

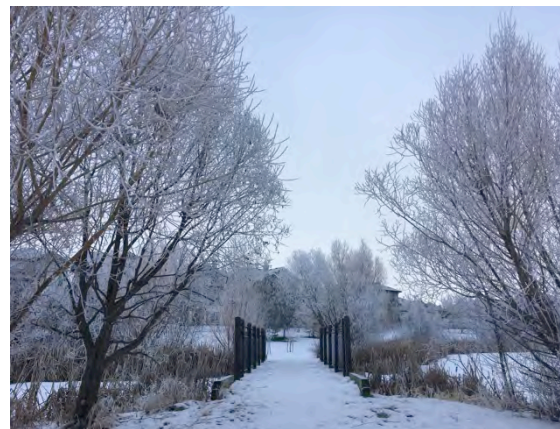


# Edmonton's Risk-based Approach to Balancing Renewal & Growth

*Life Cycle Management  
Integrated Infrastructure Services*

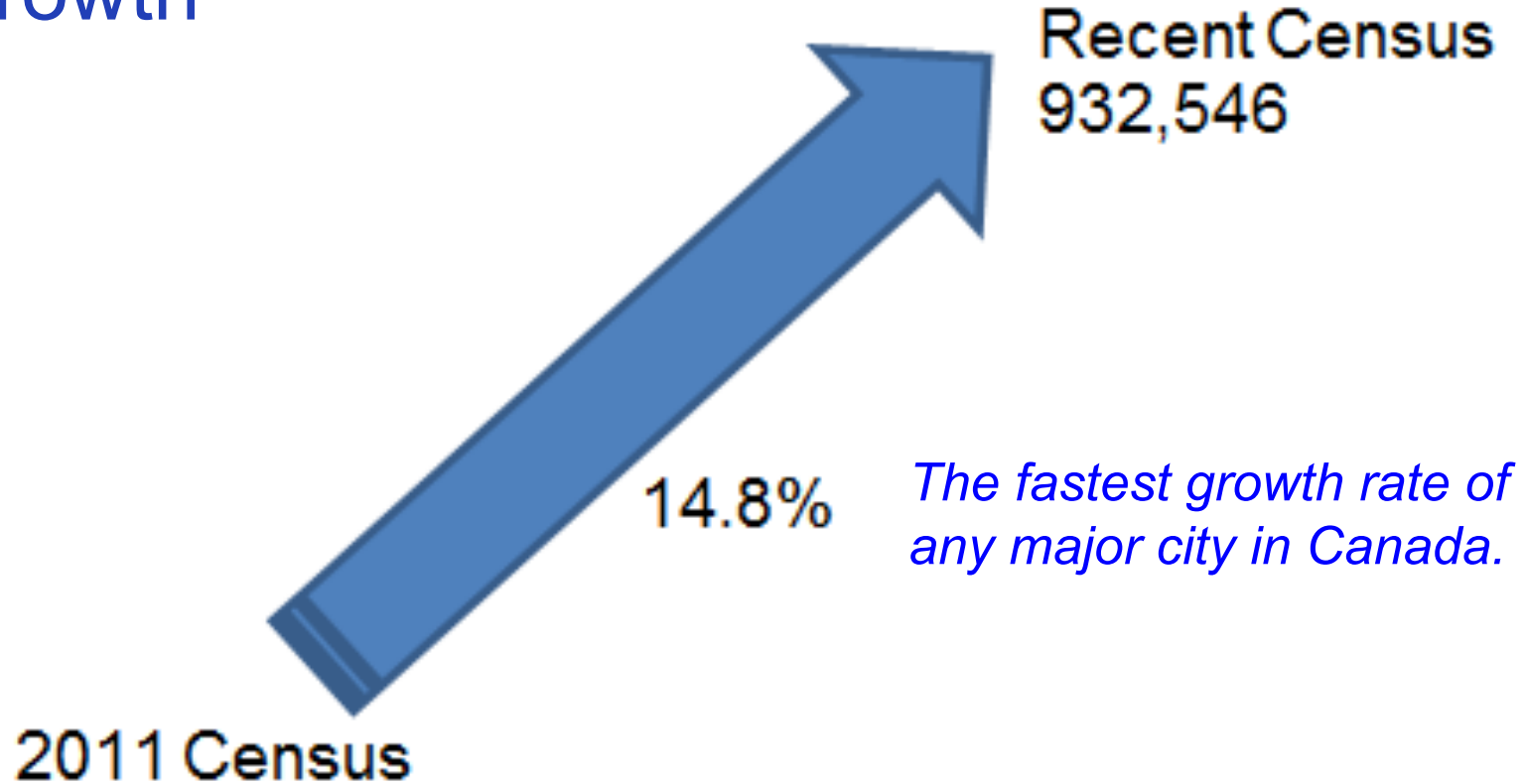
# City of Edmonton Infrastructure

Infrastructure : Over \$50 Billion of Assets

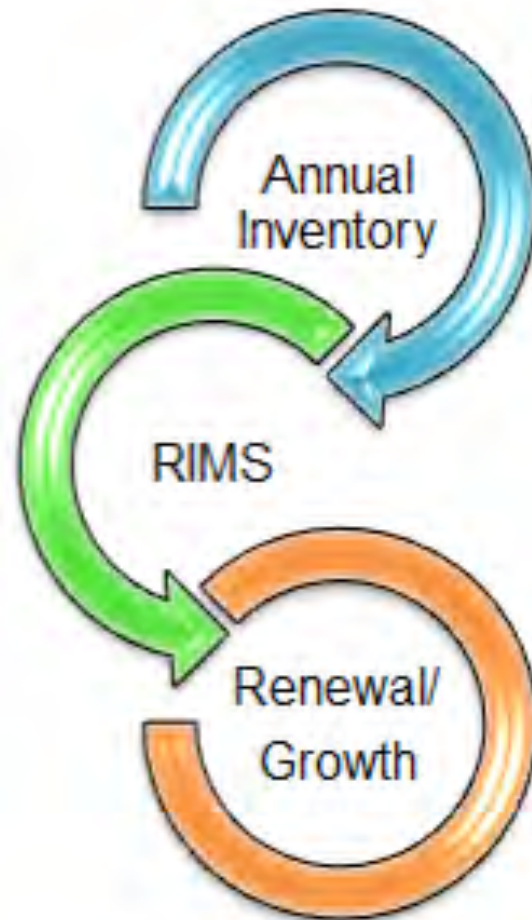


# Growth Cannot Be Forgotten

Edmonton's  
growth



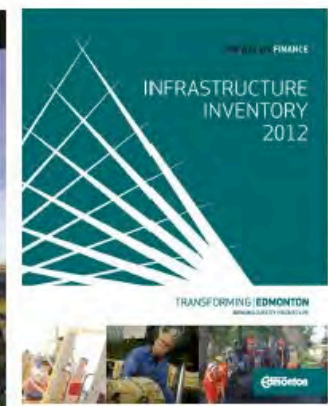
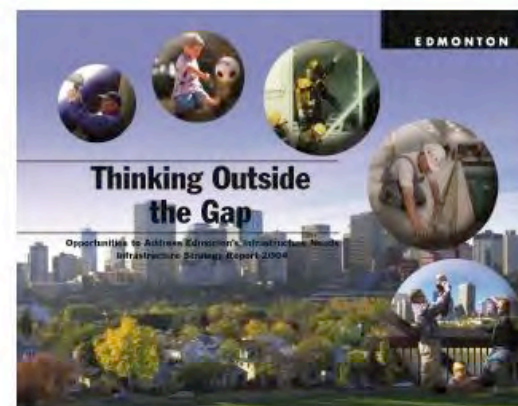
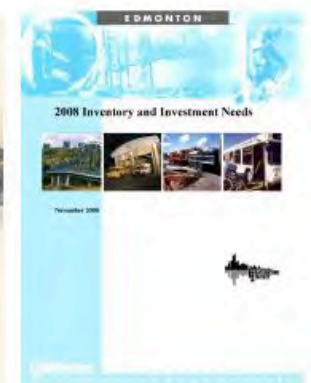
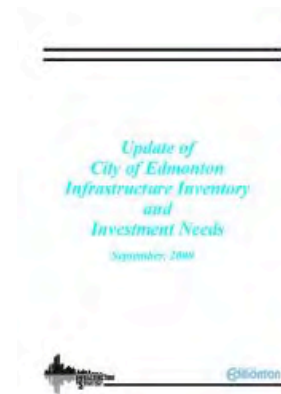
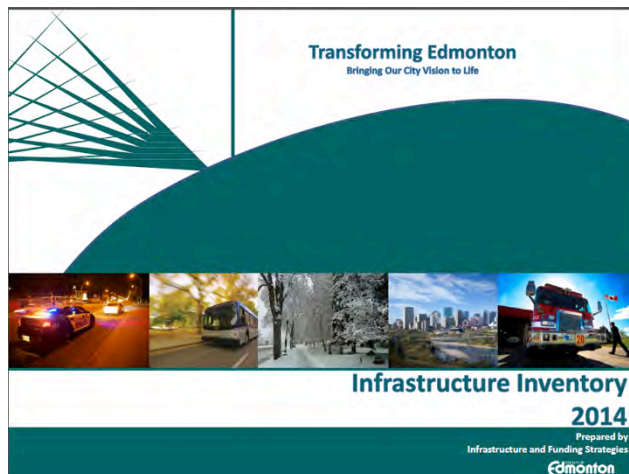
# Current Process



# Current Process : Annual Inventory

## Annual Infrastructure Inventory Report

2014 latest Council approved report



# Infrastructure Portfolios



- Corporate
- Environment and Safety
- Social
- Transportation



# Data Collection

The information from Business areas includes:

Asset Description

Asset Quantity

Replacement Value

Average Age/Expected Asset Life

Physical Condition

Demand Capacity & Functionality

# Infrastructure Inventory Report cont'



## Physical Condition:

The actual condition of the infrastructure that allows it to meet the intended service level.



## Demand/Capacity:

The amount of demand placed upon the physical infrastructure relative to its intended use and how this impacts its ability to meet service needs.



## Functionality:

The ability of the physical infrastructure to function in its intended manner to meet program delivery needs.

Very Good	A
Good	B
Fair	C
Poor	D
Very Poor	F





# Data Collection and Validation Process

- Data collection, collaboration with other areas,
- Data check/ QA

# Quick findings from 2014 Report

Replacement Value  
\$42.8 Billion

Average Age  
30 Years

Average Life  
Expectancy  
70 Years

57% of assets in  
Good or Very Good  
Condition  
(A or B condition)



# Targets

We also have tried to establish targets for each of our assets.

Basically these targets are determined by the business areas

The business areas identify the asset's level of importance as high, medium-high, medium, medium-low or low.

Based on this, we develop targets that tell us the maximum percentage of assets that can be allowed in poor or very poor condition



# RIMS

## Risk-based Infrastructure Management System (RIMS)

City began using this in 2012

Utilizes some of the data obtained for the Inventory report as inputs



# RIMS

RIMS uses a number of sophisticated risk-based calculations to produce an optimal spending output.

The recommended budget is the suggested amount of spending that is required in order to get assets to A physical condition by 2030

The graphic features a blue-to-teal gradient background. On the left, there is a stylized cityscape at night with glowing lights. Overlaid on this are several glowing, translucent geometric shapes: a pyramid-like structure and various curved lines and grids, suggesting a digital or data-driven theme.

# RIMS

RIMS output is used for:

- Determining the suggested renewal spending amount for the next budget cycle (4 years).
- The 10 year long term financial plan (Capital Investment Overview)



# RIMS Challenges

- One size fits all software- however, assets are all different and some don't fit well eg. IT
- RIMS provides a recommended expenditure, but what if that amount of funds is not available?
- Are departments spending correctly, so that RIMS stays on the target for 2030



# Growth Project Prioritization

- The capital budget amount is initially established and the renewal funding is allocated based on the recommended funding through RIMS
- Once renewal spending has been determined by RIMS, a project level model is used to provide insights on which specific initiatives would create an optimal portfolio for growth projects.





# Growth Project Prioritization..cont..

For the last budget cycle, each growth project was evaluated and assigned a weighted score based on various criteria such as:

Value for  
Money

Project  
Readiness

Strategic  
Alignment

Corporate  
Operational  
Risk



# Growth Project Prioritization..cont..

Criteria from last cycle are previously under review.

Criteria will be modified and weightings possibly adjusted to account better for

Environmental Impacts

Economical Impacts

Social Impacts



# Thank You!

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