

CM 4 – Asset Management – Project Management Framework

1 Objectives

To outline the processes for major infrastructure renewal, new or upgrade works within the Shire of Bridgetown-Greenbushes where identified within Council’s Strategic Plans.

The implementation of a Project Management Framework that guides each stage of a proposed capital works project to achieve the following objectives:

- To provide a consistent framework for managing projects;
- To align projects with Council’s strategic plans;
- To support economic development within the local government area;
- To increase project transparency and visibility to enable effective decision making regarding the optimal use of resources;
- To deliver services through improved project management capability;
- To improve the efficiency and consistency in project delivery;
- To reduce and manage project risks; and
- Support the capability development of staff managing projects.

This will ensure only those projects assessed against other projects as detailed in Council’s Strategic Plans having the highest priority are progressed.

2 Definitions

The following definitions are relevant to this Policy and are in accordance with the “Asset Management Framework and Guidelines” document published by the Western Australian Department of Local Government and Communities.

1.1 Asset

A physical component of a facility that has value, enables a service to be provided, and has an economic life of greater than 12 months.

1.2 Asset Management

The combination of management, financial, economic, engineering and other practices, applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

1.3 Lifecycle Cost

The total cost of an asset throughout its life including costs for planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal.

2 Policy

Council is committed to implementing a systematic asset management process in order to apply appropriate asset management best practices across all areas of the organisation. In order to

facilitate best practice asset management, the adoption of a Project Management Framework will provide the implementation process for the effective allocation of limited financial resources to projects identified within Council's Strategic Plans as having the highest priority.

2.1 Principles

- Council has a responsibility to ensure that their existing assets are maintained, renewed and or upgraded to maximise the functionality and therefore capacity and usage during the asset's useful life. If identified through the Community Strategic Planning process that the provision of a new asset is desirable, Council must evaluate each project proposal to ensure, that if approved, it will not adversely affect Council's overall financial sustainability.
- No new capital works projects are commenced until such time as Council has undertaken appropriate due diligence assessments of each new capital works proposal to ensure that:
 - The proposed projects is included in the Strategic Community, Corporate and Long Term Financial Plans;
 - An independent Whole-of-Life Cost Benefit Analysis has been prepared that determines the affordability of the project and the extent of any ongoing operational cost/subsidy;
 - The extent of any ongoing subsidy is accepted by Council;
 - Each proposal has been evaluated against other competing projects to determine the priority of each proposed project;
 - Any costs have been scrutinised by a quantity surveyor's assessment.
- Any proposed new asset not currently contained within Council's Strategic Community Plan, Long Term Financial Plan and Corporate Business Plan be deferred until a review of the Corporate Business Plan is undertaken to ensure the proposal has been prioritised against other infrastructure works previously contained within these strategic plans.

2.2 Responsibility

- **Council** is responsible for adopting policy and ensuring that sufficient resources are applied to manage assets.
- **The Chief Executive Officer** has overall responsibility for developing strategies, plans and procedures and reporting on the status and effectiveness of asset management within Council.
- **The Executive Managers** are responsible for assessing each capital works program against the adopted criteria to ensure that only those projects that are identified as being the highest priority are listed for each annual budget and included in the Long Term Financial Plan.

2.3 Policy Review

This policy will be reviewed annually to ensure its currency and relevance.

3 Applicable Legislation and Documents

Statutory Power <i>(Acts, Regulations, Local Laws, TPS)</i>	<p><i>Local Government Act 1995</i> s.6.10 – Financial management regulations</p> <p><i>Local Government (Financial Management) Regulations 1996</i> r.5(1)(d) – CEO’s duties as to financial management r.17A – Valuation of certain assets for financial</p>
Shire Policies	<p>FM 4 – Purchasing Policy</p> <p>RM 1 – Risk Management</p>
Related Documents	<p>WA Department of Local Government: <i>Integrated Planning Framework and Guidelines, October 2010.</i></p> <p>WA Department of Local Government: <i>Asset Management Framework and Guidelines, May 2011.</i></p> <p>Institute of Public Works engineering Australia, IPWES, <i>International Infrastructure Management Manual, 2011.</i></p>
Related Procedure	Project Management Framework Procedure

4 Administration

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