



Town of Newmarket
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Asset Management Strategy Progress Report Information Report

Report Number: 2018-04

Department(s): Asset Management Committee

Author(s): Lisa Ellis, Manager, Asset Management

Date: March 8, 2018

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Purpose

The purpose of this report is to provide an update on the progress staff has made with implementing the Asset Management Strategy prepared for the Town by Yaku Consulting.

Background

In January 2017 Council approved the Town's first Asset Management Strategy. As part of the strategy, an implementation plan was also prepared to guide the overall development of the asset management system (program) within the Town.

Discussion

The implementation plan identified the following action items to improve the Town's asset management practices including:

Governance Action Items

WBS	Assessment Area	Assessment Element	Project
1.1	Strategy and Planning	Asset Management Strategy	120-1 Adoption of the Newmarket Asset Management Strategy (this project)
1.3	Strategy and Planning	Asset Management Plan	140-1 Define and assign responsibility for stormwater assets
1.4	Strategy and Planning	Asset Management Plan	140-2 Develop AMP for missing asset classes
1.2	Organization and People	Asset Management Structure	310-2 Create or designate Asset Manager position to provide guidance and oversee implementation of AM within the Town
1.6	Organization and People	Asset Management Structure	310-1 Develop AM roles and responsibility matrix and incorporate into job descriptions
1.9	Organization and People	Competency	320-1 Identify required AM specific training and develop learning plan for the organization
1.5	Asset Data and Information	Asset Hierarchy	510-1 Develop asset hierarchy from FIR reporting to the maintenance managed item level
1.7	Data Management	Data Owner	1020-1 Establish data roles - owners, users, collectors
1.8	Performance and Demand	LOS – Level of Service	210-1 LOS Model: define LOS and KPIs, and model associated activities and costs.

Capital Program Decision Making Items

WBS	Assessment Area	Assessment Element	Project
2.1	Decision Making	Capital Plans	820-1 Optimize the current capital plan with updated asset information
2.2	Monitoring & Improvement	Condition Assessment	620-1 Establish standard condition grading framework and align to asset class/sector condition scales
2.3	Strategy and Planning	Asset Strategy	160-1 Evaluate and document lifecycle practices

The following action items have seen progress in 2017:

- 1.2 Asset Management Structure – The Asset Manager position has been created through reclassification of a vacancy to provide guidance and oversee implementation of Asset Management within the Town. Recruitment was completed and the position was to be filled on March 5th, 2018. In addition, a preliminary structure has been identified and 2 additional positions have been approved in the 2018 Budget funded from OCIF formula-based allocations.
- 1.4 Develop Asset Management Plans for missing asset classes – The Stormwater Asset Management Plan (AMP) was completed in 2017. Additional AMP's will be added in the future
- 1.5 Asset Hierarchy – The initial hierarchy has been established, and further work is required to adapt information systems for consistency.
- 1.8 Level of Service (LOS) – This project was selected as the banner project for 2017. A full update on this project is provided in the attachment to this report.
- 1.9 Competency - Identify required AM specific training and develop a learning plan for the organization. The Committee prepared a Learning Calendar early in 2017 to keep staff apprised of development opportunities. Specific training to improve AM practices in the Town has been undertaken through webinars, conferences and certification programs.

Other achievements not specifically related to the AMS in 2017 include:

- Providing comments on the proposed asset management regulations from the province establishing asset management planning requirements under the Infrastructure for Jobs and Prosperity Act, 2015.
- Becoming a contributing member of the Asset Management Ontario working group. The purpose of this group is “To be a multi-disciplinary community of practice for public infrastructure stewards to strengthen asset management capabilities and achieve defined Levels of Service through implementable practices aligning international standards, regulatory requirements, and best practices to optimize public services.”

Conclusion

Attached to this report as Appendix A is a memo outlining the Town’s banner project for launching the Asset Management Strategy.

Business Plan and Strategic Plan Linkages

Well-Equipped & Managed by applying processes that reflect sound and accountable governance through: fiscal responsibility; efficient management of capital assets and municipal services to meet existing and future operational demands; and service excellence.

Consultation

No public consultation was undertaken as part of this project.

Human Resource Considerations

No impact to Human Resources.

Budget Impact

No impact on operating or capital.

Attachments

None.

Contact

For more information on this report, please contact Lisa Ellis, Asset Management Committee Chair, at 905-953-5300, press “2”, then extension 2515 (or lellis@Newmarket.ca).

Approval



Lisa Ellis
Manager, Asset Management
Development & Infrastructure Services



Peter Noehammer
Commissioner, Development & Infrastructure Services

Appendix A

Development and Infrastructure Services – Development Infrastructure Services

Subject: **Asset Management Level of Service (LOS) Update**

Origin: Asset Management Committee

In January 2017 Council approved the Town's first Integrated Asset Management Strategy (AMS) which included an implementation plan. The implementation plan guides the overall development of the asset management system (program) within the Town. It is comprised of approximately 30 individual improvement projects organized in five asset management program objectives which spread over a 5-year period. In February the Asset Management Committee met to select the banner project for 2017 that met the following criteria:

- Involved many in the Corporation
- Would produce practical results
- Not too complex or time consuming
- Would have change impact (but not radically)
- Did not rely on other projects to be done first

After a review of the 2017 projects as identified on page 9 of [The Town of Newmarket – Integrated Asset Management Strategy](#) and considering the Town's current asset management maturity level the Committee selected item 1.8 – Level of Service (LOS) project as the banner project.

The LOS project was launched in March 2017 and was conducted over an 8-month period. Senior management from the Town provided insights and direction to the project team through the Asset Management Committee acting as a Steering Committee. In addition, numerous staff from across the Town shared their knowledge and provided input into the development of the levels of service model. Without their involvement this project would not have been possible.

What Is Levels of Service (LOS)?

LOS is a balance of the cost, risk and benefits a service provides, based on the performance of the assets, and the performance of activities supporting assets and delivering services.

Project Summary/Description

The current Town practice includes service delivery performance measurement through cost analysis, efficiency improvements, etc. It was determined that focusing on LOS performance measurement at the asset level would be the focus of this project.

Project Recommendations

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

One of the main challenges for any strategic planning process is managing the change during implementation of identified improvements. To help with successful implementation and adoption of levels of service, there is an additional recommendation to improve integration with, by or of:

- Staff annual performance objectives
- Asset replacement fund categories
- Service bundle categories
- Service Pricing Policy

In conclusion the LOS project was completed in December 2017. In addition not all projects identified in the implementation plan for 2017 have been started resulting in the need to extend the timeframe for the overall strategy implementation. In addition findings from the LOS project will influence which and how projects should be worked on next. Once the new Asset Management Manager has been retained and is oriented to the Strategy and LOS project, it is anticipated that a revised implementation plan will be developed to act on the recommendations as identified in the LOS project.

A copy of the draft LOS project report can be found here: [DRAFT LOS Project report](#)