

Service-Led Asset Management - It's Not Only About Condition

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Introduction. Traditional approaches to building asset management within Local Government organisations generally focus on the condition of the building portfolio, with required works being identified and completed based upon building-related defects or in-house knowledge.

This approach has served Council's well in the past, however with the growing expectations from the wider community, simply maintaining the condition of the building assets over time is seen to be not enough anymore.

This paper focuses on the recently completed 'Building Condition & Functionality Inspection Audits' project that was undertaken with Wollongong City Council (Council). Through this project, Council and SPM Assets worked collaboratively in order to accomplish Council's goal, which was to *"develop and implement an assessment program to inform a more strategic, equitable, transparent and sustainable approach for the management of Council's building assets."*

Challenges. Prior to the commencement of the project, Wollongong City Council knew what they wanted to achieve as they were faced with a number of frustrations. These frustrations, included:

- Overspending on budgets and limited funds available, due to budgets being based on historical expenditure and assumptions.
- Limited information to support the decision-making process, with much of the knowledge being held by key employees.
- Predominantly reactive works being undertaken, due to insufficient information for a planned approach.

The Council recognised that change was required and a fundamental part of this change would be the outcome from a 'Condition and Functionality Inspection' project. However, prior to this project commencing, Council went through the following processes:

- Research process, over a 12-month period, to identify best methods and processes. The Council decided to follow and implement IPWEA's Practice Note #3 approach.
- Documentation of requirements and specifications throughout the research process to inform the tendering process.
- Internal engagement with Service Managers/Stakeholders to gain cross-Council collaboration and involvement.
- Recruitment of additional specialised internal resources.
- Collaboratively defining priorities for assessments and works moving forward.

In other words, the Council knew what they wanted to achieve, but needed help implementing it.

Methods. Both a collaborative, innovative, and industry-aligned approach to asset management planning was implemented for the project. This approach focused upon the combining key AM principles, written within IPWEA Practice Note #3 'Building Condition & Performance Assessment Guidelines' and the NAMS Property eManual, with SPM Assets' asset planning software application.

As a brief overview of the collaborative process, the key stages within the overall project included:

- Individual workshops with each building group to further determine Levels of Service and Quality Standards across Council's 19 different building category groups.
- Conducting infield assessments (condition, defects, functionality) across the portfolio.
- Analysis of asset data to determine shortfalls at both a building category and individual building level.

- Consultation workshops with Building Managers to work through the assessment results, building standards, and current works programme was undertaken.
- Building Managers reviewed, realigned, and amended their works programme to be inclusive of the project results.
- Asset data was updated to Council's systems following the completion of program works.

Findings & Argument. Utilising an innovative and industry-aligned assessment approach provided Council with a level of data in which they have never had before, however it was the analysis and reporting that provided them the greatest value.

Upon review of the results, the asset condition data identified that Council had been quite proactive in maintaining the overall condition of their building assets across the portfolio. However, Council also acknowledged that using the condition results solely to rank their building assets would not provide them with what they needed.

To gain a more true understanding of Council's building assets and the overall portfolio, SPM Assets worked closely with Council to develop a Quality Standard criteria that established whether a building asset was either 'below', 'achieving' or 'exceeding' the established standard. This Quality Standard focused upon both condition and functionality indices, which are explained as follows:

- Condition Grade Index (CGI) – A weighted condition rating for each building asset that considers the condition of the assessed components against the replacement cost.
- Facility Functionality Index (FFI) – A weighted functionality rating in which the value of functionality shortfalls is measured against the value of the asset.

Through applying the Quality Standard across their portfolio, Council was able to gain a more complete understanding of how they are performing (both condition and functionality), identify the required expenditure and criteria required to bring an asset back to standard, whilst also identifying the ongoing requirements of the asset moving forward.

Conclusions. Implementing a service-led asset management approach (combination of both condition and functionality audits) has provided Council with a true understanding of their assets. This has enabled Council's Business Managers to make the right decision on where to focus for their next project, but also provided all levels of the organisation with confidence that the portfolio will meet the community's needs and expectations into the future.

"This is a really exciting step and one that needed strong cross-council collaboration, support and involvement. By having a shared understanding of how Council's assets – whether a childcare centre or a heated pool – support the delivery of services to our community we're able to work together to prioritise those that need renewal, upgrades or general maintenance."

Greg Doyle, Wollongong City Council – General Manager, former Director Infrastructure and Works

References. The following references are applicable for the extract provided.

1. IPWEA, "NAMS Property Manual", V1.0 National Asset Management Steering Group, Thames, New Zealand
2. INGENIUM and IPWEA, "International Infrastructure Management Manual", Association of Local Government Engineering New Zealand Inc. and National Asset Management Steering Group, Thames, New Zealand
3. IPWEA, "Practice Note 3: Buildings – Building Condition & Performance Assessment Guidelines" Version 2, Institute of Public Works Engineering Australia, Sydney, Australia