

# Infrastructure Asset Management

## A. Introduction

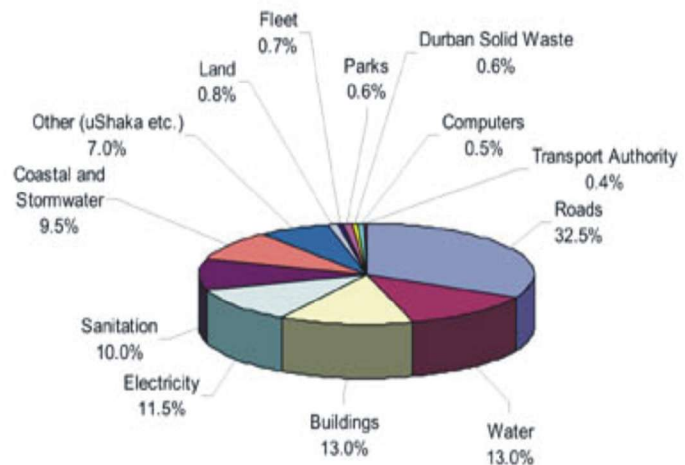
**The goal of Infrastructure Asset Management is to meet a required level of service in the most cost effective manner, which is achieved through the management of assets' life cycle, for present and future generations.**

National Government has legislated (Municipal Finance Management Act), the need for local Government to formulate active Asset Management Programmes.

An Infrastructure Asset Management Plan technically analyses the life cycle of an asset, and predicts when maintenance needs to be done to the asset before it deteriorates to such an extent that it no longer meets the communities needs.

The replacement value of the infrastructure assets owned by the éThekwini Municipality is illustrated below with the total being in excess of R100 billion.

Asset Groups	Replacement New Value (Millions)
Roads	R32,500
Water	R13,000
Buildings	R13,000
Electricity	R11,500
Sanitation	R10,000
Coastal and Stormwater	R9,500
Other (uShaka etc.)	R7,000
Land	R800
Fleet	R750
Durban Solid Waste	R600
Computers	R600
Transport Authority	R400
<b>Total</b>	<b>± R100 (billion)</b>



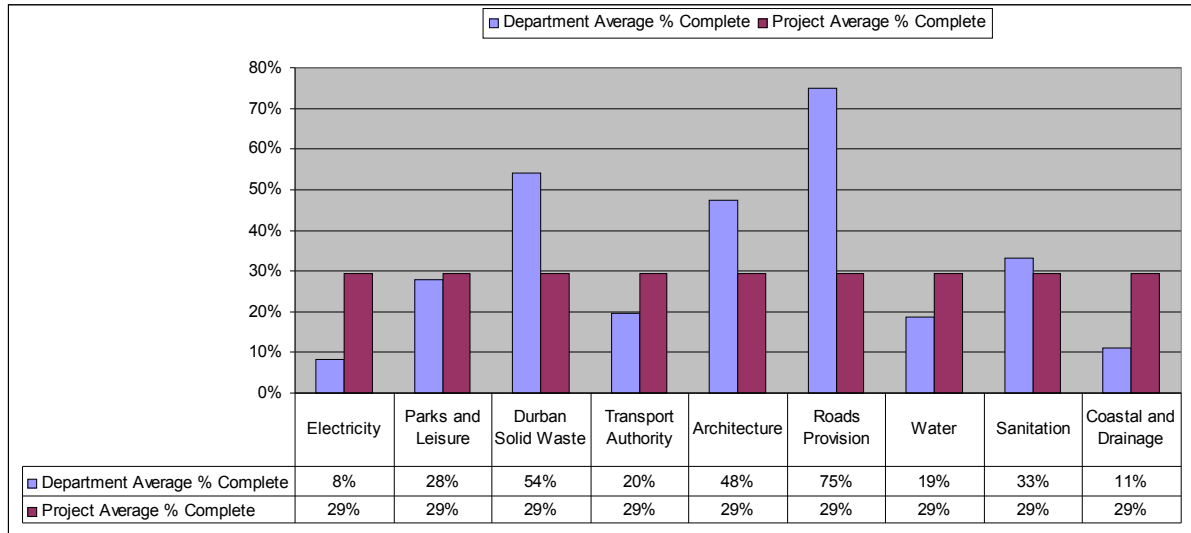
## **B. Progress to date**

- A 10 year Integrated Infrastructure Asset Management Business Plan has been produced and approved, the flow diagram of which is shown in Annexure 1.
- A Steering Committee has been formed. Meetings take place every 2 months.
- An Asset Management User Group, comprising of representatives of all Departments / Units has been formed and they meet monthly.
- Five Asset Managers have been appointed. Remaining three Asset Managers' posts have been re- advertised.
- 59 eThekweni officials have attended a 4 day training course over the period July 2007 to April 2008.
- DCM'S, Heads, Deputy Heads and Senior Managers attended 1½ days Infrastructure Asset Management training on 12 and 13 March 2008.
- Other major service owners in the city have been contacted and interviewed. We have received GIS information of the assets of the following owners:
  - (1) Petronet
  - (2) AECI
  - (3) Shell
  - (4) BP
  - (5) Natref
  - (6) Umgeni Water
  - (7) Eskom & Telkom
- A Risk Management Policy and Procedural Manual has been completed. The Policy will be forwarded to Council for approval by June 2008.
- A Business Analyst was appointed to investigate the most suitable Asset Management computer software for the Municipality. Three pilot studies PRAGMA, VELA VKE and JDE have been completed.

## **C. 2 Year Business Plan**

The 2 Year Business Plan deals with the capturing of the high level strategic Assets of the Asset Groups in Figure 2 below in terms of position of assets, condition of assets and value of assets.

### **Current Progress (2 Year Business Plan) – June 2007 to June 2009**



Note: The above chart shows the progress that the Asset Groups have made with the collection of data for the high level strategic assets (as per two year plan which end in December 2009).

#### **D. Conclusion**

The main thrust for all the Asset Groups for the next 12 months will be to audit existing Asset registers (high level strategic assets) for accuracy as an adequate Asset register is integral to effective Asset Management.

Annexure 1

