

ASSET MANAGEMENT WORKSHOP

May 28, 2019

Prepared by:

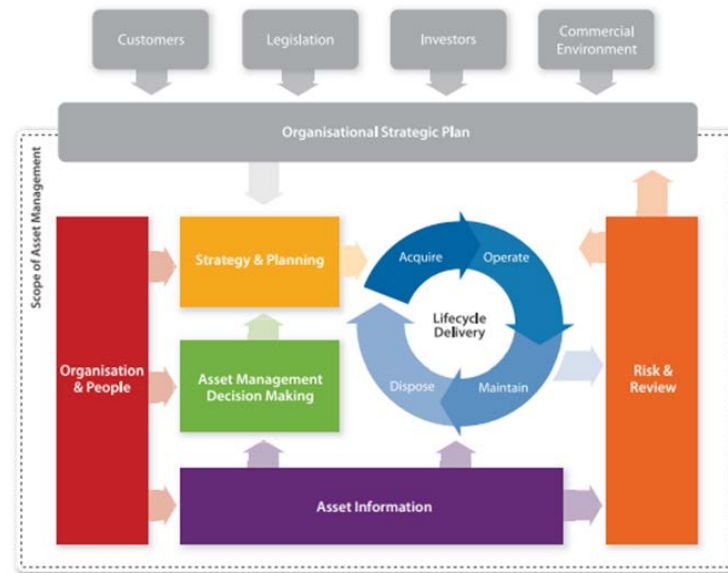
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WHAT IS ASSET MANAGEMENT?

- About making sustainable decisions to optimize costs and performance
- Prescribing economical solutions for lasting success
- A culture of continuous improvement
- Managing risks
- ISO 55000 is the global governance of AM



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Figure 3: The IAM's Conceptual Asset Management model

WHY ARE WE DOING AM?

Benefits:

- ✓ Improved financial performance
- ✓ Informed asset investment decisions
- ✓ Drives long-term thinking and planning
- ✓ Managed Risk
- ✓ Protect & Enhance quality of life for citizens
- ✓ Demonstrated social responsibility
- ✓ Demonstrated compliance with legislation
- ✓ Improves organizational sustainability
- ✓ Provide structure to AM operations
- ✓ Facilities standardization of efforts
- ✓ Enhance reputation

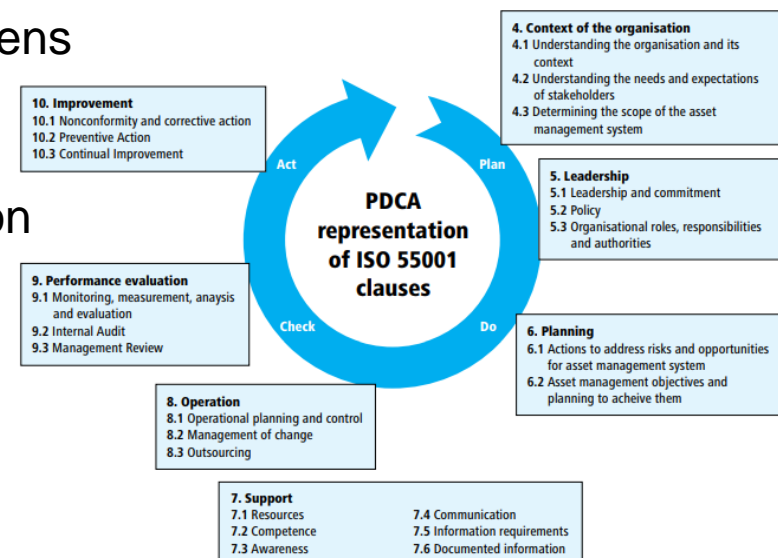


Figure 6: ISO 55001 clauses and the Plan-Do-Check-Act model

WHAT IS AN AM SYSTEM?

- ✓ Is the system or collection of things that work together to help the Town accomplish our objectives ~ Focused on practices and fundamentals
- ✓ Provides a documented foundation for the AM operation
- ✓ Ensures that everyone know who does what, how things are done, so that tasks are performed the same way across the organization
- ✓ Uses policies, roles and responsibilities to standardize and coordinate activities
- ✓ Provides disciplined practices that are needed to manage physical assets effectively and efficiently

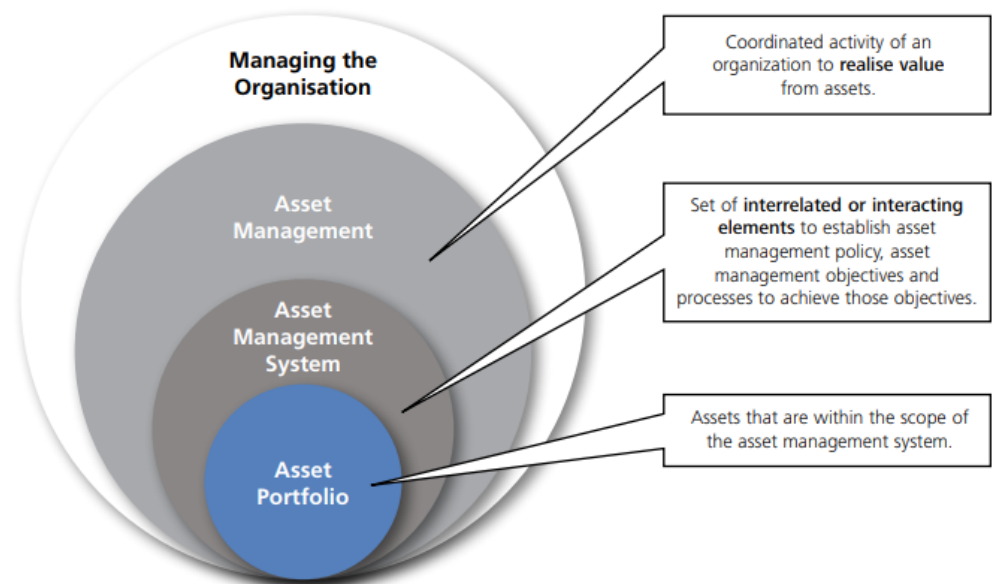


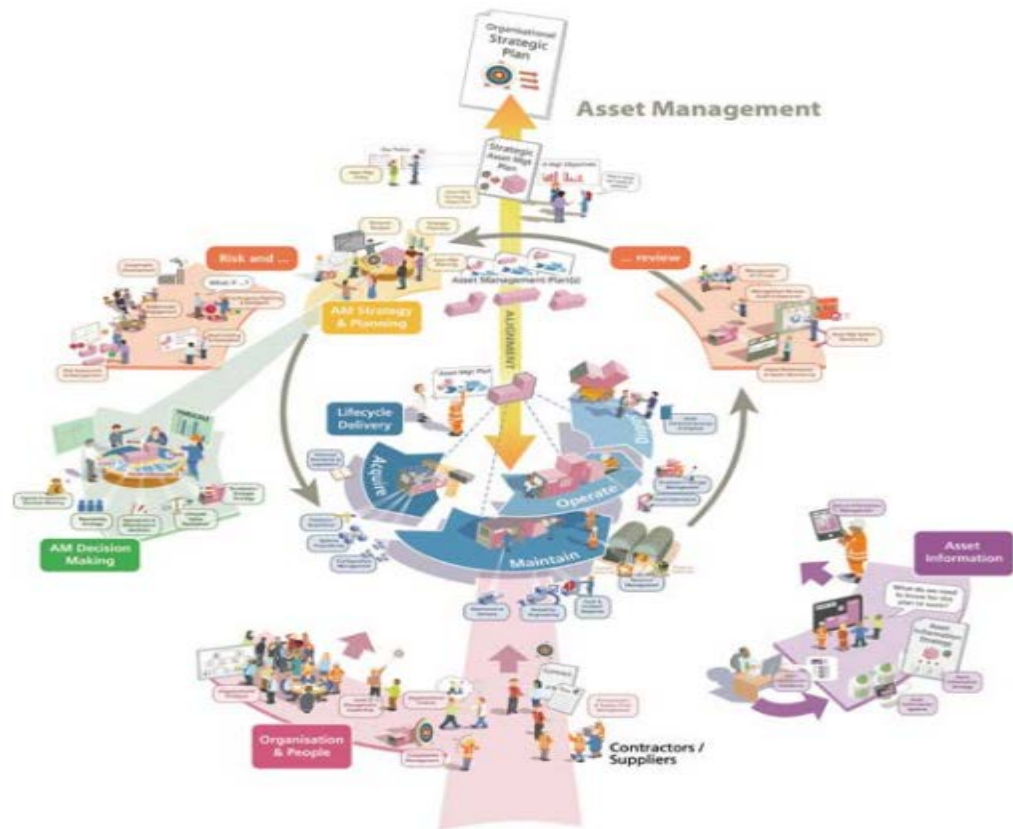
Figure 7: Relationship between asset management and the Asset Management System

WHAT DOES AM LOOK LIKE?

People do asset management

Knowledge, competence, motivation and teamwork have a huge influence on asset management outcomes

What does the Asset Management Culture look like?



Extract from the IAM's 'Big Picture'.

For more information about the IAM's 'Big Picture', go to www.theIAM.org/BigPicture

OUR AM SYSTEM



Framework Systems

- ✓ AM Policy adopted in 2016 – sets out the guiding principles and objectives
- ✓ AM Strategy developed in 2017 – sets out how staff will accomplish these objectives
- ✓ Governance Structure

Tactical Management System

- ✓ AM Plans – originally completed 2014
- ✓ Roles & Responsibilities
- ✓ Practices, Processes and Procedures
- ✓ Informational Elements (data)
- ✓ Performance Improvement Elements (KPI)

AM GOVERNANCE



Council

- Approve the strategies and plans as proposed by the City;
- Serve a representatives of stakeholder and community needs; and
- Approve funding for both capital and operating budgets associated with Asset Management through the annual budget

Senior Leadership Team (SLT)*

Communicate the vision of asset management at a corporate level, encourage engagement with the processes

Asset Management Steering Committee*

Coordinate financial, strategic planning, information technology and asset management activities

Corporate Asset Management Office*
Asset System Working Groups and Service Providers*
Residents, Stakeholders and Customers*

*Please refer to the AM Policy Procedures for full list of responsibilities

AM STRATEGY & OUTCOMES



Vision

Business Drivers

Review of Current State

Needs Assessment & Gap Analysis

Implementation Plan

Consultant's
Recommendations



Integrated Asset Management Strategy

The Corporation of the Town of
Newmarket



December 2016

OUR VISION



Managing service delivery through asset management

Our vision for asset management is to be innovative and fiscally responsible stewards of our infrastructure assets for the benefit of the community we serve and the people we employ, now and in the future. We will develop and continuously improve how we manage our infrastructure assets throughout their lifecycle to ensure they support our goal of a healthy, happy, thriving, dynamic and extraordinary community in which to live, work and play.

We seek to:

- Reach out and **build understanding** among residents, business, staff and elected officials about the role infrastructure plays in providing services that make our quality of life even better.
- Recognize and **respond to** current and emerging trends in **regulations, society and environment**.
- Maintain a **balance** between an acceptable level of **service** and a **cost** that is sustainable for residents and businesses now and into the future.
- Ensure that **funding levels and revenue sources are sufficient** to meet current and future infrastructure demands.

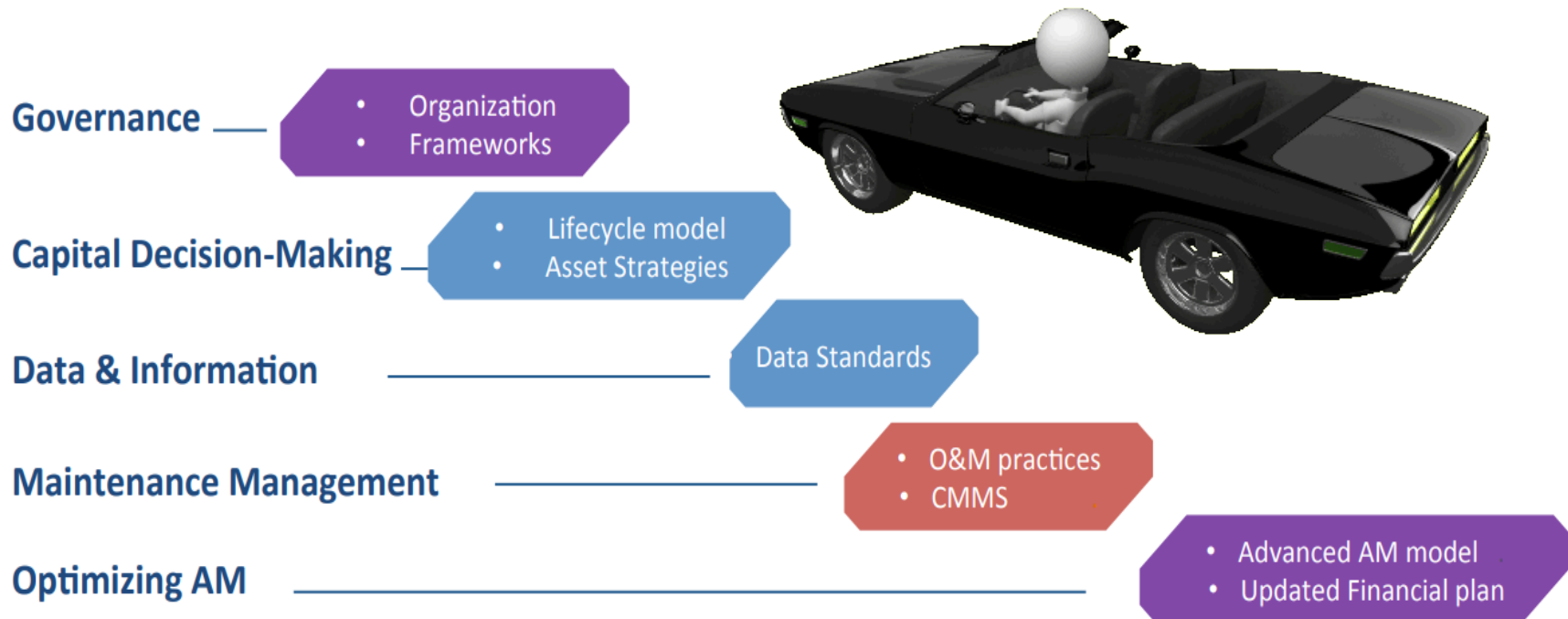
We will put **best practices** in asset management into effect, including an asset management strategy that **links disciplines and departments**, integrates data and software resources and **coordinates decision-making** so that we will be able to invest capital resources wisely and make informed choices about how we maintain our assets and deliver our services.

AM BUSINESS DRIVERS



Identifying the business drivers helps to identify priorities in improvement plans.

To identify prominent asset management drivers for the Town, a survey was conducted of Town staff. (See page 20-21 of the AM Strategy for complete list)

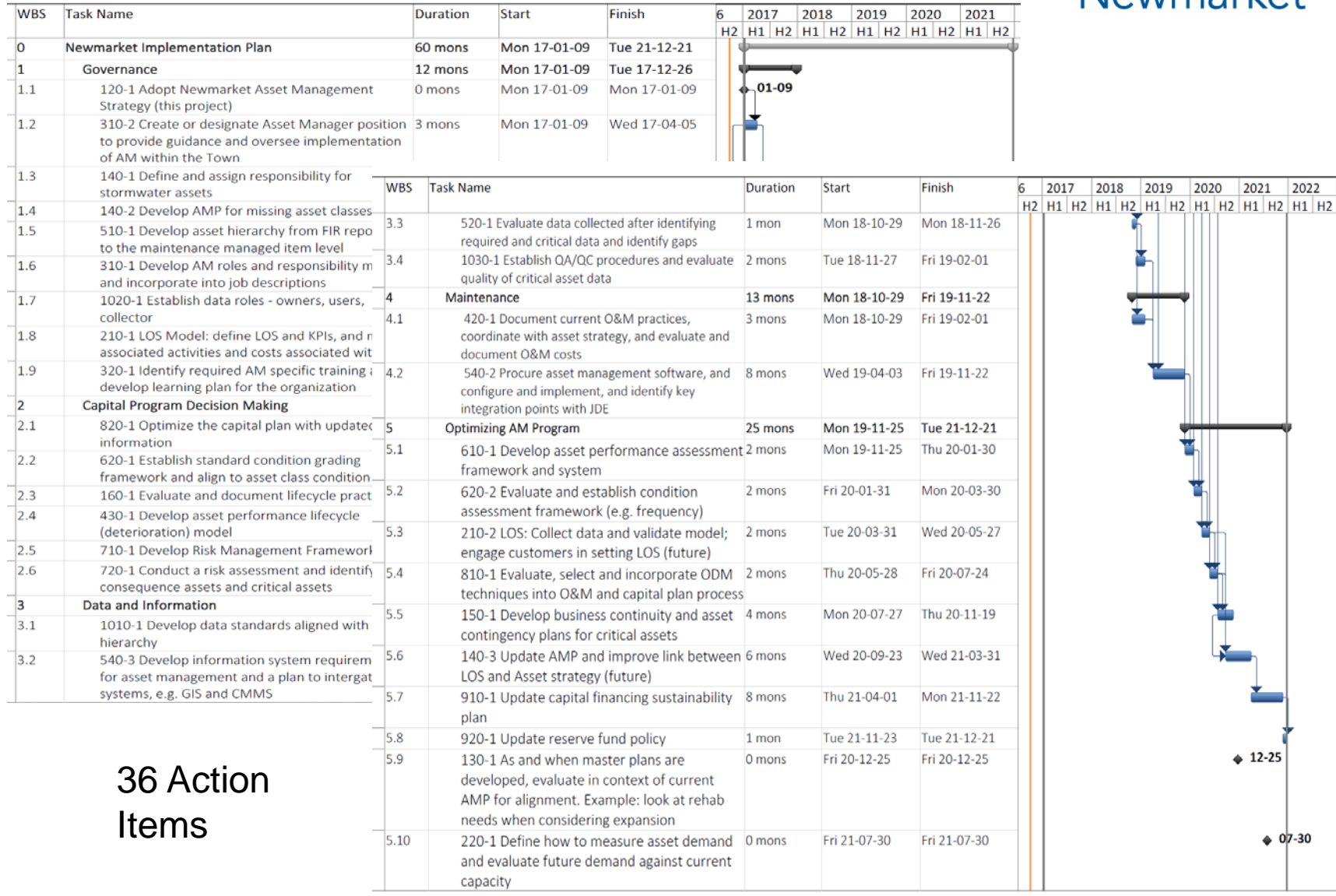


AM NEEDS



- 140-2 **Develop AMP for missing asset classes**
- 420-1 Document current **O&M practices**, coordinate with asset strategy, and evaluate and document O&M costs
- 510-1 Develop asset **hierarchy** from FIR reporting to the maintenance managed item level
- 520-1 Evaluate data collected after **identifying** required and **critical data** and identify **gaps**
- 540-1 Evaluate needs, develop user requirements for software and develop Terms of Reference (TOR) for procurement
- 540-2 Procure asset management software, and configure, and implement, and identify key integration points with JDE
- 620-1 Establish **standard condition grading** framework and align to asset class condition scales
- 710-1 Develop **Risk Management Framework**
- 720-1 **Conduct a risk assessment** and identify high consequence assets and critical assets
- 810-1 Evaluate, select and **incorporate ODM techniques** into O&M and capital plan process
- 910-1 Update **Capital Financing Sustainability Plan**
- 1010-1 **Develop data standards** aligned with asset hierarchy
- 1020-1 **Establish data roles** - owners, users, collector

IMPLEMENTATION PLAN



36 Action
Items

1ST PROJECT



LEVEL OF SERVICE – ACTION ITEMS



The results from the project align with findings from the strategy:

1. Moving forward, the **strategy** should be **updated** to reflect the findings from the LOS model project
2. Better **develop data and underlying practices** that support measurement of condition and asset sustainability are the focus for improvement going forward
3. Finalize the **service hierarchy** and integrate with financial system reporting
4. **Improve inventory data** focusing on physical data (length, material etc.) and methods to estimate replacement cost
5. **Set targets** and develop the financial analysis linked to service levels

WHERE TO NEXT



CHANGE MANAGEMENT



WORK PLAN





The municipality's commitment to consider, as part of its asset management planning:

- i. the actions that may be required to address the vulnerabilities that may be caused by **climate change** to the municipality's infrastructure assets, in respect of such matters as,
 - A. operations, such as increased maintenance schedules,
 - B. levels of service, and
 - C. lifecycle management,
- ii. the **anticipated costs** that could arise from the vulnerabilities described above,
- iii. **adaptation** opportunities that may be undertaken to manage the vulnerabilities described above,
- iv. **mitigation approaches** to climate change, such as greenhouse gas emission reduction goals and targets, and
- v. **disaster planning** and **contingency funding**.



A **process** to ensure that the municipality's asset management planning is aligned with Ontario's land-use planning framework, including any relevant policy statements issued under subsection 3 (1) of the Planning Act, any provincial plans as defined in the Planning Act and the municipality's official plan.

An explanation of the capitalization thresholds used to determine which assets are to be included in the municipality's asset management plan and how the thresholds compare to those in the municipality's tangible capital asset policy, if it has one

The **persons responsible** for the municipality's asset management planning, including the executive lead.

An explanation of the municipal **council's involvement** in the municipality's asset management planning.

The municipality's commitment to provide **opportunities for municipal residents** and other interested parties to provide **input** into the municipality's asset management planning.

Every municipality shall prepare its first strategic asset management policy by July 1, 2019 and shall review and, if necessary, update it at least every five years.



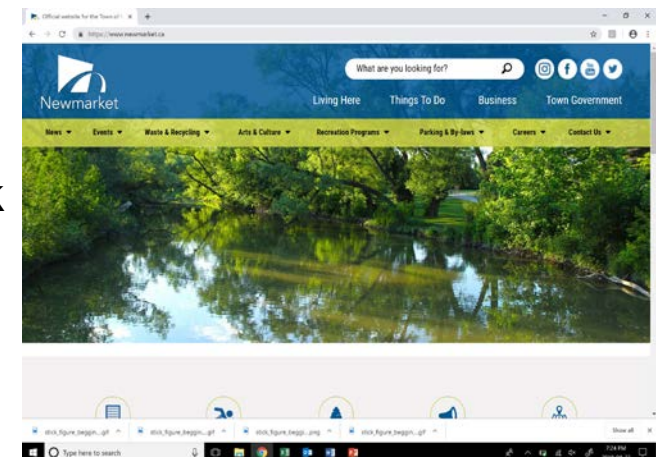
Community Connections

Web Presence

Dashboard

Regular updates to
Council (Presentations,
Information Reports, Work
Shops, Annual updates)

Annual updates included
in Community Report





Intranet Presence

Quarterly Communications to staff

2-way communication with staff





Leverage Existing Relationships with Organizations leading Global Best Practices in Asset Management



Asset Management Professional (AMP) Certificate

Educational program for Directors & Managers



Data Management Strategy

Data inventory review incl. asset hierarchy, asset identification and asset attributes

Performance assessment framework (LOS & KPI)

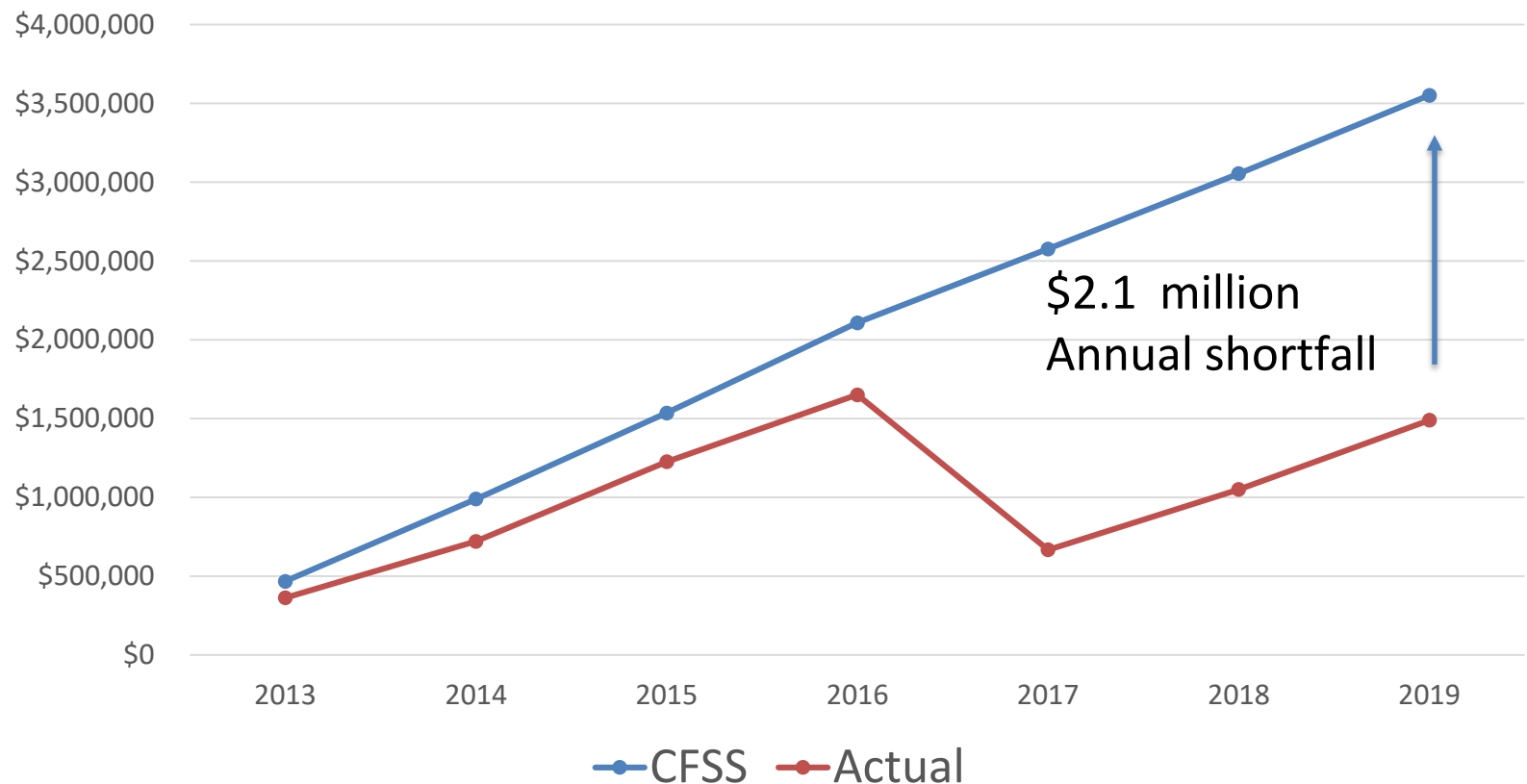
Models to link Operations & Maintenance activities

FISCAL BALANCE

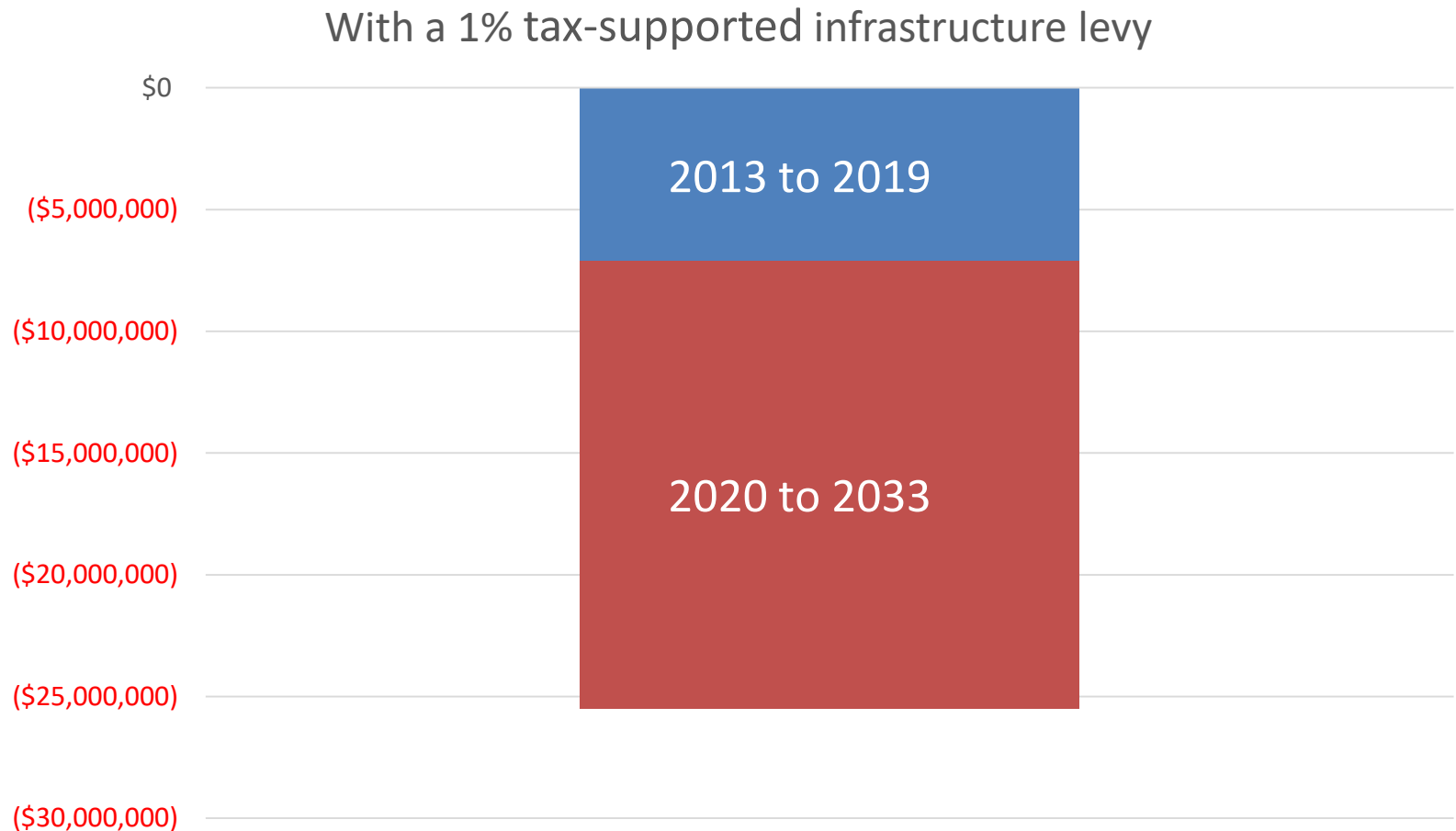


Tracking the Capital Financing Sustainability Strategy

Tax-supported ARF contributions



Projected Funding Gap



STRATEGY NEEDS

- Financial Sustainability Strategy
- Risk Strategy (Corporate & Operational)
- Data Management Strategy



NEXT STEPS

Policy Approval – June 24, 2019

Asset Management Plans for Missing Assets

- Storm Water
- Facilities
- Parks
- Fleet
- Natural Assets





Questions?

