

Asset Management Plan Buildings

© City of Albany 2013

File Ref: CM.STD.6 | Synergy Ref: NMP1331740
Version: 25/06/2013

102 North Road, Yakamia WA 6330
PO Box 484, ALBANY WA 6331
Tel: (08) 9841 9333 | Fax: (08) 9841 4099

Email: staff@albany.wa.gov.au | Website: www.albany.wa.gov.au

Table of Contents

1.0 EXECUTIVE SUMMARY	3
1.1 Overview.....	3
2.0 INTRODUCTION.....	3
2.1 Knowledge of Existing Assets (Inventory, Condition & Utilisation of Assets)	3
Table 2.1.1 Assets covered by this plan.....	3
Table 2.1.2 Buildings by Category - Number.....	4
3.0 SERVICE LEVELS.....	4
3.1 Desired Level of Service.....	4
4.0 FUTURE DEMAND	7
4.1 Demand Management Plan.....	7
5. LIFECYCLE MANAGEMENT PLAN	7
5.1 Asset capacity and performance	7
5.2 Asset Condition	7
Table 5.2.1 - Asset Condition Profile (as at 1/12/2010).....	7
5.3 Risk Management Plan	8
Table 5.3.1. Critical risks and treatment plans	8
5.4 Routine Maintenance Plan	8
5.5 Renewal/Replacement Plan	8
Individual projects are identified in the LTFP.....	8
5.6 Renewal Standards	9
5.7 Disposal Plan.....	9
6. FINANCIAL SUMMARY	9
6.1 Financial Summary.....	9
6.2 Financial projections.....	9
Table 6.2.1 Renewal Expenditure and Demand	9
6.3 Managing the Funding Gap.....	10
REFERENCES	10
Asset Management Plan – Overview	10
Adopted City of Albany Long Term Financial Plan.....	10

1.0 EXECUTIVE SUMMARY

1.1 Overview

This Asset Management Plan (AMP) has been prepared from previous AMP and condition audits with data which is approximately two (2) years out of date. The building network is categorised into the following classifications:

- Municipal Buildings
- Albany Leisure & Aquatic Complex
- Depot (Works & Waste) Buildings
- Airport Buildings
- Heritage Buildings
- Leased Buildings
- Bush Fire Stations
- Public Conveniences
- Coastal Structures
- Minor Buildings & Structures (incl. Info Bays, Parks and Gardens & Misc. structures)

These assets vary from major complexes to minor information shelters and gazebos.

Overall building assets present the biggest renewal liability in the next 4 or 5 years and the renewal expenditure gap will be managed by:

- Undertaking a thorough condition audit which will result in improve information enabling better modelling on deterioration;
- Following this, undertaking a strategic review of all buildings to determine their usage requirements, level of service requirement and whether disposal is an option.

The confidence in the data used to prepare this plan is moderate.

2.0 INTRODUCTION

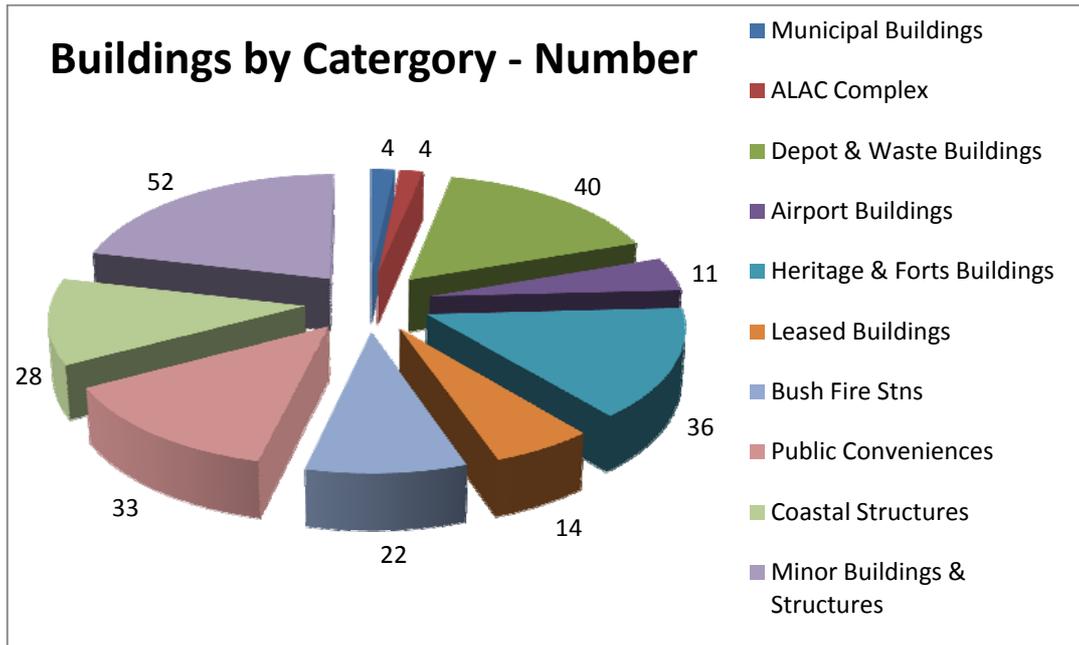
2.1 Knowledge of Existing Assets (Inventory, Condition & Utilisation of Assets)

The City of Albany has an extensive building network comprising of 244 structures.

Table 2.1.1 Assets covered by this plan

Asset Category	No of buildings	Replacement value (1/12/2010)
Municipal Buildings	4	\$28,658,448
ALAC Complex	4	\$25,932,660
Depot & Waste Buildings	40	\$5,386,041
Airport Buildings	11	\$7,201,435
Heritage & Forts Buildings	36	\$21,865,462
Leased Buildings	14	\$15,388,126
Bush Fire Stns	22	\$2,417,200
Public Conveniences	33	\$3,289,030
Coastal Structures	28	\$6,295,200
Minor Buildings & Structures	52	\$4,583,150
TOTAL	244	\$111,016,752

Table 2.1.2 Buildings by Category - Number



3.0 SERVICE LEVELS

3.1 *Desired Level of Service*

The desired level of service is driven by compliance with the Building Code of Australia and Australian Standards, accepted industry standards, and in line with the requirements of relevant City of Albany business units or lessees as the case may be.

The City of Albany is currently undertaking a detailed condition audit of all its buildings and structures. This will be followed by a strategic review of each building asset considering usage levels, maintenance costs and value to the organisation. The outcome will be a listing of buildings to be rationalised and future level of service requirements will be set against the criteria below.

The maintenance standards will provide five levels of service:

Service Levels	Levels	Description
*	1 = Dispose	No intervention
**	2 = Low	Low level of service
***	3 = Standard	Moderate level of service
****	4 = High	High level of service
*****	5 = Premium	Premium level of service

Maintenance Standards Criteria

PREMIUM (5)

In such areas the requirement is to preserve the asset in 'as new' condition continuously and to correct unacceptable condition within a minimal timeframe (ie immediate reaction).

Performance Criteria:

Visual appearance: As new or highest quality reasonably achieved.

Function: All elements must function as intended at all times, with no or minimal down time during periods of intended use.

Legal: All legal responsibilities must be met.

Financial: Financial and economic criteria are not primary considerations in planning maintenance programs for buildings of this type. Maximum efficiency of maintenance and cleaning operations is required, to minimise expenditure in achieving the desired outcomes.

HIGH (4)

In such areas the requirement is to preserve the asset in good condition both visually and functionally, and to respond promptly in the event of failures.

Examples: Areas with public significance or commercial importance including reception areas and foyers of premises eg: Civic Centre, Administration Offices, and Library.

Performance Criteria:

Visual appearance: Minor signs or deterioration when viewed closely may be acceptable. No deterioration when viewed from normal distance. Some deterioration may be tolerated for short periods of time.

Function: All elements must function as intended during periods of intended use, with a low probability of failure.

Legal: All legal responsibilities must be met.

Financial: The primary aim in this category is to maximise the long term economic performance of the facility. Refurbishments, equipment replacements and maintenance planning should be above current standards to provide a high level of service and aesthetics.

STANDARD (3)

This standard is the 'default' standard, which should apply if no special conditions are present. It is aimed at preserving essential functionality, complying with statutory health, safety and environmental obligations, and rectifying faults before consequential damage incurs additional costs. In such cases the requirement is to preserve the operational capacity of the asset as much as possible.

Examples: This standard applies to most areas which are in use for public or community purposes and to which no special conditions apply eg: Sporting / Community Buildings.

Performance Criteria:

Visual appearance: In this case physical appearance is not the major consideration and some minor signs of deterioration when viewed from normal distance are acceptable.

- Function:** All required elements should function as intended during periods of intended use. Minor failures, excluding those which bring a threat to safety or security, can be tolerated.
- Legal:** All requirements with respect to health, safety and the environment must be met.
- Financial:** The primary aim in this category is to maximise the long term economic performance of the facility. Refurbishments, equipment replacements and maintenance planning should be in a strategic framework, and decision taken on a life cycle basis.

LOW (2)

This standard applies to assets that have a limited life or in use on an interim basis. Maintenance is aimed at minimising current operational costs whilst continuing to preserve essential functionality for operational purposes and complying with statutory obligations to the maximum extent possible. The standard is normally applied where the expected remaining life of the asset is than five years or where little use is expected.

Examples: This standard applies to facilities which are approaching the end of their life and for which vacation or disposal is planned, or areas that are rarely used.

Performance Criteria:

Visual appearance: Some signs of deterioration are acceptable.

Function: All elements required should function as intended during periods of intended use. Minor failures, excluding those which bring a threat to safety or security, can be tolerated.

Legal: All requirements with respect to health, safety and the environment must be met.

Financial: Limitation of short term maintenance costs is the primary objective.

DISPOSE (1)

This standard applies to assets that are not in current use, either being closed or relocated. Maintenance is aimed at maintaining safety and security, protecting against vandalism or other damage and limiting any cost penalties.

Examples: Facilities which are held vacant awaiting sale, demolition, or a decision about their future.

Performance Criteria:

Visual appearance: Not important.

Function: No requirement to retain any functional performance except to avoid degradation of asset value.

Legal: Only essential responsibilities with respect to safety and the environment must be met.

Financial: Limitation of maintenance costs is the primary objective.

4.0 FUTURE DEMAND

4.1 Demand Management Plan

The City will look to reduce the demand from Building assets by applying a strategic focus to those buildings which provide a significant renewal liability with a relatively small return.

5. LIFECYCLE MANAGEMENT PLAN

5.1 Asset capacity and performance

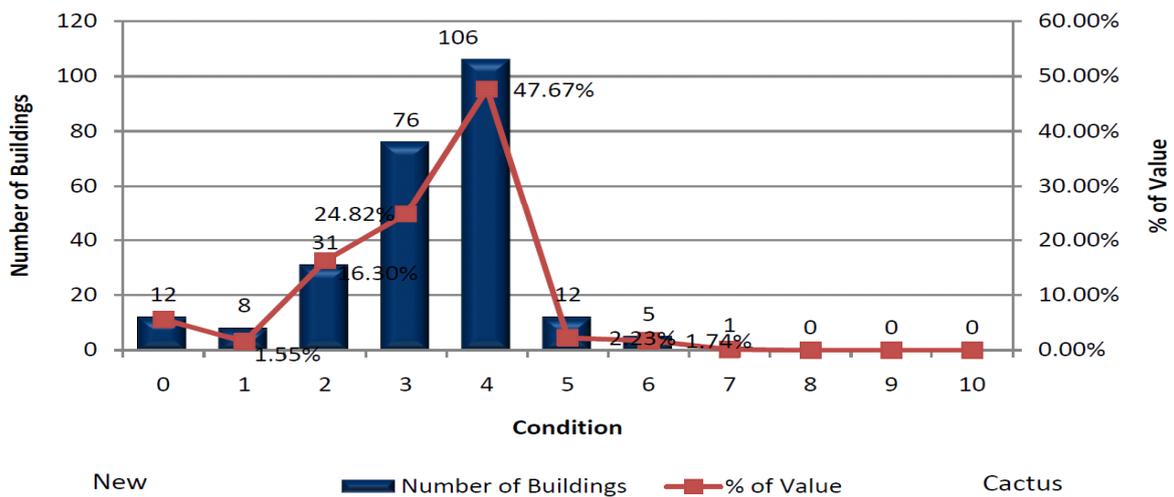
Current asset capacity is considered adequate. Asset performance in respect to deterioration would appear to be holding relatively steady which indicates there is a possibility that the deterioration models could be interrogated revealing that life expectancy of some structures is underestimated. This will become more evident as a result of the next review when more detailed data is available.

5.2 Asset Condition

The condition profile of Council's assets is shown below.

Table 5.2.1 - Asset Condition Profile (as at 1/12/2010)

Building Condition Profile - Long & Short Life Structures



5.3 Risk Management Plan

Table 5.3.1. Critical risks and treatment plans

Asset at risk	What can happen?	Risk rating	Risk treatment plan
Buildings	Age, condition and insufficient maintenance over the years have increased the risk of injury to users	Medium	Planned replacement/ maintenance as per AMP's and service delivery
Buildings	Vandalism to buildings potentially causing damage to infrastructure, increasing maintenance costs	Medium	Use alternative building materials, install lighting and increase security patrols
Buildings	Non compliance with legislation.	Medium	Upgrades to comply with legislation
Buildings	Lack of notification of required maintenance by tenant causing City of Albany to be unaware of maintenance requirements	Medium	Communication with lease holders
Buildings (mainly Corporate Facilities)	Air-conditioning failure	Low	Replacement of plant, regular service and Inspections
Buildings	Roof leaks and internal flooding	Medium	Maintain roof. Regular maintenance and inspections. Programmed replacement plan

5.4 Routine Maintenance Plan

Preventative and cyclic maintenance planning will be reviewed once the detailed condition audit is complete. This information will feed into a new routine maintenance plan which will be kept in line with the LTFP which will be reviewed prior to the 2014/15 budget.

5.5 Renewal/Replacement Plan

Planned capital expenditure forecasts as shown in the Long Term Financial Plan are shown in Table 5.5.1. Individual projects or treatments are identified in the LTFP.

Table 5.5.1 Planned Capital Expenditure

Year	Renewal	Upgrade	Expansion
2013/2014	\$732,200	\$201,800	-
2014/2015	\$680,000	\$75,000	\$75,000
2015/2016	\$512,000	-	\$100,000
2016/2017	\$512,000	-	\$100,000
2017/2018	\$414,000	-	\$60,000
2018/2019	\$614,000	-	\$440,000
2019/2020	\$716,000	-	\$250,000
2020/2021	\$816,000	-	\$410,000
2021/2022	\$818,000	-	\$470,000
2022/2023	\$918,000	-	\$480,000

Individual projects are identified in the LTFP.

5.6 Renewal Standards

Renewal work is carried out in accordance with the following standards and specifications.

- Building Code of Australia and Australian Standards
- City of Albany, Lease / Tenancy Agreements – Buildings

5.7 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. The completion of the detailed condition audit will inform the strategic review of buildings and possible disposal options.

6. FINANCIAL SUMMARY

6.1 Financial Summary

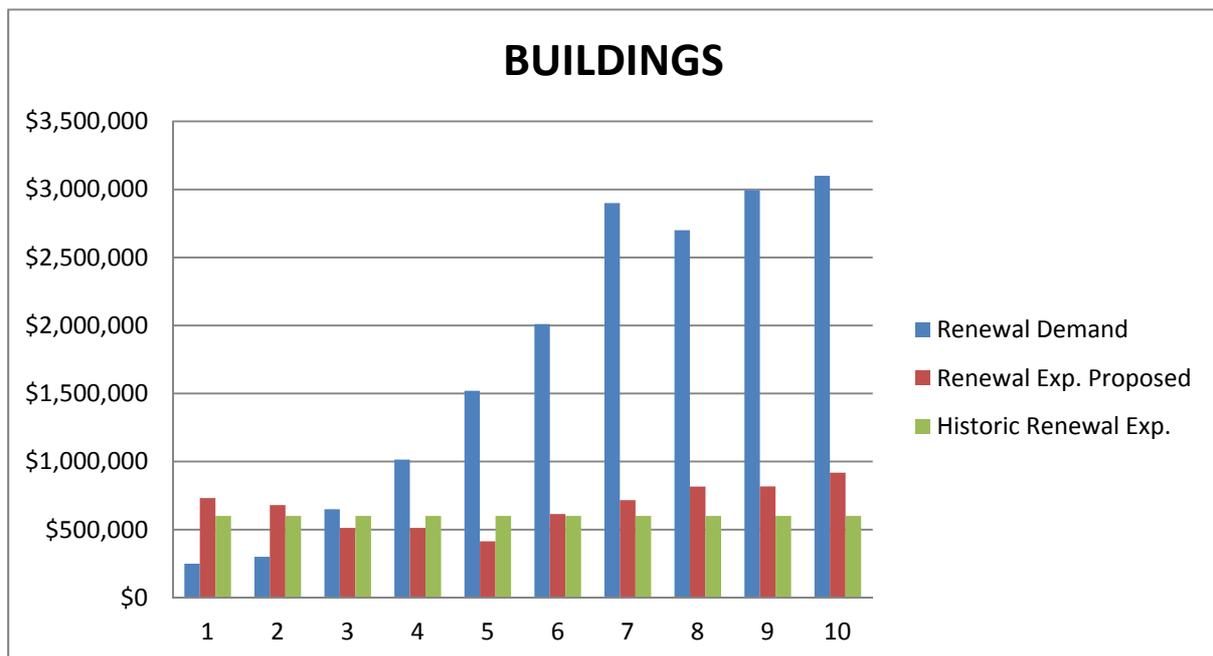
Current forecast expenditure against anticipated renewal expenditure requirements indicates that for this asset class, the financial position is not sustainable. It is important to understand the measures required to manage this in section 6.3.

6.2 Financial projections

The financial projections are shown in Table 5.5.1 for planned capital expenditure (renewal and upgrade / expansion / new assets).

Projections of renewal demand based on the Maloney modelling software are shown in Table 6.2.1. Year 1 is the 2013/14 financial year.

Table 6.2.1 Renewal Expenditure and Demand



6.3 Managing the Funding Gap

As illustrated in Table 6.2.1, the City's proposed expenditure on buildings initially exceeds the renewal demand. However from year 4 to 10 a significant expenditure gap develops reaching \$2 million by the end of the 10 year forecast period.

The confidence level of the building asset data is moderate, however the City is looking at increasing the level of detail considered to ensure that renewal costs are true reflections. As previously mentioned, in order to improve the City's understanding of its asset base and renewal requirements for this asset class, a detailed condition audit has commenced and will be completed prior to the next asset management plan review. This will confirm whether assumptions made in the modelling are reasonable, and form the basis for decision making concerning rationalising these assets.

REFERENCES

Asset Management Plan – Overview

Adopted City of Albany Long Term Financial Plan – For more detailed information on individual projects

Version Control

Revision No.	Status	Distribution	Issue Date	Comment
0	Draft	Internal only	1/5/13	Draft
1	Draft	Special Council Meeting	25/06/13	Tabled for adoption
2	Final	Special Council Meeting	25/06/13	Adopted

© City of Albany 2013

Copyright for this document belongs to the City of Albany. It may not be sold or subject to any charges without the City's written permission. Apart from sales, the City freely permits copying, use and distribution provided the City of Albany's copyright is asserted and provided this notice is included on any subsequent form of the document.

**** DISCLAIMER ****

This information contained in this document is a guide only. Verification with original Local Laws, Acts, Planning Schemes, and other relevant documents is recommended for detailed references. The City of Albany accepts no responsibility for errors or omissions.

City of Albany
Long Term Financial Plan
BUILDINGS PROGRAM

PROPOSED 10 YEAR PROGRAM 2013 - 2023

	Expansion	Upgrade	Renewal	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings "Upgrade"													
Solar/Heat Pump Hot water Systems		Various sites	100%	43,000									
Building Upgrade Total				43,000	-	-	-	-	-	-	-	-	-
Buildings "Expansion New"													
Depot Redevelopment/Feasibility		new Administration offices	100%		100,000	-	-	-	-	-	-	-	-
Old Gaol Toilet	50%	new public toilet facility	50%	-	150,000	-	-	-	-	-	-	-	-
CBD Toilets		new public toilet facility	100%	-	250,000	-	-	-	-	-	-	-	-
Bus Shelters		new shelters	100%	10,000	10,000	12,000	12,000	14,000	14,000	16,000	16,000	18,000	18,000
Expansion Projects	100%			-	-	100,000	100,000	60,000	440,000	250,000	410,000	470,000	480,000
Building Expansion Total				10,000	510,000	112,000	112,000	74,000	454,000	266,000	426,000	488,000	498,000
Buildings "Renewal"													
Day Care Centre		replace veranda posts	20%	80%	40,000	-	-	-	-	-	-	-	-
Vancouver Arts Centre		wall erosion and shingle replacement	20%	80%	250,000	-	-	-	-	-	-	-	-
Bond Store		stage 2 - rendering outside walls	20%	80%	60,000	-	-	-	-	-	-	-	-
Women's Rest Centre		refurbishment of toilets	20%	80%	80,000	-	-	-	-	-	-	-	-
Emu Point Marina		replacement of jetty structures	20%	80%	-	-	-	-	-	-	-	-	-
North Rd grounds toilet - near Lottery's House		replace toilets	20%	80%	-	-	-	-	-	-	-	-	-
Westrail Barracks - repairs/renewal			20%	80%	329,000	-	-	-	-	-	-	-	-
Eyre Park		Refurbishment toilet	20%	80%	15,000	-	-	-	-	-	-	-	-
Emu Point Toilets		Render - Boongarrie St	20%	80%	20,000	-	-	-	-	-	-	-	-
Ellen Cove Reserve Pump Station				100%	87,000	-	-	-	-	-	-	-	-
Renewal Projects			100%	-	320,000	500,000	500,000	400,000	600,000	700,000	800,000	800,000	900,000
Building Renewal Total				881,000	320,000	500,000	500,000	400,000	600,000	700,000	800,000	800,000	900,000
Total Building				934,000	830,000	612,000	612,000	474,000	1,054,000	966,000	1,226,000	1,288,000	1,398,000
Proposed Funding													
- Grants					63,350								
- Reserves					-	-	-	-	-	-	-	-	-
- Loans					-	-	-	-	-	-	-	-	-
Impact on general Revenue				870,650	830,000	612,000	612,000	474,000	1,054,000	966,000	1,226,000	1,288,000	1,398,000