

# Gathering Portfolio Recapitalization Information

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# Purpose

To provide insight into how portfolio managers can maximize the effectiveness of a portfolio-wide facility assessment program in support of their strategic asset recapitalization strategy.

# Agenda

- Getting Started
- Valuation and Costing
- The Assessment Process
- Keeping it Up-to-Date

# GETTING STARTED

# Asking the Right Questions

- What are your objectives?
  - Define success for your assets
- What do you own?
  - Types of assets, location, age, etc.
- Which assets are most “mission critical”?
- What are they worth?
- What indicator or benchmark do you want to use?
- What are your current levels of funding?

# Asking the Right Questions

- What non-condition related measures need to be understood?
  - Functionality, Sustainability, Environmental, Heritage, etc.
- When do you “need” the data?

# VALUATION AND COSTING

# Current Replacement Value

- One of the most critical pieces of information
- Multiple Methods for Calculation
  - Insurable Value
  - Sum of All Event Costs (buying your car piece by piece)
  - Standard Cost/sq.ft. by building type
  - Other internal or external calculations

# Unit Costs for Components

- Consistency in costing is critical
- Should be done at the outset
- Can use industry standards such as RS Means or others
- Can develop a project specific cost listing
- Can develop regional cost lists
- Utilize preferred contracts, etc.

# THE ASSESSMENT PROCESS

# Site Assessments

- How involved do you want your organization to be?
  - Utilize Internal Staff
  - Independent Third-Party Validation
    - How much collaboration do you want?
  - Hybrid

# Tiering Your Assessments

- Tiering involves breaking down your portfolio into distinct groups and adjusting the scope of work and level of assessment for each tier. Tiering can result in an overall cost savings for assessments

# Tiering Your Assessments

- Tiering can be based on:
  - Age and/or size of assets
    - e.g. More reliance on modeled information for newer/smaller assets
  - Criticality of assets
    - e.g. Hospital Buildings get greater attention than a support building
  - Level of currently available assessment information
  - Other methods

# Keys to Success

- Corporate support
- Dedicated person/team with accountability
- Clear communications with site staff
  - What, why, when, etc.
- Provide access to **most-experienced people on-site**

# Keys to Success

- Allow time for site personnel to assist with database initiation
- Require a Pilot Program at the start
  - Gets the wrinkles out earlier
  - Tests all assumptions
  - Ensures everyone is on the same page

# KEEPING IT UP-TO-DATE

# Keeping it Up-to-Date

- Once the initial assessment work is complete, the work has just begun
- On-going data management
  - Closing out projects
  - Updating life cycle events
  - Inflationary considerations

# Keeping it Up-to-Date

- Updating assessments
  - How frequently
  - On what cycle
  - What scope?
    - May want to reduce the scope to match funding

# THANK YOU

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