

Why invest in asset management? (4 mins)

Why Invest in
Asset Management?

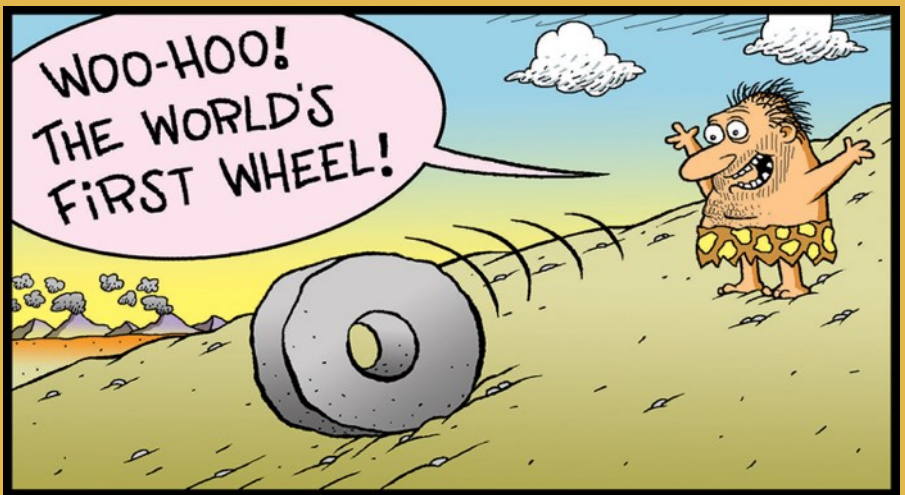


Asset management



PART

1



What is asset management?



What is management?



“Mind you, I’m not responsible for the entire pipeline – just the section that flows through my office.”

CartoonStock.com

Formalized planning for the services that contribute to our quality of life



Asset management is...



Asset management is a process used in decision-making.

It helps us care for the infrastructure that delivers valuable services to our community, in a way that:

- **Considers service needs of our community**
- **Manages risks and opportunities**
- **Uses resources wisely**



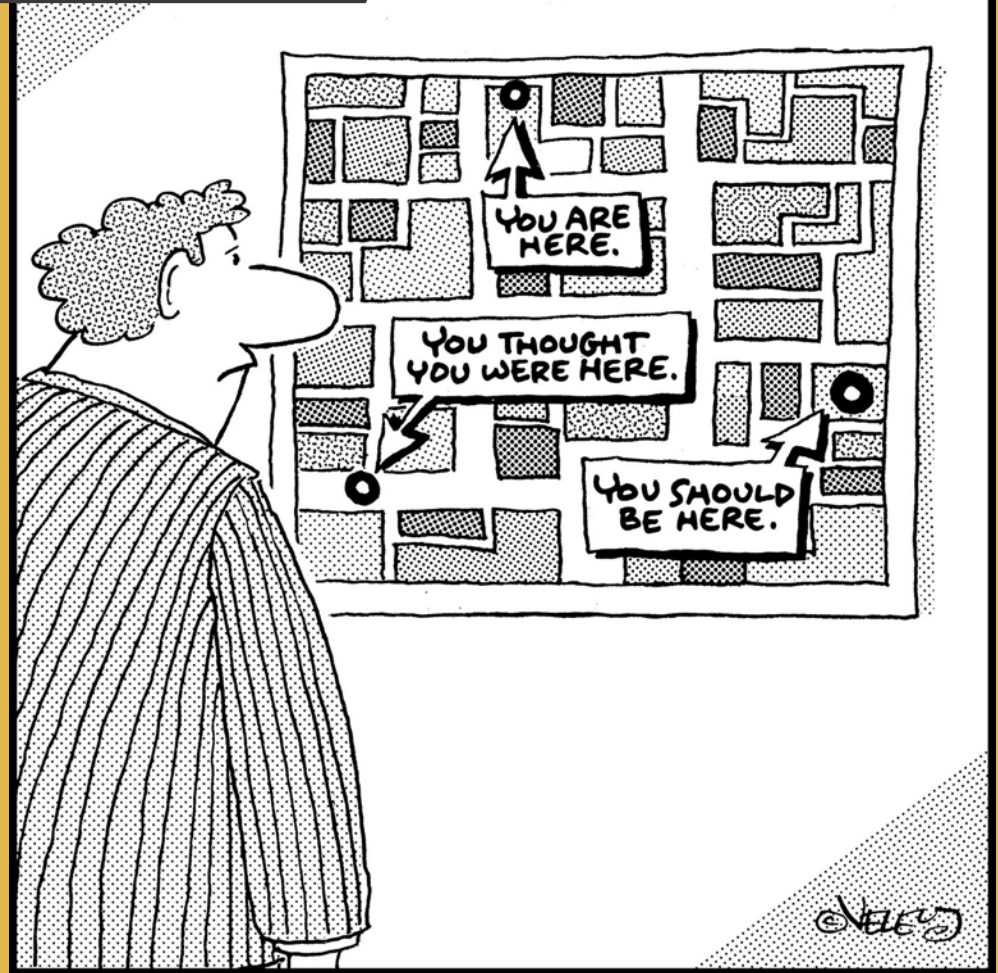
Asset management is not just the job of...

- Staff
- Consultants

It is everyone's job

Asset management is...

- A process
- A journey
- An approach
- A way of doing business



Haven't we been doing this all along?



A close-up photograph of a person's face, focusing on their eyes which are looking upwards and to the right. The person has dark hair and light-colored eyes. The image is partially obscured by a dark grey diagonal shape on the left side, which contains the text 'PART 2'.

PART

2

What is the benefit of
asset management to
my community?



What do people in our community want?

Safe and sustainable services in a predictable, cost-effective manner.

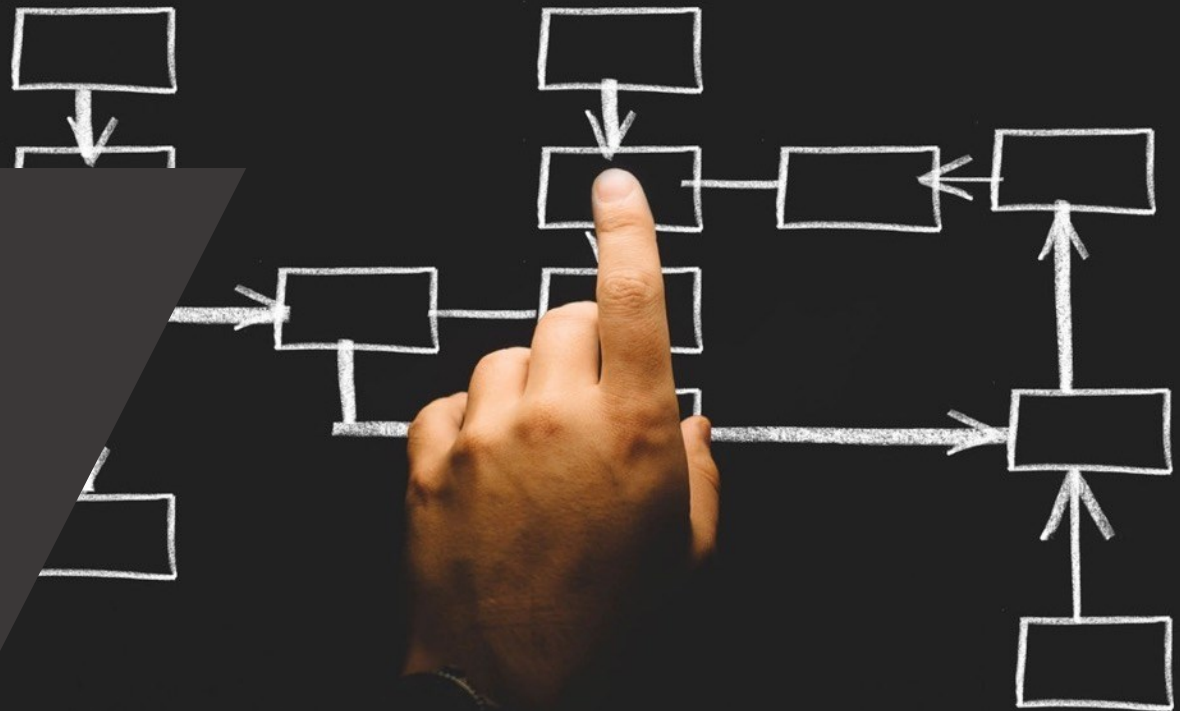


People don't want surprises like this.



We need a system that helps us to...

- **Maintain the delivery of services**
- **Plan for the future**
- **Manage risk**
- **Budget smartly**



How does asset management deliver value to my community?

Performance



Risk



Cost



**Value from
services**



COMPONENT ① Performance

Does it do what it is supposed to at the level we expect?

My road gets plowed within 24 hours of a snowfall, not once a month.



COMPONENT ②

Risk



What is the **likelihood** of service failure?
What is the **consequence** of service failure?

COMPONENT ③

Cost

How much money do we need to maintain and replace our assets?



Performance + Risk + Cost =
VALUE FROM SERVICES

SIMPLE ≠ EASY

A man with a beard and a woman with curly hair are walking outdoors. The man is wearing a dark suit and the woman is wearing a grey suit with a large necklace. They are both smiling. A dark grey diagonal banner is overlaid on the left side of the image.

PART

3

What is my role as
an elected official?



Role of council

Council sets strategic direction

- Level of service
- Resource allocation



Council needs
information
about asset
performance,
risk and cost to
set direction



A man with a full beard and a woman in business attire are standing outdoors. The man is on the left, wearing a dark suit and a red tie. The woman is on the right, wearing a grey blazer and a necklace. A large dark grey arrow points from the left towards the right, containing text. A blue arrow points from the right towards the left, containing a list of three items.

ASSET MANAGEMENT

gives us the empirical evidence
so we can...

- Do the right thing
- To the right asset
- At the right time





Let's talk about **BUDGETS**



Table 3.1: AMIP Summary

Asset Category	Replacement Value	Expected Remaining Life	Infrastructure Deficit (Backlog)	20 Year Total	Average Annual Life Cycle Investment (AALCI)
Water System	\$60,076,000	46%	\$8,873,400	\$31,032,750	\$1,337,450
Wastewater System	\$45,138,650	37%	\$5,758,050	\$30,638,300	\$733,700
Stormwater System	\$25,233,300	30%	\$3,922,650	\$7,420,950	\$439,300
Roadway System	\$76,008,137	34%	\$26,719,754	\$35,992,204	\$1,927,250
Vehicles & Equipment	\$9,177,502	45%	\$1,205,878	\$9,700,818	\$488,583
Buildings	\$31,452,000	27%	\$1,397,000	\$25,384,000	\$945,000
Parks & Recreation	\$3,042,000	55%	\$254,000	\$1,780,000	\$122,000
Total	\$250,127,589	37%	\$48,130,732	\$141,949,022	\$5,993,283

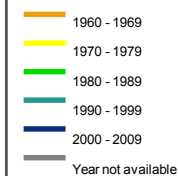


City of Merritt
AMIP

Sanitary Mains
In-Service Year

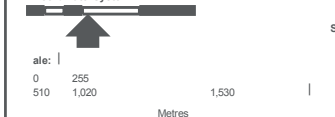
Legend

Sanitary Main In-Service Year



The accuracy & completeness of information shown on this drawing is not guaranteed. It will be the responsibility of the user of the information shown on this drawing to locate & establish the precise location of all existing information whether shown or not.

Coordinate System:



WGS 1984 Web Mercator Auxiliary Sphere 1:40,000

Data Sources:

Data provided by-

Project #: 0521.0199.01

Author: BP

Checked: SS

Status: ●

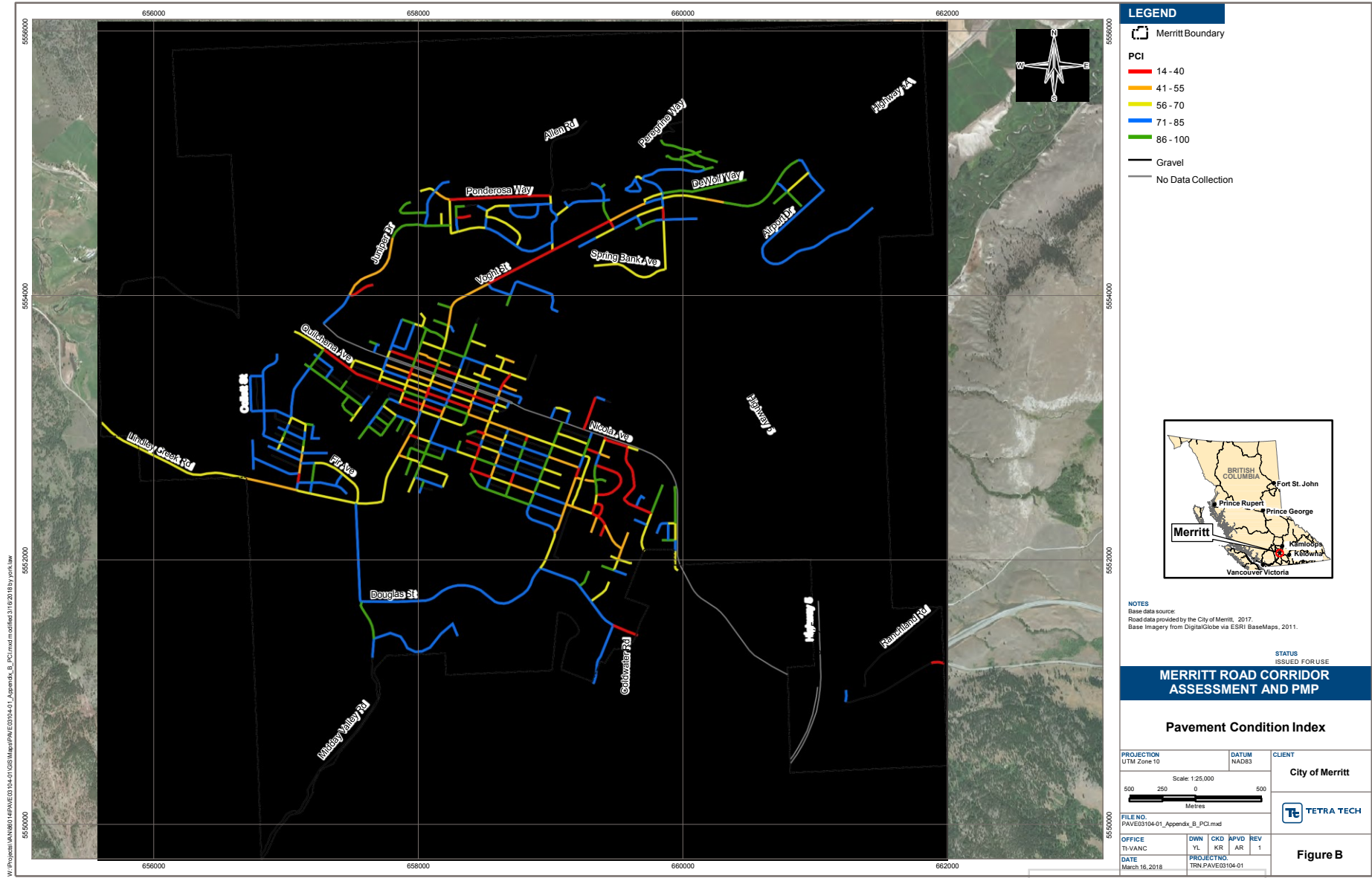
DRAFT~

Revision: A

URBAN
systems

Status: ~
DRAFT ~
Revision: A
Date: 2016 /
8 / 10

FIGURE 2
27



LEGEND

- Merritt Boundary
- PCI**
 - 14 - 40
 - 41 - 55
 - 56 - 70
 - 71 - 85
 - 86 - 100
- Gravel
- No Data Collection

NOTES

Base data source:
Road data provided by the City of Merritt, 2017.
Base imagery from DigitalGlobe via ESRI BaseMaps, 2011.

STATUS
ISSUED FOR USE

**MERRITT ROAD CORRIDOR
ASSESSMENT AND PMP**

Pavement Condition Index

PROJECTION UTM Zone 10	DATUM NAD83	CLIENT City of Merritt
Scale: 1:25,000 500 250 0 500 Metres		
FILE NO. PAVE03104-01_Appendix_B_PCI.mxd	TETRA TECH	
OFFICE TL-VANC	DWN YL CKD KR APVD AR REV 1	Figure B
DATE March 16, 2018	PROJECT NO. TRN.PAVE03104-01	

W:\Projects\1408014\PAVE\03104-01_GIS_Maps\906\Appendix_B_PCI.mxd m defined 3/16/2018 by jcs.taw

How to close the gap?

- Funding options
 - Taxes
 - Debt
 - Grants
- Priorities
 - Key infrastructure
 - Risks
 - Timing

PART

4

How do we get started?



Actions we can take right now:

- Policy
- Resolution from council
- Engagement
- Life cycle costing

...so what
do we
want to
do?



Let's not pass it on



Let's discuss asset management in our community

1. What are the most important services that we deliver to our citizens?
2. Do we have the information we need to ensure that we can continue to provide these services over the long term?
 - Do we know which assets provide these services? What condition those assets are in? When they will need to be repaired and replaced? And how much it will cost over the long term to continue providing these services?
3. Which of our services do we consider CRITICAL (i.e., must not fail or it would have a significant impact to the health, safety or quality of life of our citizens)?
 - Are we investing enough in our assets to ensure our most critical services can be sustained? How do we know?
4. What can we do to ensure we can answer these questions and feel like we have the right information to be responsible stewards of our community's services?