

POINT OF ENTRY BUSINESS CASE

Project initiation date: 1 July 2024
Project title: **Asset Management software solution**
Hapū/iwi active partnership consideration: Active partnership does not apply
Note: your consideration for active partnership must take into account [Tupua te Kawa](#) – a set of indigenous values at law.

Please expand on your chosen active partnership option here.

Business case prepared by: Tania Henare, Ari Houshangi and Rosemary Fletcher

Business owner: General Manager Community Property & Places

[\[Link\] to guidelines "The PoE template explained..."](#)

PROBLEM / OPPORTUNITY STATEMENT

Currently our asset data and information requirements are not well defined and stored, consequently our knowledge base is patchy. What knowledge we do hold is housed in a spreadsheet that is no longer fit for purpose. As a result work programming is difficult and that leads to haphazard delivery.

(It is worth noting that Assetfinda is the asset management system used by 3-waters, and while it is fit for that purpose, it is not fit for property related assets. The road function uses the Waka Kotahi bespoke RAM asset system, which is owned and housed by Waka Kotahi.)

Alongside the broader end to end asset management solution work programme, we will need to procure a software solution to house data and information against our community assets. The end to end asset management system will

- support community-centric decision making
- leverage assets (now and into the future)
- is standardised
- uses data and information to inform decisions.

Software as a service (SaaS) is the preferred approach to procuring a software package.

BENEFITS STATEMENT

The expected outcome of the SaaS is that we will have a robust software solution to support the end to end asset management processes. This will provide council with the opportunity for the following value being derived from asset management

- Value – assets exist to provide value to the community
- Alignment – asset management translates our objectives into technical and financial decisions, plans and activities. We require line of sight from objectives through to tactical plans and measures.
- Leadership – asset management requires us to take the lead and show commitment
- Assurance – asset management gives assurance that our assets will fulfil their required purpose. We therefore should measure progress and performance with discipline and purpose, and should therefore have performance measures and conduct reviews and audits.

What this all means is that it will improve work programming, delivery and overall asset quality.

Social Benefits:

Ongoing provision of assets that are well managed for use within the community is a key function of council. The community enjoys the benefits of those well managed and maintained assets.

Economic Benefits:

Community assets provide places and services where local employment is necessary and also provide the opportunity to improve social wellbeing.

Environmental Benefits:

The community assets available to the Whanganui community are a critical enabler with regard to enjoying and experiencing a healthy community life. Assets such as parks, open spaces, community facilities are key to whole-community experiences.

Cultural Benefits:

The community expect to be able to share expressions of culture through assets. Many of the community assets provide for narratives about the history and life of living in Whanganui, and provide enrichment opportunities. Having the ability to provide well managed and maintained assets is key to this experience.

STRATEGIC CASE

The asset portfolio held by council is a large portfolio (current values for the city endowment portfolio alone is \$44m). Ensuring that our ongoing management of these assets is robust, on time, fit for purpose, effective and efficient will contribute to the overall goals and strategies of council.

Community assets are available and maintained for the benefit of the community. As the age of those assets increases and the costs of managing them also increases, the need for an asset management system will support informed decision making based on data and information. Planning and delivery will become more efficient.

FINANCIAL CASE

An upfront investment is required to purchase, implement and integrate a software solution to manage our community assets. Then there will be an ongoing SaaS costs made up of the following components:

- production and non-production environments
- infrastructure and application maintenance
- automated monitoring, patches and continuous updates
- scalability
- increased remote capability and contractor access
- security compliance
- back-up and disaster recovery
- support plans
- service level agreements

The introduction of end to end asset management will improve the accuracy of our planning, work programming and budgeting processes. In other words the end to end asset management eco-system will enable better information which will enable more robust decision making, part of which will be maximising the value of the assets throughout the different stages of the asset lifecycle.

Funding assumptions below are based on a high level scoping exercise that IT Solutions Manager Ari Houshangi conducted. An indicative pricing proposal has been received from Infor (as attached), to provide

a guide for the level of investment needed. Another comparison made is to the asset management solution that the 3-waters team use Assetfinda. This has an annual license fee of \$54,225 + GST, and in addition there is an add-on to allow Veolia to have a real time mobile capture is an additional \$10,601 + GST. (I am not sure what the initial set up costs were).

Year of LTP for delivery:	Y 1	Y 2	Y 3	Y 4	Y 5	Y 6	Y 7	Y 8	Y 9	Y 10
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	\$250,000	\$225k			\$225k			\$225k		
	2 4 / 2 5	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34

External funding contributions: Options are available

Capex \$	Opex \$	Funded by
Upfront cost of purchase \$250k	Ongoing SaaS costs Circa \$75k per annum based on license costs (modelled above on the basis that license is paid for 3 years every third year)	Rates funded with possibility of BoF transition funding being available

*Note: providing explanation via free text is also acceptable in the above boxes.

RISK EVALUATION

Item	Potential Risk Event	Likelihood	Consequence
1	Decision making is not based on robust and repeatable data and information	Almost certain	Moderate
2	Planning and delivery is inconsistent across the assets	Almost certain	Moderate
3	Lack of work programming capability causing duplication of effort and costs	Almost certain	Moderate
4	We miss opportunities across the asset lifecycle	Almost certain	Moderate
5	Critical activities are missed with respect of maintenance	Almost certain	Moderate

OPTIONS APPRAISAL

Option 1: Procure software solution: the preferred option is to design and deliver the operating model improvements within the group, and then identify and procure a suitable software solution to implement. This will complement the process improvement work underway now.

Do Nothing / Status quo continue managing assets using the spreadsheet solution, and focus just on developing manual processes and procedures to improve asset management

STAKEHOLDER ANALYSIS

DELETE: Identify the internal and external stakeholders that will have an interest in the project. Are any of these stakeholders' potential funding partners? DELETE or ADD rows to the table below as needed (copy and paste the Influences options box if required).

Stakeholder	Influences	Key interests & issues
Community Property and Places team	High power/highly interested (Manage closely)	This is a key enabler for the team to perform well. The team are integral in key shift we need to make in asset management
Finance team	Low power/highly interested (Keep informed)	The Finance team have a keen interest in our asset data and

		information from a budget, forecast, debt and insurance perspectives
Community and Customer Experience teams	High power/less interested (Keep satisfied)	As the service owners for services delivered out of our assets the Community and
Users of the community assets	Low power/highly interested (Keep informed)	As users of the assets there is an expectation that the assets are well maintained

KEY CONSTRAINTS, DEPENDENCIES AND ASSUMPTIONS

Key to the identification and implementation of an asset management software solution is the process and people workstream within the overall end to end asset management change project. The Community Property and Places team will contribute strongly to the identification of the appropriate solution, and will also be required to implement and benefit from it.

NEXT STAGE

The high level rollout of the project is as follows:

- process and procedure design is underway now
- business requirements for the technology solution underway, and finalise this year
- procurement for suitable SaaS planned to commence from January 2024
- implementation of SaaS from July 2024

The end to end asset management solution project has already commenced and is a key shift in the organisational strategy that the Executive Team have agreed upon. A project lead is being identified who will accelerate the work that has already commenced.

Please contact the PMO (interim Stuart White: stuart.white@whanganui.govt.nz or 021738273) for any inquiries relating to this form or the business case process.

Team Leader/Project Manager Self-Review		Strategic Panel FINAL score	
Strategic Fit	4	Strategic Fit	5
Benefits	3	Benefits	5
Economic Impact	1	Economic Impact	1
Level of Service Improvements	4	Level of Service Improvements	3
Risk of doing nothing	4	Risk of doing nothing	5

*Note a copy of the anchored scoring matrix is available at the end of this document.

PROJECT MANAGEMENT OFFICE TO COMPLETE

Communications team level of involvement: Choose an item. *(PMO to liaise with the Communications team)*

ELT REVIEW

Date: Click or tap to enter a date.

ELT Minutes Reference: Click or tap here to enter text.

Agreed next steps:

Click or tap here to enter text.

If this project is **approved for a detailed business case**, then –

Name and job title of **Project Sponsor**

Click or tap here to enter text.

ANCHORED SCORING MATRIX

SCORE	Strategic Fit: <i>How well is this project aligned with our Strategic Vision for Whanganui?</i>	Benefits: <i>How valuable are the benefits this project delivers?</i>	Economic Impact: <i>How will this project contribute to the wider economic activity of the Whanganui District?</i>	Level of Service: <i>How well does this projects address shortfalls in our Level of Service?</i>	Risk of Doing Nothing: <i>What risks would NPDC be exposed to, if the investment is not made?</i>
Weight	35%	25%	20%	15%	5%
5	This investment plays a critical contribution to Council Objectives, Goals and Strategy.	This investment has a measureable Cost Benefit Ratio (CBR) and the benefits will return more than double the costs.	This investment is a key enabler for ongoing economic activity (i.e. ongoing annual GDP or employment) with the economic benefit being at least three times the cost of the project.	This investment addresses critical (e.g. regulatory non-compliance or safety issues) shortfalls in our current levels of service.	WDC could be exposed to very high risks.
4	This investment is a direct component or enabler to achieve Council Objectives, Goals and Strategy.	This investment has a measureable Cost Benefit Ratio (CBR) and the benefits will return more than the costs.	This investment is a key enabler for ongoing economic activity (i.e. ongoing annual GDP or employment) with the economic benefit being greater than the cost of the project.	This investment addresses significant (material user experience issues) shortfalls in our current levels of service	WDC could be exposed to high risks.
3	This investment contributes to a wider programmes of work designed to progress the Council strategic objectives and goals.	This investment has no measureable Cost Benefit Ratio but our community are clearly willing to pay for the benefits.	This project is the catalyst or key enabler for one-time only economic activity that is at least three times the cost of the project.	This investment addresses small (nuisance level issues) shortfalls in our current levels of service	WDC would be exposed to medium risks.
2	This investment is aligned to at least one of the Council strategic objectives and/or goals with limited direct contributions.	This investment has no measureable Cost Benefit Ratio and we think our community is willing to pay for the benefits, but we have not confirmed this.	This project is the catalyst or key enabler for one-time only economic activity that is greater than the cost of the project.	This investment makes no change to levels of service.	WDC would be exposed to low risks.
1	This investment has no direct contribution to Council goals and strategy.	The costs outweigh the benefits.	The economic benefit of this project is less than the cost of delivering the project.	This investment reduces levels of service.	WDC would have to put in a work around or keep using a poor or inefficient process.