

DATE: November 22, 2013
TO: Mayor and Members of Council
RE: **FINANCE AND ADMINISTRATION MEETING – NOVEMBER 25, 2013**
REPORT 16, ITEM 5
CORPORATE ASSET MANAGEMENT STRATEGY
ADDITIONAL RESOURCE REQUESTS

Recommendation

The Commissioner of Engineering and Public Works and the Director of Engineering Services recommends:

1. That this report be received for information.

Background - Analysis and Options

The Finance and Administration Committee, at its meeting of November 12, 2013, deferred Item 1 of Finance and Administration Committee Report No.14 – Draft 2014 Budget and 2015-2017 Plan, to continue deliberations, and requested additional information on the following:

“An explanation of the hierarchy of positions requested as part of the Asset Management project”

The City has embarked on a multi-year phased Corporate Asset Management Strategy (CAMS) to develop and implement leading asset management principles and practices focused on improving overall efficiencies and effectiveness in delivering services to its citizens. The objective of CAMS is to achieve the lowest total lifecycle cost of ownership of infrastructure assets, while continuously delivering services at a level that citizens and stakeholders require and are willing to pay for, at an acceptable level of risk to the community.

A hybrid model was the recommended organizational structure to support the implementation of the Corporate Asset Management Strategy, and is reflective of the evolution of general municipal and governmental practices.

At the meeting held on October 8, 2013, Council approved the recommended framework contained within the Corporate Asset Management Strategy report. One of the items addressed within this report is staffing to continue the successful implementation of the strategy.

The preferred organizational model must ensure clear accountability for all aspects of the asset management functions; tactical (everyday), operational (1-3 year planning/budgeting), strategic decision making and integrated data collection (longer-term planning/programming/forecasting), reporting and corporate monitoring. It should also reflect appropriate division of work into logical units and provide for appropriate co-ordination and control of the work.

A hybrid model has been developed based on the experiences of leading industry practitioners. This structure depicts a centralized Asset Management Office that would provide strategic leadership within the City. Leadership of the tactical and operational activities would remain within the appropriate program

areas, and coordinated by dedicated Asset Management Coordinator positions. Figure 1 illustrates the proposed structure.

This structure allows for the coordination of the everyday tactical and operational decision making integral to effective asset management at the program level. It properly identifies accountability for the reporting of the investments and asset improvements made every day at the program level.

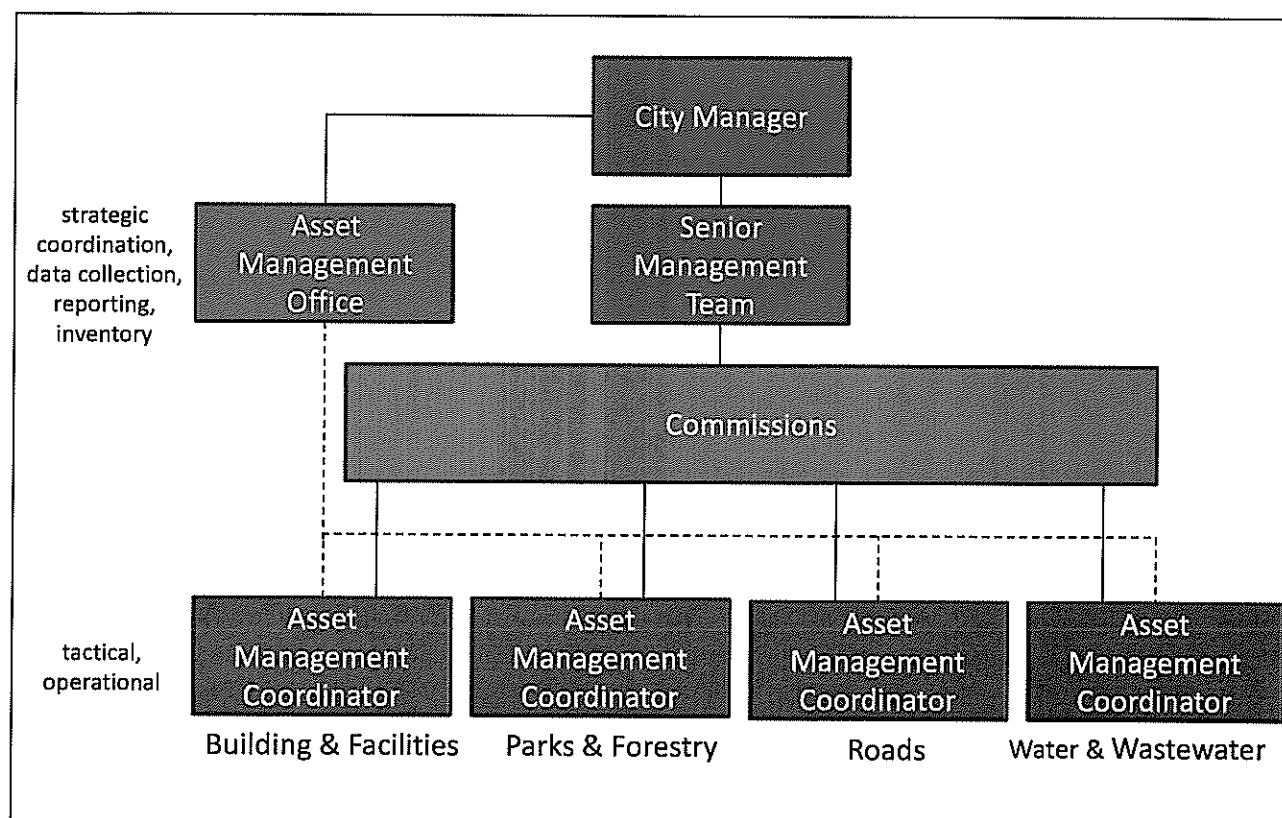


Figure 1 – Recommended Organizational Structure

A critical component of the hybrid organizational model was the creation of an Asset Management Office, led by the Manager of Corporate Asset Management

The recommended organizational design includes the establishment of a new Asset Management Office (AMO) along with a new leadership position (Manager of Corporate Asset Management). The AMO will lead the implementation of the Corporate Asset Management Strategy (CAMS) through the remaining phases. Key projects for consideration as part of the 2014 Budget Deliberations are the Asset Management System along with the Computerized Work Management Systems. The implementation of these enterprise systems are significant milestones in CAMS.

The Asset Management Office will be responsible for the Corporate Asset Management Policy. This Policy provides the framework which enables CAMS and the specific objectives, targets and plans. The Policy also provides guidance in the continuous improvement of processes and practices, data and systems, and the organization and the people within it, as it relates to asset management. The AMO will work with the program area leads in the various City Commissions to formalize functions, practices and responsibilities associated with the management of the portfolio of assets used to support delivery of services. The Asset Management Office will also champion how asset management will broadly be

undertaken across the various departments in support of the linkage to the organization as a whole. A Manager's title was initially identified as the lead for the Asset Management Office, which is in keeping with leading industry trends; however, through the development of the job description and the defined responsibilities, the position title will be reviewed.

Asset Management Co-ordinators were identified for each of the four major asset classes reporting within the operating commissions.

A broad knowledge of asset management currently exists within the organization. An essential component of the hybrid model is the creation of Asset Management Coordinators within the program areas within the various City Commissions (namely Community Services and Engineering and Public Works). Maintaining these asset management responsibilities in the program areas acknowledges and leverages the existing skills and expertise areas of asset management for staff within these Commissions. The Asset Management Co-ordinators will be the "power users" within the organization; acting as department leads and working collaboratively with the Asset Management Office. This relationship is depicted with a dotted line in Figure-1.

The hybrid model acknowledges the strengths of management and staff currently involved in asset management, yet creates a greater sense of ownership and supports opportunities for further enhancing skills within the program areas. In summary, the Asset Management Coordinators will:

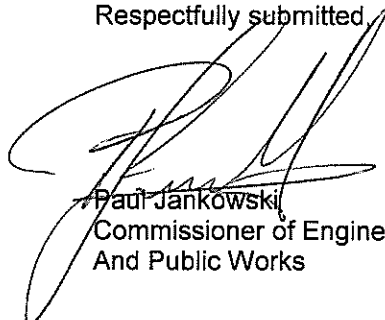
- Coordinate the development of departmental input into CAMS
- Coordinate the development of the Capital Programs by each department
- Provide support and direction for asset management continuous improvement projects
- Coordinate asset management skills development and
- Participate in regular corporate asset management team meetings

The recommended hybrid model provides an organizational structure that supports a successful implementation of the Corporate Asset Management Strategy, and the flexibility to support and adapt to the future asset management needs at the City.


Report prepared by:

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Respectfully submitted,



Paul Jankowski
Commissioner of Engineering
And Public Works



Jack Graziosi
Director of Engineering Services