop an Asset Management Policy (Interim Strategy adopted 15<sup>th</sup> July 2008);
- Review current strategies and place them in context of the WAAMI framework;
- Develop plans to deliver the strategies, and;
- Establish the operation requirements to implement the strategy.

This improvement strategy outlines our programme for improvement steps in asset management and what the City plans to achieve over the two (2) year time frame of the WAAMI programme.

## 2.0 STRATEGIC CONTEXT

The City's Strategic Plan Albany Insight – Beyond 2020 sets out the vision for Albany to 2025. The City plans to operate and maintain the pathways network to achieve the following strategic objectives;

### ***Item 4 – Governance***

*The City of Albany will be an industry leader in good governance and service delivery.*

- *Manage our municipal assets to ensure they are capable of supporting our growing community.*

## 2.1 Community Vision

*By 2025 Albany will be..."Historic Albany – Home to a vibrant, resourceful and culturally diverse community driven by a spirit of generosity and opportunity, nestled around a spectacular natural harbour in a region of unique beauty"*

## 2.2 Mission Statement

The City of Albany is committed to sustainable management of Albany's municipal assets.

## 3.0 STRATEGIC FOCUS AREAS

### **Development of an Asset Management Policy**

Council adopted an Asset Management Interim Strategy on 15<sup>th</sup> July 2008. Since the adoption, a second workshop has been held and feedback from this workshop is required to be incorporated for the formal adoption of AM Policy. The review of this document is being prepared for presentation to Council in January 2009.

### **Cross Functional Internal Working Group**

The City has formed a working group comprising of staff across the organization, including finance, asset management, operations, customer service and community services.

Meetings are scheduled on a monthly basis and will work within defined terms of reference.

### **Asset Management Plan - Pathways**

This Draft Asset Management Plan has been developed, presented to the Asset Management and City Services Policy and Strategy Committee and is scheduled for Council adoption in January 2009. The resolution will require an advertising period of 30 days and consultation with key stakeholders. The plan will then be presented to Council for final adoption in February 2009 and the expenditure commitments included in the draft 2009/2010 Budget.

## **Asset Management Plan - Roads**

The City adopted an Asset Management Strategy – Roads on 15<sup>th</sup> May 2001, this document and another Asset Management Strategy – Road Preservation, adopted on 16<sup>th</sup> July 2002, has formed the basis of asset management activities relating to roads.

These documents will be reviewed updated in alignment with the WAAMI programme with the first draft scheduled for February 2009.

### **Current Status**

- The City uses the Roman database for recording information on road condition plus a small amount of information is recorded on the GIS database;
- A condition survey of sealed roads was undertaken in November 2007;
- Condition data for unsealed roads is to be obtained from maintenance team. Gravel re sheets are also recorded in Roman;
- New roads from subdivisions are added when 'as-constructed' drawings are received from developers. There is currently a small backlog in recording this information due to the high number of developments reaching practical completion throughout the City over the past 12 months;
- The City's road sign network needs for be audited. No work have been undertaken to date;
- Capital works updates are entered at the end of each financial year – currently 2007/2008 works are still to be site measured and added, and;
- Costing data needs to be updated to give up to date valuations and future renewal costings.

## **Asset Management Plan - Buildings**

The City holds an inventory of City owned and operated buildings. A condition assessment has been undertaken in the past five (5) years. This work is required to be reviewed and updated. The City will include in the 2009/2010 Draft Budget an amount to undertake a condition audit of all building assets, and;

The condition audit will form the basis for a first Draft Asset Management Plan – Buildings to be completed by January 2010.

## **Asset Management Plan - Drainage**

The City has not previously developed an Asset Management Plan for drainage. Work to date has been limited to ensuring that inspections are completed and the inventory data base is current. There have been a number of flood studies undertaken and funds expended in developing localized studies for development purposes. Recent extreme weather events have lifted the profile of drainage issues. It is planned to complete a drainage management plan by December 2009.

### **Current Status**

The City has significant data gaps in relation to drainage, in particular the invert levels and pipe diameter.

Age data is negligible and condition data has not been recorded.

## **Asset Management Plan – Recreation – Parks and Reserves (Natural and Developed)**

The City adopted an Asset Management Strategy – Reserves on 26<sup>th</sup> June 2001. This document has formed the basis of asset management activities in reserves. The document will be reviewed and updated within the context of the WAAMI programme. This work will be scheduled for completion during 2009.

### **Current Status**

The City has recorded an extensive inventory of playground equipment.

There is currently a Park and Reserves capital programme covering upgrade works required.

## **3.1 Other Priority Areas**

### **Communication Strategy**

Establish a mechanism for advertising asset management activities through monthly updates in local papers and advertising on the City of Albany Web Page.

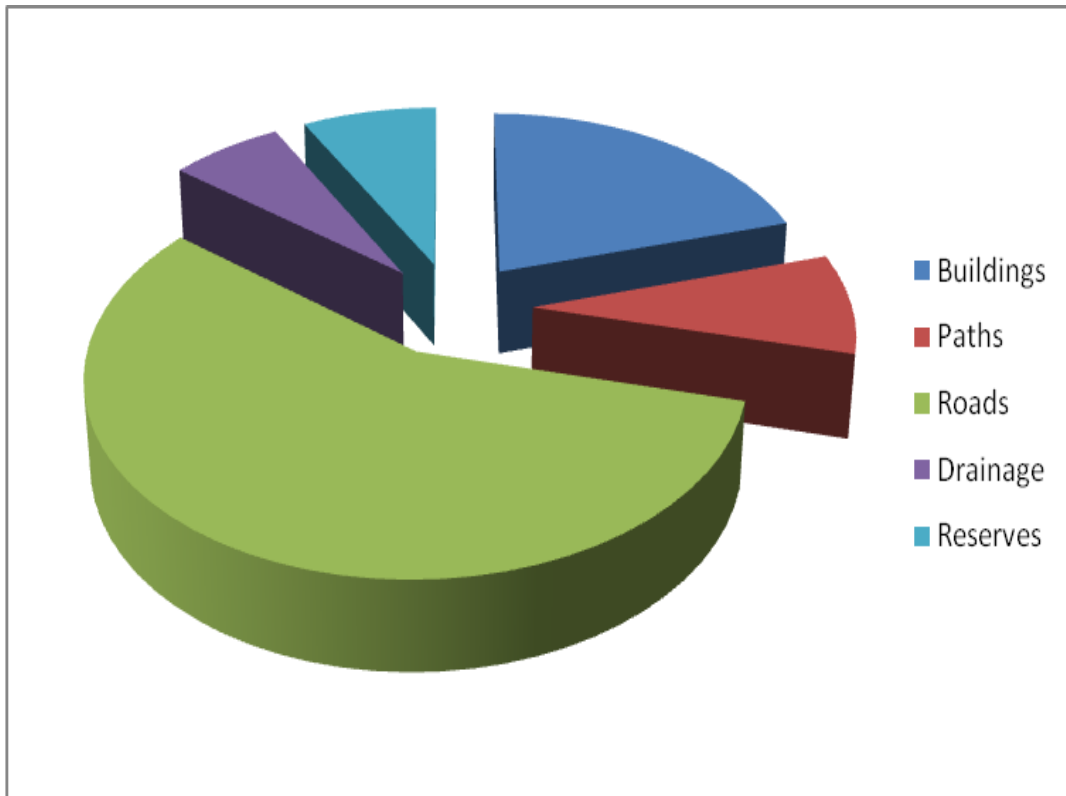
### **Develop Roles and Responsibility Matrix**

Establish and matrix of roles and responsibilities for each asset type for endorsement of the Internal Cross Functional Working Group (ICFWG) by March 2009.

### **Develop ICFWG Terms of Reference**

Set the terms of reference for ICFWG endorsement by March 2009.

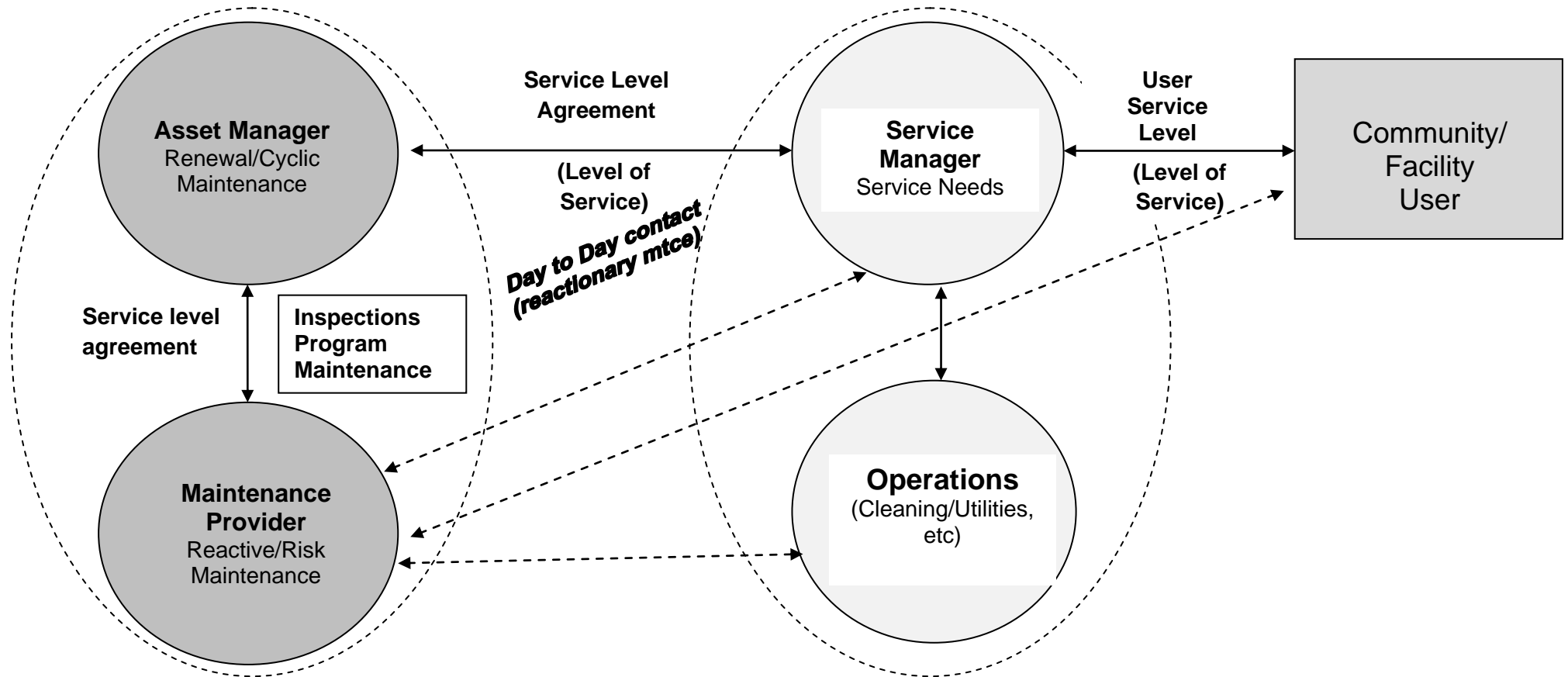
#### 4.0 CURRENT ESTIMATED VALUE OF ASSETS



Buildings	\$ 52,470,778.00
Paths	\$ 21,755,000.00
Roads	\$ 145,849,707.00
Drainage	\$ 16,779,004.00
Reserves	\$ 20,000,000.00

## 5.0 ROLES AND RESPONSIBILITIES

### Strategic View of Roles & Responsibilities



**Roles and Responsibilities (to be further developed in Operational Plans and matrix)**

<b>Asset Manager</b>		<b>Services Manager</b>	
<b>Strategic</b>	<ul style="list-style-type: none"> <li>• Condition Assessment</li> <li>• Predictive Modelling</li> <li>• Renewal/Cyclic Maintenance</li> <li>• Long Term Renewal \$ Plan</li> <li>• Reporting to Council</li> <li>• Liaison Service Manager</li> </ul>	<ul style="list-style-type: none"> <li>• Demand Analysis</li> <li>• Community Engagement</li> <li>• State/Federal Initiatives</li> <li>• Long Term Service – whole life \$</li> <li>• Determining Service Needs</li> <li>• Liaison Asset Manager</li> </ul>	<b>Strategic</b>
<b>Tactical</b>	<ul style="list-style-type: none"> <li>• Scope &amp; Schedule Works</li> <li>• Asset Data Management</li> <li>• Client Liaison/reporting</li> <li>• Contract Management</li> <li>• Construction</li> <li>• Renewal Budget Control</li> </ul>	<ul style="list-style-type: none"> <li>• User Consultation/Agreements</li> <li>• Service data management</li> <li>• Service &amp; Project Budget</li> <li>• Liaison Project Managers</li> <li>• Monitoring Service Outcomes</li> <li>• Upgrade/New Budget Control</li> <li>•</li> </ul>	<b>Tactical</b>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>• Proactive &amp; Reactive Maintenance</li> <li>• Scheduling Maintenance</li> <li>• Maintenance Staff/Sub-contractor</li> <li>• Management</li> <li>• Client Liaison</li> <li>• Maintenance Budget Control</li> </ul>	<ul style="list-style-type: none"> <li>• Operations Budget                             <ul style="list-style-type: none"> <li>○ Cleaning/Utilities</li> <li>○ Service Costs (staff etc)</li> </ul> </li> <li>• Reporting</li> <li>• User Liaison</li> </ul>	<b>Operation</b>

## 6.0 CURRENT ASSETS

Similar to many organisations, the City of Albany maintains infrastructure asset data in numerous different databases to various quality standards. By far the highest quality data is contained within the Roman roads database and is already the subject of regular updating. It is a priority of this strategy to improve the quality of data over the coming years.

## 7.0 INFORMATION SYSTEMS

As mentioned above, the City maintains numerous asset databases ranging from Roman, Excel spreadsheets, Access databases and various proprietary software systems. The use of these and other systems, both existing and proposed, will be investigated as progress on the asset management plans is made.

## 8.0 RISK MANAGEMENT

The Asset Management Improvement Strategy will be supported by the City's Risk Management Plan with a specific risk focus applied to asset management. Risk Management is an integral part of good business practice and works in tandem with strategic and financial planning. Developing and maintaining a Risk Management Framework is an effective way to identify, manage and respond to risks within an organisation.

It is anticipated that the City will develop a Risk Management Plan within the next twelve months. An enterprise wide Risk Management Framework will consider all facets of an organisation's activities and aims to identify and deal with risks the organisation may face strategically and in its day to day operations. Risk Management is the process of thinking about the possible risks an organisation faces either before they happen or as a result of an incident or outcome and setting up treatments that will avoid the risk or minimise the impact of the risk.

The City of Albany's Framework will be holistic in approach and broken down into key areas of: identify, assess, treat, consult, communicate, monitor and review and will be developed in accordance with the Australian and New Zealand Standard for Risk Management – AS/NZS 4360:2004.

Risk Management allows for systemic change and continuous improvement in planning, resource allocation, decision making and processes and delivers outcomes such as:

- Improved asset management
- Improved planning, performance and effectiveness
- Accountability and sound governance
- Protecting the organisation from legal liability
- Reducing insurance premiums
- Improved community perception of the Shire/Council
- Capacity to respond to new opportunities
- Improved prioritisations of activities and projects

## **9.0 PROJECT MANAGEMENT**

Whether its existing or new projects, either capital works or organisational, projects have a beginning and an end, require resources, are aligned to the City's Strategic Plan, improve services or productivity and have a community impact and therefore require robust, effective systems and processes to ensure effective development and implementation.

Developing and implementing a standard management process, providing project management tools and oversight, whilst up-skilling departmental staff in project management will reduce project slippage, costs overrun and scope creep and ensure project deliverables are achieved 'on time on spec'

## **10.0 ASSET MAINTENANCE**

The asset management activities to date have identified a need to introduce better maintenance programs and to work towards managed maintenance systems. This is particularly important for risk management with respect to roads, paths, drainage, buildings and recreation.

Initially, inspection regimes and maintenance recording procedures should be improved to ensure accurate records are maintained of all asset maintenance activities.

Managed maintenance capabilities will be taken into account in the review of asset management or corporate information systems.

## **11.0 GAP ANALYSIS**

The gaps identified in the City's asset management processes are identified in this document. The City has been a leader in asset management in past years and the WAAMI programme is considered an opportunity to further enhance our strategic approach.

The City will build on our past work on ensure existing strategic plans are updated into the WAAMI context. However the most significant gaps exist in long term planning. No asset management plans have been developed to date, an Asset Management Policy has only just been developed and this is the first Asset Management Strategy for the City.

## 12.0 KEY ACTIONS

### Strategic Focus Areas

1. Development of Asset Management Policy	
Timeframe	Complete by March 2009
Resources	Manager City Assets
Officer	Manager City Assets / Executive Director Works and Services
References	Council adopted Asset Management Interim Strategy (15 <sup>th</sup> July 2008)

2. Cross Functional Internal Working Group formation and agreed terms of reference	
Timeframe	Complete by March 2009
Resources	Manager City Assets
Officer	Manager City Assets / Executive Director Works and Services
References	WAAMI and NAMS tools for format

3. Asset Management Plan - Pathways	
Timeframe	Complete by February 2009
Resources	Manager City Assets
Officer	Manager City Assets / Executive Director Works and Services
References	Seek feedback and endorsement by Committee and Council

4. Asset Management Plan - Roads	
Timeframe	Complete by December 2009
Resources	Manager City Assets / City Assets Collections Officer
Officer	Manager City Assets / Executive Director Works and Services
References	Romans data, previous strategy, Austroads and NAMS template

5. Asset Management Plan - Buildings	
Timeframe	Complete by April 2010
Resources	Manager City Assets
Officer	Manager City Assets / Executive Director Works and Services
References	Existing Condition Inventory, Heritage Inventory

Adoption Date: 16/06/09  
Adoption Reference: Item 13.2.1 OCM 16/06/09  
Review Date:  
Maintained By: Works and Services  
Document Reference: NS099437MAN236

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6. Asset Management Plan - Drainage	
Timeframe	Complete by September 2009
Resources	Manager City Assets / External Specialist Engineer
Officer	Manager City Assets / Executive Director Works and Services
References	GIS pick up / flood studies

7. Asset Management Plan – Recreation – Parks and Reserves (natural and developed)	
Timeframe	Complete by March 2010
Resources	Manager City Assets
Officer	Manager City Assets / Executive Director Works and Services
References	Council adopted Asset Management Strategy Reserves (June 2001)

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### **13.0 IMPLEMENTATION**

The Internal Cross Functional Working Group (ICFWG) will be responsible for reporting to the Executive Director Management Team (EDMT) progress made in relation to the Strategic Focus Areas, barriers to achieving objectives and proposed solutions or alternative actions.

A communications plan will also be developed to advise stakeholders, staff and community of progress made and key issues identified. Council will also receive a detailed update of the Asset Management Improvement Strategy including financial and service delivery implications.

It is proposed to review the AM Strategy and Improvement Plans every 3 years in conjunction with the Long Term Financial Plan and Plan For The Future. The City of Albany Risk Management Plan will also guide future actions and escalate actions and/or activities if identified.

### **14.0 PERFORMANCE MEASURES**

The City will measure performance based on the targets within this Improvement Strategy and peer review through the WAAMI programme.

### **15.0 REVIEW**

The Executive Director Works and Services will review annually on or before 30<sup>th</sup> June.