



Asset Management Technical Assistance

**Foundations of Asset
Management Planning**

Leadership & Governance

Leadership Questions

- What is the state of our infrastructure?
- How well are we meeting the community's expectations?
- What are the key asset deficiencies & risks?
- What are the priorities for improvement?
- What is our plan to maximize the lifecycle of the assets in a fiscally sustainable way?

Adanac Township

- The case study is intended to facilitate learning that can be applied to your own municipal situation.
 - Materials: 'Adanac Township Case Study Background'

Building the Foundations

GOVERNANCE MODELS

Organizational Governance

- Instilling a Governance structure to develop, implement and manage an organizational asset management program ensures all stakeholders are represented, heard and considered in the process.
- This ensures an integrated program with accountable stakeholders.

Governance Structure

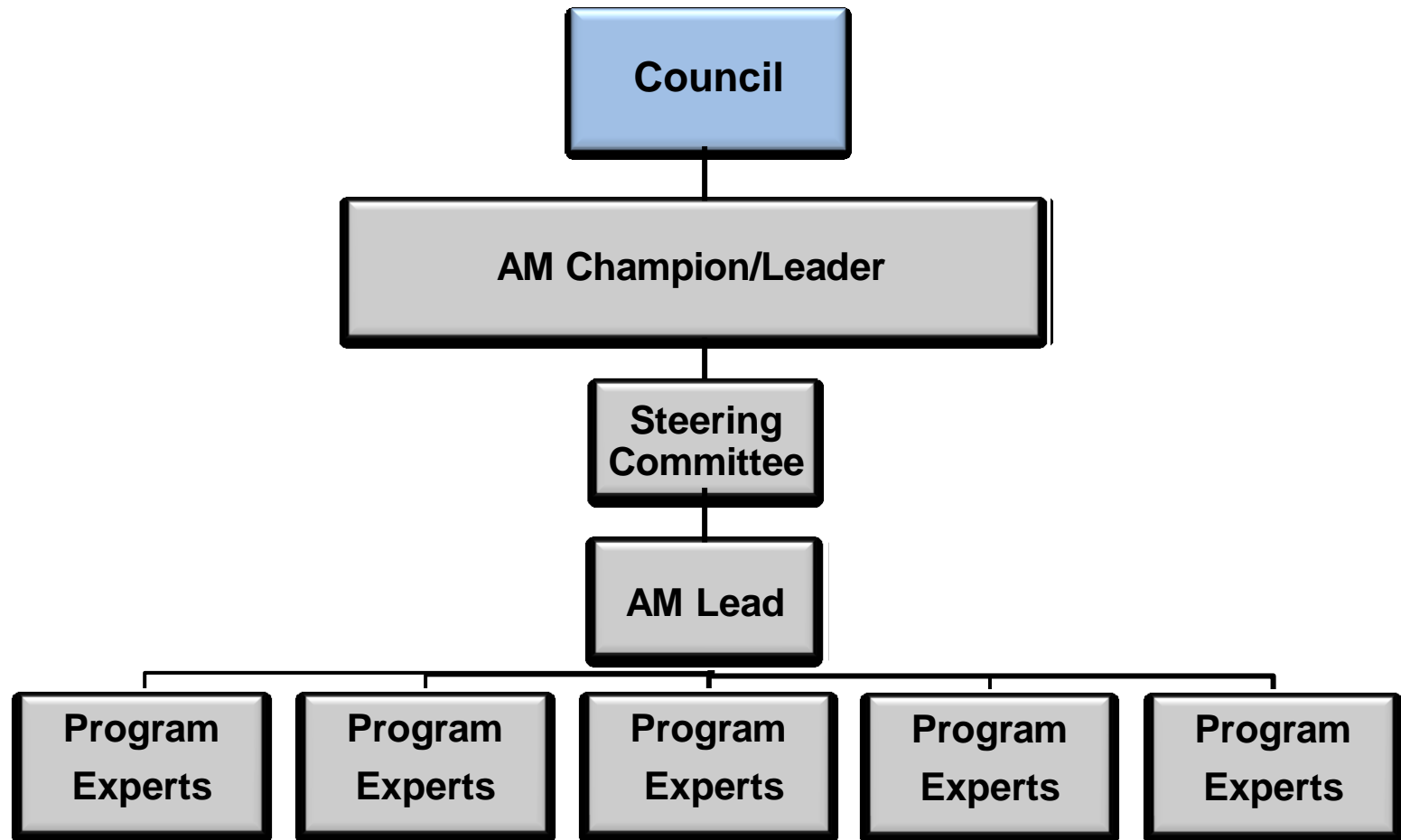
- A Governance structure is required to:
 - Develop & implement the AM program
 - Manage an ongoing AM program
 - Prioritize AM initiatives
- The Strategic Asset Management Policy provides a basis to discuss an effective governance structure for the municipality.

Program Development

- Asset management is multidisciplinary:
 - Engineering
 - Finance
 - Operations
 - Planning
 - Purchasing
 - IT
- Governance structure should have broad organizational representation
- Scale & scope of infrastructure services provided by municipality informs Governance structure.

Governance

Developing the Asset Management Program



Role: Asset Management Champion/Leader

- A senior official (elected or non-elected) who establishes the culture of asset management (AM) across the municipal organization.
 - Champions AM vision;
 - Articulates corporate goals and stakeholder requirements that AM policy must help achieve across organization;
 - Ensures that AM Program aligns with corporate strategy and targets.
- Provides motivation & leverage to ensure successful implementation of AM program.

Role: Steering Committee

- Includes senior representatives from across the organization:
 - Develops the AM vision;
 - Proactive in shaping the Asset Management culture;
 - Supports AM Champion/Leader in promoting Asset Management principles and best practices;
 - Ensures AM program will meet requirements;
 - Supports AM program & possible changes to areas of the organization;
 - Provides guidance to the Program Experts or Project Manager.

Role: AM Lead

- Manages development of Program to achieve corporate AM vision;
- Works with/seek guidance from:
 - Steering Committee;
 - Leadership & expert staff in the service areas;
- Develops/maintains communications plans;
- Manages consulting services (if applicable);
- AM lead can come from any area of the organization
 - Should have a broad knowledge of the organizational operations, people & assets;
 - A team builder & motivator.

Roles: Program/Service Area Experts

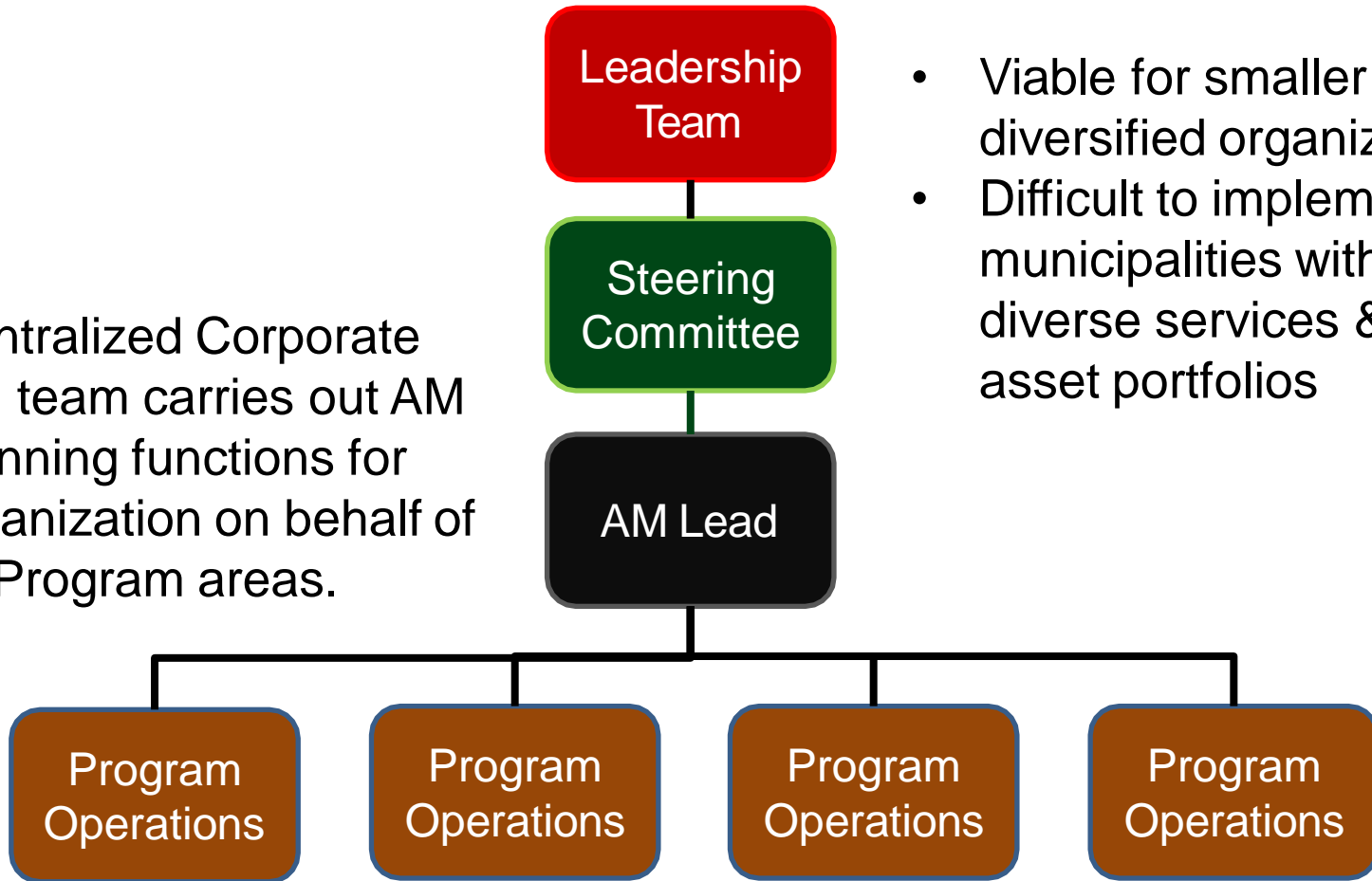
- Provides expertise & input to AM program from respective service areas;
- Ensures services or infrastructure they are accountable for are properly represented and accommodated in AM program.

AM Governance Structures

- Many options for managing an ongoing AM Program within a municipality
- Choice of Governance structure within municipality will be affected by factors unique to each municipality:
 - Size & diversity of asset base;
 - Level & type of internal expertise;
 - Available technology and integration between asset registers;
 - Current municipal governance structure & operations (e.g., capacity across departments).

Centralized AM Governance

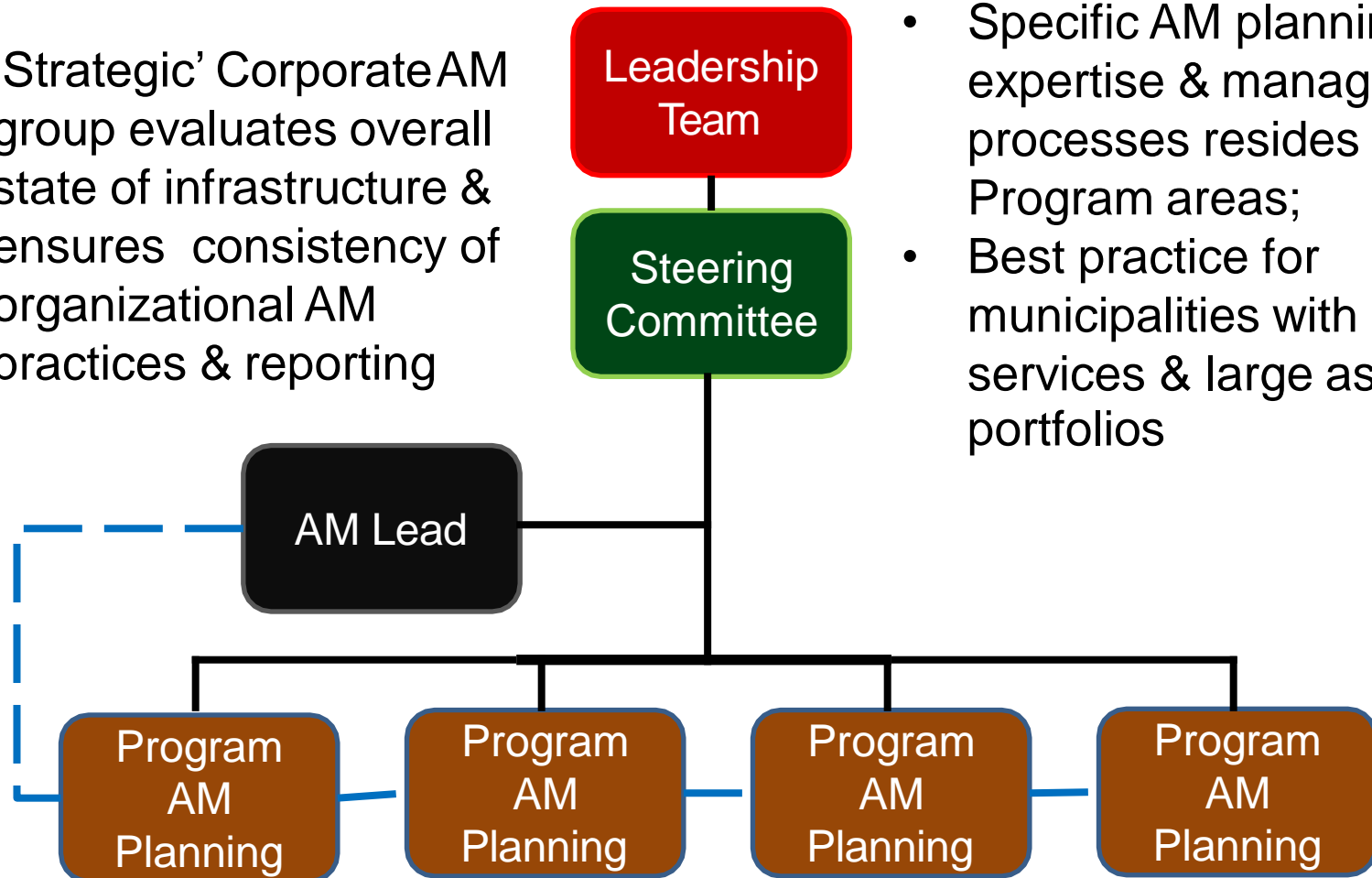
- Centralized Corporate AM team carries out AM planning functions for organization on behalf of all Program areas.



- Viable for smaller or less diversified organizations
- Difficult to implement in municipalities with diverse services & large asset portfolios

Partially Centralized Strategic AM Governance

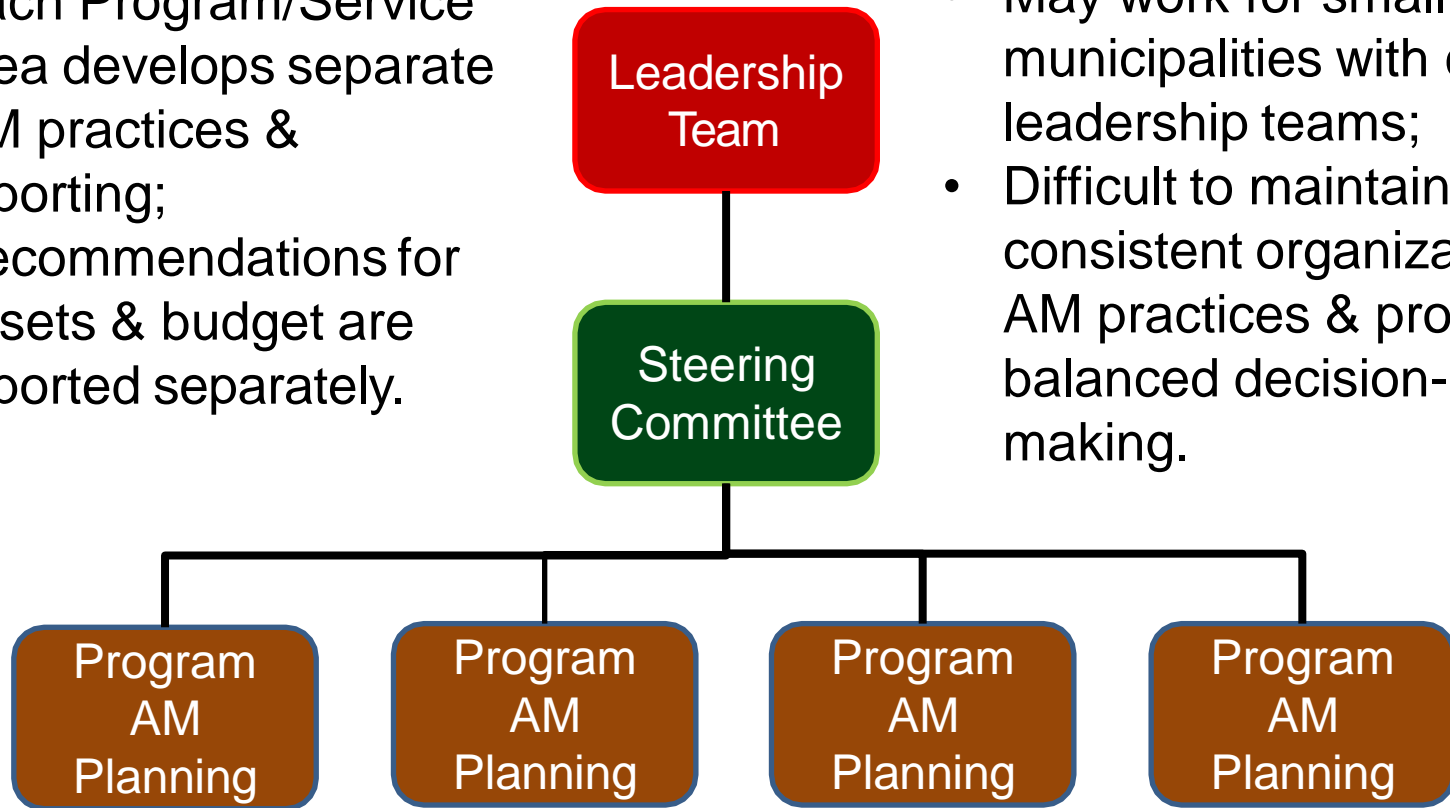
- 'Strategic' Corporate AM group evaluates overall state of infrastructure & ensures consistency of organizational AM practices & reporting



- Specific AM planning expertise & management processes resides in Program areas;
- Best practice for municipalities with diverse services & large asset portfolios

Decentralized AM Governance

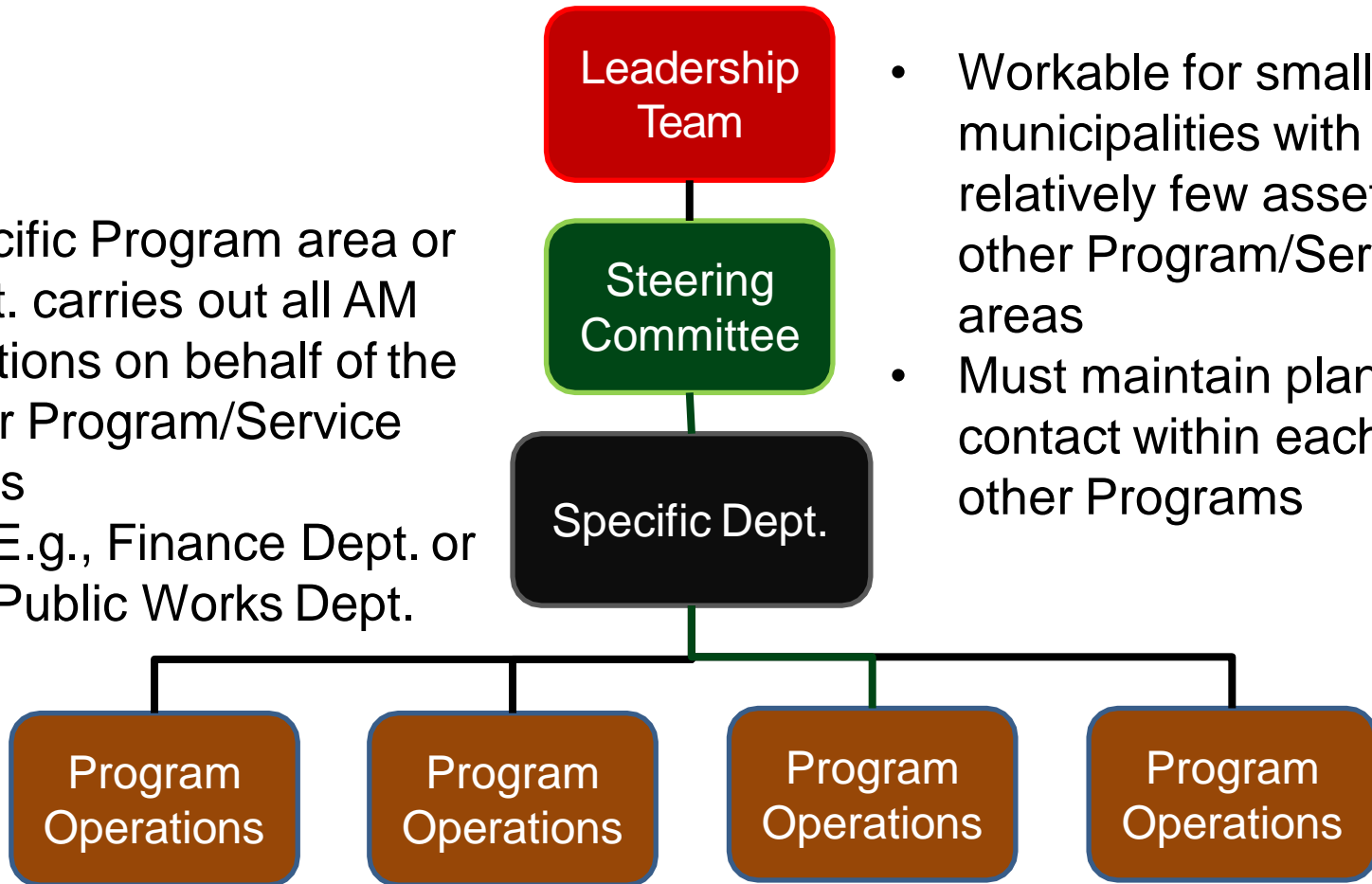
- Each Program/Service area develops separate AM practices & reporting;
- Recommendations for assets & budget are reported separately.



- May work for small municipalities with close leadership teams;
- Difficult to maintain consistent organizational AM practices & promote balanced decision-making.

Hybrid Asset Management Governance

- Specific Program area or Dept. carries out all AM functions on behalf of the other Program/Service areas
 - E.g., Finance Dept. or Public Works Dept.



- Workable for small municipalities with relatively few assets in the other Program/Service areas
- Must maintain planning contact within each of the other Programs