



ASSET MANAGEMENT ONTARIO

Annual General Meeting and
Readiness Workshop

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**Asset Management
Governance /Team Building**
for
Large and Small Communities

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A Journey in Public Service Delivery

Where things started...

- Build the supporting assets – Roads, rail, water, sewage, bridges, etc..
- Make use of the assets over time.
- Fix when it breaks.
- Replace when money is available and public demands it.

Where things are going...

- Full life-cycle business case and financial plans prior to expanding services.
- Risk-based investments decisions
- Value-based service delivery
- Long term financial planning and investment planning
- Pro-active operational management
- Service Level Management
- Public-Private-Partnership service delivery

Public Services and Organizational Structure

Catalogue of Public Sector Services

- Transportation
- Water
- Sewage
- Sanitation
- Fire Prevention & Protection
- Paramedic Services
- Emergency Management
- Senior Services
- Child Services
- Recreation

Corporate Municipal Roles

- Council
- Senior Leadership
- Finance / Treasury
- Human Resources
- Technology
- Engineering
- Planning
- Economic Development
- Realty
- Customer Service
- Legal Services
- Fleet Services

Elements of Asset Management

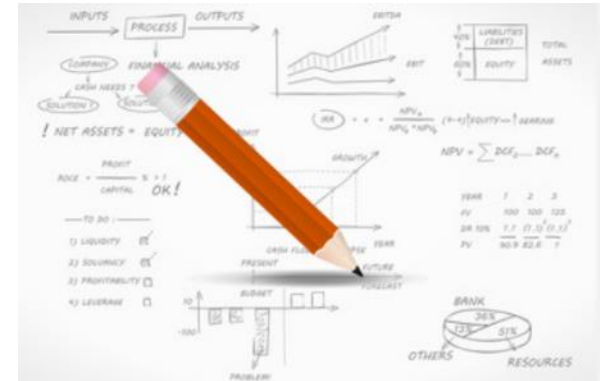
- Levels of Service
- Risk Assessment
- Inventory Registry and Records Management
- Condition Assessment and Monitoring
- Maintenance Planning
- Service interruption management
- Root cause analysis
- Utilization monitoring and billing
- Emergency Response
- System monitoring and compliance
- Performance Management & Optimization
- Integrated Capital Planning

So how we do implement the asset management elements within our public sector organizations?



The AM Challenge...

- It is NOT a report done periodically....
- Ultimately, AM has one or more elements in every part of the organization.
- The 'Team' is 'the whole organization'.
- However – “*Rome was not built in a day*”
 - AM needs to start with focused effort and then evolve into the organization



Capacity to Delivery AM Requirements..

Large Municipalities

- Positives:
 - Larger pool of resources and skills to draw from.
 - Some level of resiliency due to numbers.
- Challenges:
 - Shear volume of assets
 - Newton's laws of motion..

Small Municipalities

- Positives:
 - Smaller number of assets
 - Nimbleness with small number of people
- Challenges:
 - Capacity of individuals wearing multiple hats

Chicken or the Egg??



Eggs

- Inventory
- Condition
- Residual Life
- Consequence of Failure
- Service Levels

Chickens

- Renewal needs
- Operational needs
- Revenue requirements
- Long Term Financial Plan

Organizational Evolution

- Identify the elements of AM that already exists in the current structure
- Determine
 - Gaps (capacity or skills needed)
 - Overlaps (opportunity to be more efficient)
 - Dependencies (information flow or reporting structure needs)
- Define the maturity level desired for each element of AM
- Evolve the organization structure



AM Team Examples...

- **Centralized Dedicated Team**
 - **Designated to one individual**
 - **Distributed functions coordinated by an individual**
 - **Hybrid**
 - **Consultant service**
- **Common conflicts**
 - Information Management & Technology
 - Prioritization across Services
 - Individual responsibility vs shared responsibility

Dedicated Central Staff

- **Pros**

- Dedicated to deliver AM Requirements and have or can acquire AM expertise
- Generally – no operational responsibility

- **Cons**

- May not have operational knowledge
- Tend to build independent processes and systems
- Difficult to ‘tie-in’ to operational knowledge

Opportunities to Balance:

- AM Staff embedded or have had operational experience
- Corporate directive to include AM staff in operational decisions and planning

Dedicated Individual

- Pros
 - Able to focus on delivery of AM requirements
- Cons
 - Requires strong collaboration with operational and internal service areas
 - Tendency to build independent systems and datasets

Opportunities to Balance:

- Make it a senior position in the organization
- Directive to have core AM info maintained in operational systems

Distributed Responsibility

- Pros

- Leverage operational knowledge
- Improved tie-in with asset activities (capital & Operational)

- Cons

- Consistency with records, processes, reporting
- Competing operational priorities

Opportunities to Balance:

- Peer working group across functional area
- Collective agreement for reporting format / structure

Hybrid

- Pros

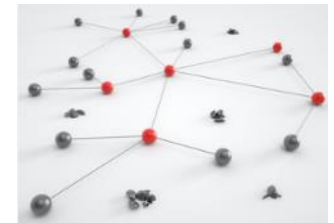
- Responsibility for reporting and process defined
- Expertise and knowledge from operational area
- Clearer Accountability

Opportunities to Balance:

- Clear corporate mandate and policy

- Cons

- Dotted-line reporting accountability
- Competing operational priorities



Consultant Service

- Pros

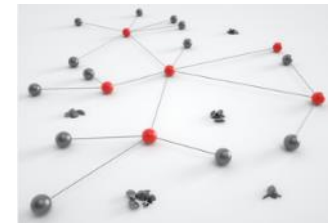
- High level of expertise
- Delivery of product (policy, plan, etc..)
- Expedient
- Multiple funding programs available

- Cons

- Limited use within the organization
- Difficult to reach higher levels of AM Maturity in the Organization

Opportunities to Balance:

- Engage consulting support to initiate, improve, advance
- Commitment to integrate AM into business processes
- Build internal resources to maintain and mature AM



Small Municipalities.....

- Collaborate to leverage what exists
 - Peers, Neighbours
 - Upper Tiers where they exist
- Share ideas
- Joint projects, resources, tools
- Joint funding requests ?

Choose the future of public services !!

