

Totex Infrastructure Partners



Loyalist Township

CORPORATE ASSET MANAGEMENT PROJECT

AM ROADMAP REPORT &
IMPROVEMENT INITIATIVES

FINAL REPORT

SEPTEMBER 2020

EXECUTIVE SUMMARY

The Ontario Asset Management (AM) Planning Regulation (O.Reg 588/17) came into effect as of January 2018 and Loyalist Township (LT) along with all Ontario municipalities in Canada are required to be in compliance. To achieve this LT chose to demonstrate its level of Asset Management maturity and readiness aligned to the international standard on Asset Management ISO 55001.

LT was selected from a cohort of AMONTario municipalities to perform this e-assessment & roadmap pilot, which utilizes the globally recognized approaches for the assessment of Asset Management maturity: the internationally recognized 42 Subjects' of Asset Management as defined by the Global Forum for Maintenance and Asset Management (GFMAM) and ISO 55001.

SCOPE

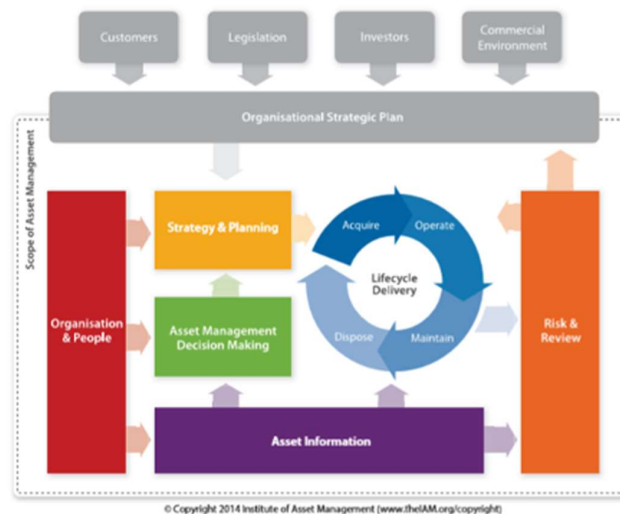
The scope of physical assets wholly owned by LT for the following services were covered in the assessment split into the following service areas:

- Roads and Bridges
- Fire Services
- Parks and Sportsfields
- Facilities (with Recreation)
- Fleet
- Water
- Wastewater
- Stormwater
- Information Technology
- And other corporate support services including:
 - Corporate (AM)
 - Finance
 - Engineering
 - Planning

OBJECTIVES

The primary objectives of this assessment were to:

- Provide a 'top-down' strategic Asset Management assessment of LT based on the Global Institute of Asset Management (IAM) 'IAM 6 box' of Asset Management as shown in the figure below:



- Provide a view on the gaps in LT's Asset Management approach to achieving compliance to O.Reg 588/17 and alignment to ISO 55001; as per ISO 55001 maturity framework as shown below:



Figure 2 ISO 55001 Maturity Scale

- Identify key recommendations that enable development of an Improvement Roadmap to achieve short and medium-term goals for improving LT's Asset Management capabilities.

CURRENT AND FUTURE STATE

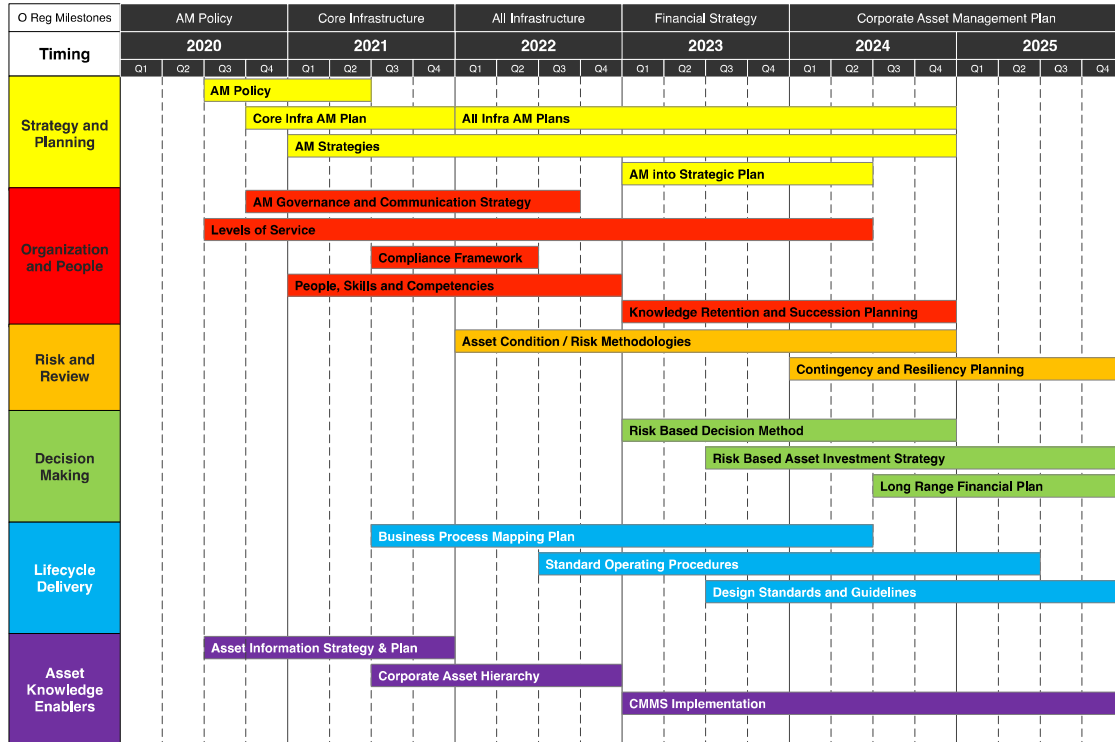
The agreed current position and best practice knowledge formed the basis to discuss and agree on the overall ambition and timescales for the implementation of AM capability. The diagram below shows the level of ambition across each of the assessment areas and the timescales it is desired or recommended to achieve that level of capability.



The identified current corporate score is noted as the blue line on the diagram (or LT current state of maturity), the red line is the advancement that was identified as how much the Network Team would like LT to advance in the short term (1-3 years), the green line is medium term desired advancement (3-5 years) and purple line is long term (more than 5 years). This was used as guide in the development of the roadmap. It is at this stage the project team scaled the initiatives to match that of a small municipality, while ensuring compliance with O.Reg.588/17.

AM ROADMAP

The Asset Management Roadmap that will underpin the Corporate Asset Management Program within Loyalist Township to enable it to meet the O.Reg 588/17 and PSAB 3150-Tangible Capital Asset Reporting requirements over the next five years is summarized below.



DRAFT V2.1 - 1 September 2020

Through this project it is estimated by TIP in order to implement the agreed initiatives from scratch over the timescales shown, the following resources and external costs equivalents are:

Resources: 3,750 person days over 5 years equates to **3.0 FTE**

External Costs*: \$1,370k over 5 years equates to **\$275k per year**

*All costs as shown are approximate to +/-20%

Both the Summary AM Roadmap and Investment Value Estimates were discussed at the July 28 AM steering team meeting.

Based on that discussion, it is the intent corporately to work on the initiatives with internal resources understanding that some of these initiatives are currently underway. The costs are to show level of effort and provide reference for budgeted costs should it be deemed necessary to bring in external resources.

RECOMMENDATIONS

The final recommendations have been agreed upon by the AM Steering Team members at workshop 4 as follows:

Recommendation 1: Review and update the Strategic Asset Management Policy previously endorsed by council in 2019 including continued implementation.

Recommendation 2: Implement AM Roadmap Improvement Initiatives commencing in 2020, which ensures compliance with O.Reg 588/17 requirements

Recommendation 3: Schedule regular & ongoing AM Network and Steering Team meetings, post approvals of Final AM Roadmap for continued successful development of LT's Asset Management Program now and into the future.

TIP would like to extend its gratitude to all those at the Loyalist Township's all stakeholders who supported the completion of this assessment who are listed in Appendix A.



O Reg Milestones	AM Policy				Core Infrastructure				All Infrastructure				Financial Strategy				Corporate Asset Management Plan							
Timing	2020				2021				2022				2023				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Strategy and Planning	AM Policy																							
					Core Infra AM Plan				All Infra AM Plans															
					AM Strategies								AM into Strategic Plan											
Organization and People					AM Governance and Communication Strategy																			
	Levels of Service																							
					Compliance Framework																			
					People, Skills and Competencies								Knowledge Retention and Succession Planning											
Risk and Review									Asset Condition / Risk Methodologies								Contingency and Resiliency Planning							
													Risk Based Decision Method											
Decision Making													Risk Based Asset Investment Strategy											
																	Long Range Financial Plan							
Lifecycle Delivery					Business Process Mapping Plan																			
									Standard Operating Procedures															
													Design Standards and Guidelines											
Asset Knowledge Enablers	Asset Information Strategy & Plan																							
					Corporate Asset Hierarchy																			
													CMMS Implementation											