City of Bellingham’s Approach to Asset Management

Presented by: Brent Baldwin, Development Manager
Public Works

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City of Bellingham

- Full Service Public Works
  - Water, sewer, storm, streets, fleet, purchasing, development, capital, public safety communications, natural resources, facilities
- 250 employees, $50 million annual budget
- Same challenges as everyone else
City of Bellingham

- Extensive GIS/Asset registry system
- Have use work management software since early 1990s
- Mayor directing use of LEAN management principles
- Council desiring to have more information on decision process
City of Bellingham

- The Public Works Department is adopting Asset Management Principles across all business lines
  - Data driven decision
  - Common risk assessment framework
  - Customer focused both internal and external
How we got here:

- **Spring 2014**: Consultant Workshops
- **December 2015**: Department’s Leadership Retreat
- **Spring 2015**: Department Adopts Asset Management Policy
- **Spring 2015**: Asset Management Steering Committee Formed
- **Next 5+ Years**: AM Steering Committee tackles the Road Map
Assessment and Roadmap

• Retain CH2M – Mr. Gareth Lifton
• Assess the entire PW department across all business lines
• Development of Risk Matrix
• CAMRA TOOL
  – Quantitative assessment of current practice
  – 35 questions across 7 divisions
FIGURE 2-1
CAMRA Sample Question
FIGURE 2-2
Asset Management Review Results – Water
## City of Bellingham Public Works Department

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<tbody>
<tr>
<td><strong>Phase 1 – Understand Capabilities, Learn and Develop Fundamentals</strong></td>
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<td><strong>Focus Areas</strong></td>
<td>Understanding</td>
<td>Development</td>
<td>Competence</td>
<td>Excellence</td>
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<td><strong>Strategy</strong></td>
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<td>Develop understanding of good and best practice asset mgmt</td>
<td>M1 – Define LOGO</td>
<td>M2 – IT Master Plan</td>
<td>M3 – Performance Reporting</td>
<td>M4 – Public Works ANF*</td>
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<td>Develop gap analysis and Asset mgmt Plan</td>
<td>M5 – People skills master plan &amp; competence framework</td>
<td>M6 – Document Legal Requirements</td>
<td>M7 – Business Continuity &amp; Emergency Planning</td>
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<td>S4 – Asset mgmt policy &amp; strategy</td>
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<td><strong>Physical Assets</strong></td>
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<td>S5 – Risk mgmt Framework</td>
<td>M7 – Information mgmt</td>
<td>M8 – Investigation of Asset Policies</td>
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<td><strong>Organization/People</strong></td>
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<td>S6 – Asset mgmt Plan, Governance</td>
<td>M10 – Org Design</td>
<td>M11 – Training plans</td>
<td>M12 – Continual improv</td>
<td>M13 – Commercial Focus (C&amp;I)</td>
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<td>S7 – Communications &amp; Change mgmt Plan</td>
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<td>S8 – Succession Planning</td>
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<td><strong>Business Processes</strong></td>
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<td>M14 – SOPs</td>
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<td>M15 – Financial Processes</td>
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<td>M16 – Lifecycle Costing</td>
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<td>M17 – Asset mgmt QA</td>
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<td>L8 – Commercial Focus (Project Delivery)</td>
<td>L7 – PM guidelines</td>
<td>L6 – Maintenance mgmt</td>
<td>L5 – Materials mgmt</td>
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Management retreat

• All Department senior managers
• 2 days with a \( \frac{1}{2} \) day follow up
• List of common concerns
  – Hard to keep at high level
• Connected retreat issues to risks identified by CH2M CAMRA tool
  – They were the same!
Implementation

- Formation of team
- Written policy adopted by department Head
- Prioritization of strategies
- Early action in fall of 2014
  - Addressed highest risk by adding Public safety communications staff
Steering Committee

- 2- Assistant Directors
- 3 Superintendents
- Senior Administrative Staff
- Department Asset/Data Manager

- Steering committee will report back through senior management team from the retreat.
Asset Management Policy

Assets are the **people, infrastructure, facilities, tools, institutional knowledge and business relationships** that our Department has.

Asset Management is the **systematic and coordinated activities and practices** that are used to manage these assets.

The Department’s Asset Management approach will treat all assets as interrelated components, and provide sustainable, high quality service to our customers; optimize asset value, while minimizing life cycle costs; and manage risks to the delivery of established service levels.

**We Believe:**

- Every Public Works member contributes to asset management — people are the greatest contributors to excellence.
- Asset management affects every aspect of Public Works: safety, environment, cost, quality, customer service, and public perception.
- Effective asset management will ensure that risks are identified and mitigated for.

**We Will:**

- Establish and report on clearly defined levels of service
- Provide sufficient staff training and resources
- Consider the full impact of managing assets through their life cycle
- Make informed decisions between competing factors such as level of service, asset quality and value, cost, and risk
- Manage assets cost effectively
- Direct our resources, expenditures, and priorities in a way that achieves the established levels of service and benefits
- Incorporate social, legislative, environmental and financial considerations to address present and future customer services, environmental stewardship and regulatory requirements
- Continually improve processes and procedures with a focus on innovation
Asset Management Road Map

The following is a prioritized list of department-wide improvement initiatives

Asset Management Policy and Strategy (S4)
- Every Public Works member contributes to asset management—people are the greatest contributors to excellence.
- Asset management affects every aspect of Public Works: safety, environment, cost, quality, customer service, and public perception.
- Effective asset management will ensure that risks are identified and mitigated for.

Communication and Change Management (S7)
- Better chance of buy-in and acceptance
- Improved understanding of the reasons for change
- Facilitate common understanding and
- Encourage and solicit input

Knowledge Retention and Succession Planning (S8)
- Program sustainability
- Efficient and effective service delivery

Documenting Procedures (S3)
- Priority processes addressed

Levels of Service – Customer & Asset (S1)
- Link asset investment to customer outcomes

Risk Management Framework (S5)
- Lifecycle cost savings
- CIP savings

Asset Management Leadership & Governance (S6)
- Provide clear direction and oversight for the Asset Management Program

IT Master Plan (S2)
- Shared understanding of IT needs
Tackling the road map:

- Aging Workforce
- Key technical staff retiring in next 1-2 years
- 100s of years of institutional memory
- Create long-term employment opportunities for new hires
What’s the difference?

Asset Management

vs.

Managing Assets
Questions?

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