Public Works and Government Services Canada’s Wharf and Marine Structure Disposal Program

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Overview

- Program Background
- Application of Treasury Board Policies
- Engineering Assets Interdepartmental Working Group
Engineering Assets Strategy Sector

- Based out of Vancouver
- 19 major assets across the country
- 30 wharf and marine assets which comprises wharves, former wharf sites, and other marine structures (including water lots, dykes, and river training walls)
Wharf and Marine Structure Disposal Program

- Mandate: Budget 2008 provided $25M for the Wharf and Marine Structure Disposal Program with the objective of divesting or disposing all of the remaining assets within PWGSC’s inventory.

- In 2008 the Department had an inventory of 102 marine assets which has been reduced to 30.

- The remaining assets fall into one of three categories:
  - Non-functional assets with structures
  - Assets without structures
  - Functional assets with structures
Asset Types

• Functional with structure:
  • nine of these assets still serve a function, such as marine docking, and water control, and therefore divestiture will be pursued where possible.

• Non-functional with structure:
  • seven no longer serve any function and therefore demolition or disposal will be pursued

• Assets without structures:
  • These include 14 assets such as water lots and flooding rights
Constraints

Original 2008 Terms and Conditions

- Funding may be used for demolition, disposal/divestiture and/or environmental remediation of a site
- PWGSC can fund the repair or demolish a site, at a maximum of $1M
- Repair of a site cannot exceed cost of demolition
- In order for PWGSC to undertake necessary repairs at a site, a divestiture agreement must be in place
Amended 2012 Terms and Conditions

• Repairs at functioning assets can be completed without a divestiture agreement
• $1M cap on the repair of functioning structures is eliminated
• Program extended by one year until March 31, 2014
Challenges

- “Bottom-of-barrel” assets
- Inventory additions
- Stakeholder challenges
- Transfer payments
- Low market value
- Information management
- Recipient delays and reluctance
Successess

- Funding
- Appropriate regional staff
- Information sharing
- Liabilities removed
- Flexible terms and conditions
- Divestitures
Transition

• Regions will have to fund assets as of April 1, 2014
• Creating policies and procedures to ensure oversight of health and safety
• Central representation for issues management
• Ongoing
Treasury Board Policies

- Appraisals at “highest and best use”
- Worded for buildings
- Negative market value
- One-time transfer payment
Interdepartmental Working Group on Engineering Assets

- We face unique challenges
- Undercapitalized, high value to users, low market value
- Share lessons learned & best practices
- Whole of Government strategy for disposals/divestitures
- Identify efficiencies in O&M
IDWG - Intent

• ID horizontal issues related to engineering assets
• Develop federal work plan
• Value-creating strategies for low-value assets
• Seek omnibus program authorities and funding
IDWG - Action

- Inventory all engineering assets, surplus or not
- Report on life-cycle management and divestiture
- Next steps, including whole-of-government measures
- PWGSC has started studies (bundling, SMS, revenue generation, etc)
Questions?