

Management of Existing Building Assets

DPTI Asset Brief



What is the Purpose of this Document?

This document describes the process of developing an implementation strategy to achieve effective and efficient management of existing building assets and gives guidance in its application.

It is not intended to explain the technical detail because implementation of the strategy will require expert assistance and the application of a wide range of specialist tools and techniques.

Why is Management of Existing Building Assets Necessary?

Effective and efficient management ensures that an agency's existing building assets achieve their maximum service potential by integrating corporate and service planning with the broader strategic asset planning¹. This process will:

- ❖ ensure asset resources support agency service delivery;
- ❖ establish agency responsibility within a structured framework;
- ❖ ensure management decisions are informed; and
- ❖ optimise asset performance and value by:
 - measuring asset performance and evaluating associated risks
 - appropriate timing of intervention strategies

Who is this Document for?

This document covers the diversity of roles, responsibilities and skills required of an asset management team and accordingly provides an outline for:

- ❖ Corporate planners seeking a brief strategic overview
- ❖ Asset managers involved with the development and management of a strategy for dealing with existing buildings at both portfolio and at individual facility level
- ❖ Internal and/or external building service providers engaged in delivering building services

¹ DPTI Asset Series: [Asset Management in a Corporate Planning Environment](#)

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Scope of Management Activities

The process of developing an implementation strategy for the Management of Existing Building Assets, executing it and reviewing performance for subsequent improvement initiatives is complex. It involves organisation and integration of a vast array of activities including:

- ❖ Agency service objectives
- ❖ Asset performance requirements
- ❖ Investment and occupancy management services:
 - leasing and financing
 - rent collection
 - insurance, rates and fees
- ❖ Asset operation and performance
 - renewal, upgrade and minor works
 - maintenance
 - operating costs including energy, cleaning and security
- ❖ "Building service provider" performance

Context

The Management of Existing Building Assets is one of the three life cycle programs (the other two being Asset Procurement and Disposal) and should reflect the integrated and consolidated position of an agency because it is one of the outcomes from a broader strategic asset planning process².

See Figure 1 (adjacent) for a visual representation.

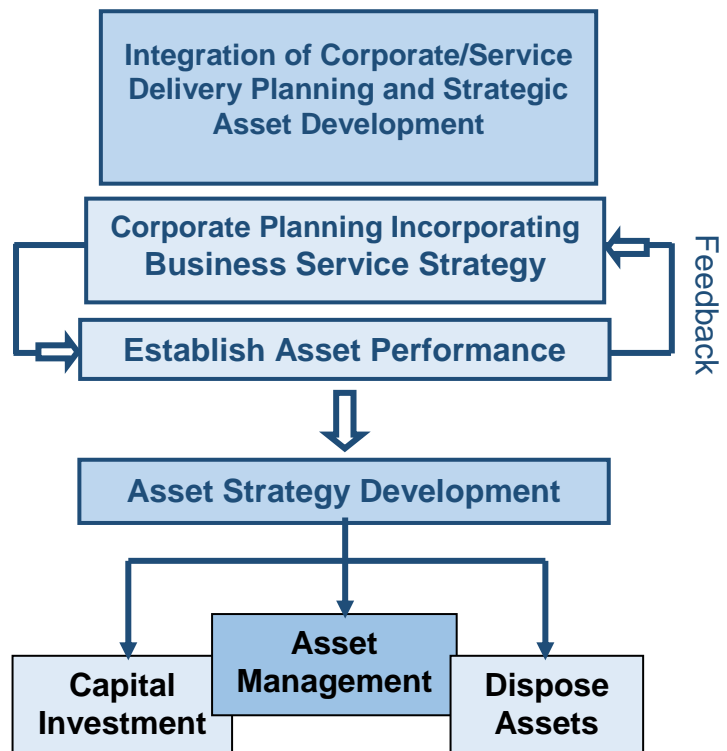


Figure 1

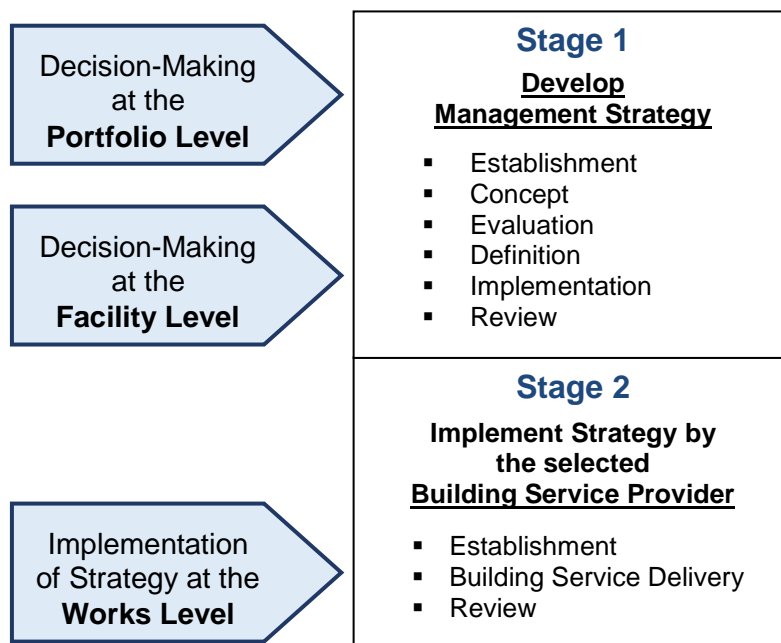
² DPTI Asset Series: [Asset Performance Review](#)

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Process Outline

Two-Staged Process:

In broad terms, the process for the Management of Existing Building Assets comprises two distinct stages illustrated below.



STAGE 1: Development of a Management Strategy

The first stage involves the development of the most appropriate management strategy.

The key phases in this process are applied at both the Portfolio Level and Facility Level of Management and are outlined below:

❖ Establishment

This phase brings together all the relevant information from the Corporate and Strategic Asset Management Planning process referred to above.

It includes, for example,

- A list of asset performance criteria in the context of an agency's business service strategy.
- An asset performance status report which is an outcome of a risk management approach to rate the asset performance against a range of measures including spatial and functional requirements, physical environment, health, safety, capacity, financial efficiency and other external factors.

This report should also provide a broad categorisation of assets to indicate whether an asset is performing satisfactorily or unsatisfactory; and whether this is due to it exceeding service levels or due to under-performance.

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❖ Concept

From the profile of individual performance measures, an integrated holistic approach is taken to the development of intervention strategy options. Develop concepts which integrate a range of activities including:

- Investment and occupancy management services
- Asset operation and performance

❖ Evaluation

The management options developed are then evaluated using a number of analytical techniques e.g. life cycle costing, risk and value management, against agreed criteria to identify the most appropriate option for implementation.

❖ Definition

Approvals, including budget and acquittal procedures need to be sought before a preferred option is determined. The agreed implementation strategy can then be documented detailing the agreed management plan, implementation timeframe and associated costs.

❖ Implementation

This process involves preparation of a building service agreement and establishment of a contract, which identifies the requirements necessary for the effective delivery of building management services.

❖ Review

Once contracts are in place, an effective mechanism needs to be established that monitors the building service provider's strategy development process performance as well as the implementation strategy.

STAGE 2: Implementation of Management Strategy

The second stage of the process relates to implementation of the asset management strategy and occurs at the Works level at which point an external building service provider generally undertakes the work specified in the building service contract. The key phases are:

❖ Establishment

During this phase, the building service provider prepares the groundwork necessary for the services described in the building service agreement or contract:

- Appropriate resources are procured
- Financial arrangements are set in place and
- Performance, recording and reporting procedures established.

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❖ Building Service Delivery

Building services are performed in accordance with the implementation strategy, as are the necessary management support functions associated with resourcing and administering the building service agreement. These activities also include data capture, management and reporting.

❖ Review

Performance is regularly reviewed against agreed measures to determine corrective action for future improvement of the contract. Feedback is also provided to the asset owner for inclusion in future planning processes.

Decision-Making Tools and Techniques:

In addition to the process described, the successful implementation of asset management activities requires a range of supporting tools and techniques to assist in the risk management and decision making process. These include:

- [Asset Performance Review](#)
- [Building Asset Compliance](#)
- [Demand Management](#)
- Post Construction Review
- Post Occupancy Evaluation
- Value Management