Emerging Standards for Asset Management:

Canadian Network of Asset Managers (CNAM) and ISO 55000 Update

Presented by:

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THE CITY OF CALGARY

Agenda

- The Canadian Network of Asset Managers (CNAM)
- Introduction to the emerging standard ISO 55000
- Challenges & Advantages of AM standards

The Canadian Network of Asset Managers (CNAM)

- Mission:

  The CNAM is a non-profit organisation established by municipalities for municipalities to promote awareness and knowledge transfer of Municipal/Utility infrastructure asset management principles, practices and experiences.

- Vision:

  The CNAM is the definitive forum through which professional practitioners can both gain and share knowledge on the latest developments and initiatives in Municipal/Utility infrastructure asset management.

CNAM 2011 Workshop Burnaby

- 215 (capped) attendees from 50+ municipalities
- 40 speakers:
  - 5 countries (UK, Australia, New Zealand, Canada, USA)
  - 3 levels of government
  - 20 municipalities
  - 2 streams – presentations and hands on workshops
- 3 keynote speakers:
  - Dr. Ian Greenwood, Opus International
  - Dr. Andrew Lemer, The Matrix Group
  - Brian Thwaites, Brainspeaker Inc.

CNAM 2011 Action Items

1. Develop CNAM Strategic Plan
2. Take action: Establish Subcommittees for:

- Partnerships, Business Strategies & Marketing, Education & Research, Workshop, ISO PC 251
- Establishing AM regional groups and workshops
  - Supporting AMBC and AMSask – NAMS guidelines for Canadian Municipalities
- CNAM Tereo Award
- TCA (PSAB 3150) subcommittee
- Partnership with the IAM (UK), knowledge center and professional designation

2011 Accomplishments

- 170 members, 50+ municipalities (since Sept 09)
- Established as an association
- Establishment of bylaws and strategic plan
- Creation of product for IIMM
- Support National Infrastructure Summit
- Development of partnerships:
  - Asset Management BC & Saskatchewan
  - CERIU – Centre d'Expertise et de Recherche en Infrastructures Urbaine
  - IAM – Institute for Asset Management (UK)

CNAM 2010 AGM Elections

CNAM Executive:

Steve Wyton, Chair (Calgary)

Alain Gontier, Vice Chair (Ottawa)

Normand Hatchey, Secretary/Treasurer (Montreal)

Members at Large:

Kevin Bainbridge, (Robinson)
Barry Davis (Burnaby)
Russell Crook (Red Deer)
Holly Power-Garrett (Halifax)
Bradley Leeman (Edmonton)
Ross Homeniuk (CH2M Hill)
Karen Gasmo(Regina)
Gareth Lifton (CH2M Hill)
Perry Heath (Govt of NWT)
Robert Gallivan (Region of Waterloo)
John Murray (City of Hamilton)

How CNAM adds value

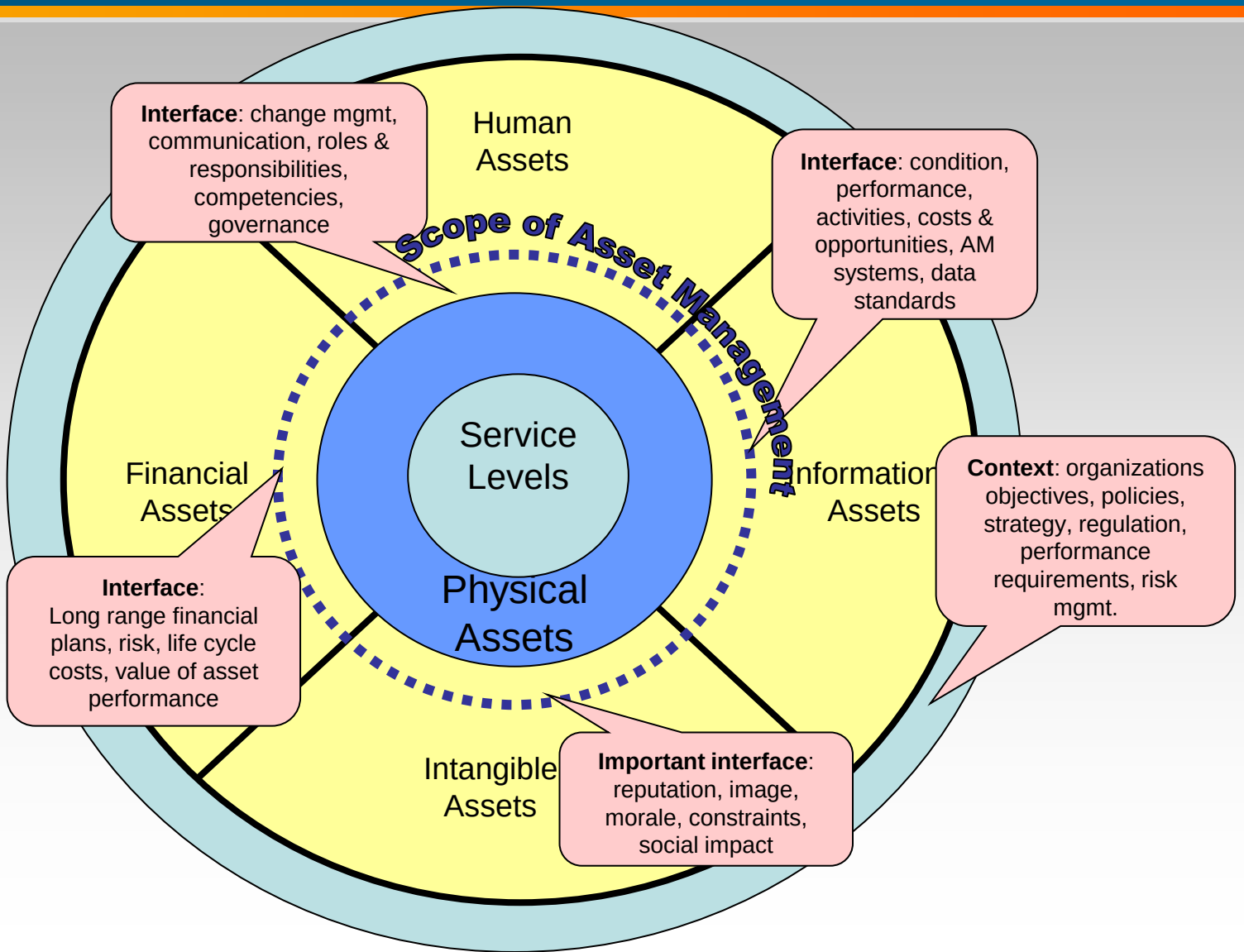
- Linking municipalities: discussion forum, knowledge transfer, national/regional workshops
- Further support to regional/provincial partners
- Further global partnership development
  - NAMS, Global Forum for Asset Management
- Development of standards and guidelines
  - ISO 55000 – Management System for AM: "what"
  - Encourage AM guidelines and tools (IIMM, NAMS): "how"
  - AM knowledge center, AM competencies
  - Tangible Capital Assets support

CNAM 2012 - Montreal, QC
May 6 - 9, 2012

Introduction to ISO 55000

- Management standard: Defines "what" for asset management system, not "how":
  - An umbrella standard, not a technical specification.
- Multi-sectoral (private, public, regulated)
- Based upon a continual improvement cycle
- Requires AM/financial planning, risk mgmt
- Demonstrate diligence for an AM system, as well as asset performance
- Document structure:
  - 55000 – Overview, principles and terminology
  - 55001 – Requirements: "Thou shall"
  - 55002 – Guidelines: "You should"

Scope of ISO 55000



ISO PC 251 - Asset Management (ISO 55000)

- November, 2009: British Standards Institute makes bid to ISO Technical Management Board to create an ISO standard for AM based on PAS 55 (Publically Available Specification).
- February, 2010: ISO TMB agrees to establishing a project, but first asks BSI to hold preliminary meeting to scope project with international experts.
- June, 2010: Preliminary meeting held in London, UK. Agreement reached by all attendees on scope. Attendance included Canada, UK, France, Portugal, Spain, Finland, Netherlands, Sweden, Japan, Australia and others.

ISO PC 251 – Asset Management (ISO 55000)

- August, 2010: ISO TBM approves project scope. PC 251 officially created.
- October, 2010 Canada a participant. Each country developing its “mirror” project committees.
- March 2011, Melbourne, Australia: working draft one vetted (140 pages of country comments)
- July 2011, working draft 2 submitted for country comments
- October 10-14 2011, PC 251 meeting #2, Washington, DC – Approved Committee Draft
- Project end date: February 2014

Introduction to ISO 55000

- **Context of the organization**
  - Org context, needs and expectations of stakeholders, defining the asset management system
- **Leadership**
  - Management commitment, policy, org roles, responsibilities
- **Planning**
  - Asset management objectives and plans
- **Support**
  - Resources, Tools, facilities and equipment, Competence, Communication, Information management
- **Operational planning and control**
  - Risk management, change management, outsourcing
- **Performance evaluation**
  - Monitoring and evaluation, Audit, Management review
- **Improvement**
  - Nonconformity and corrective action, continual improvement

Challenges and Considerations in Developing ISO 55000

- Use of language across sectors and countries.
- Integrating long range financial planning and recognition of international financial practices: fair value vs. historic cost (Int'l Accounting Standards Board).
- Lifecycle versus whole life: "value realization period".
- Risk management: leverage ISO 31000?
- Consideration of other international AM standards beyond PAS55: IIMM, NAMS, Infraguide.
- Definition and structure of "strategy", strategic/operational planning.
- Depth and breadth of standard – application to contractors, consultants, etc.

Advantages in Adopting/ Certifying to an AM Standard

- Example:
  - Shell (oil platforms and export pipelines)
    - Production uptime increased by 17% over 4 years
    - Simultaneous opex savings over $250 million (50%)
    - Safety and integrity indices improved
    - Winners of national training award for empowerment
  - Scottish Water:
    - Reduced opex by 40% (4 years), exceeded service targets
    - Delivered capital program for $1 billion less
  - City of Calgary
    - AM reporting resulted in $3.3 billion contribution from provincial government and justified increase capex for maintenance of $234 million (50%)
    - Efficiency gains totaling $1.8 million annually in Roads and deferral of capex maintenance in Wastewater.

Challenges in Adopting/Certifying to an AM Standard

- Management standards don't measure outcomes.
- Expense of certification
- Unwavering support of "Top Management"
- Change management
- Technological and data requirements
- Duration of implementation – succession and knowledge management during project
- Time before value realization
- "Herding cats" – setting and moving in a common direction

Questions?

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