

How to Make RAM Part of the Business Process

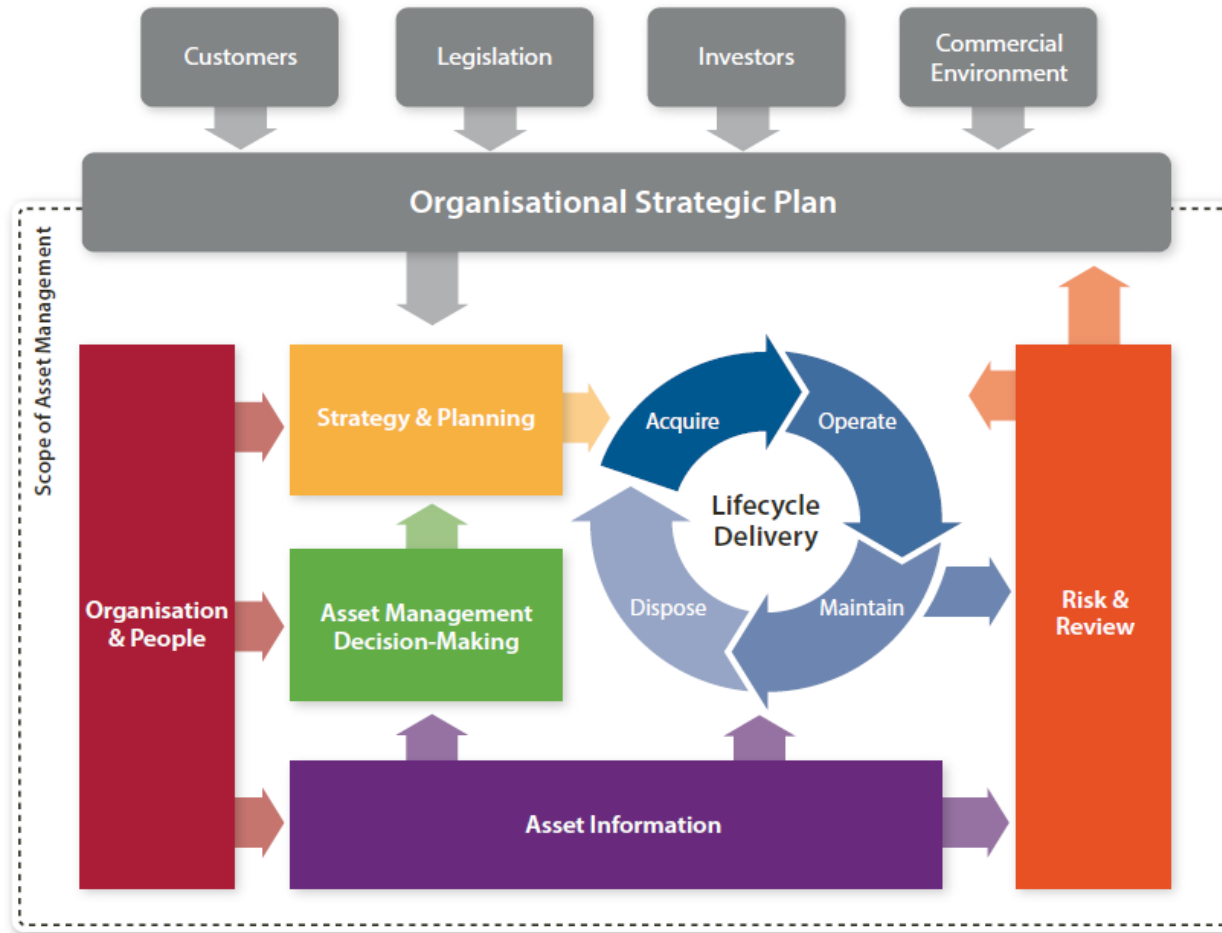


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RAM Covers Your Entire Scope of Activities



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Source: Institute of Asset Management www.theiam.org

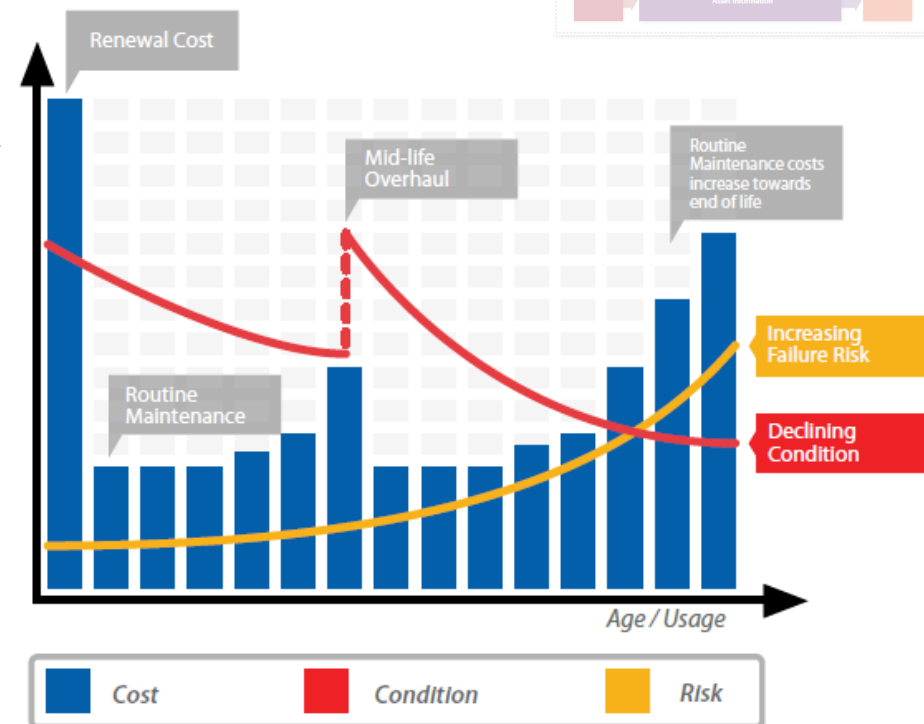
Strategy & Planning

- Asset Management Policy
- Asset Management Strategy & Objectives
- Demand Analysis
- Strategic Planning
- Asset Management Planning



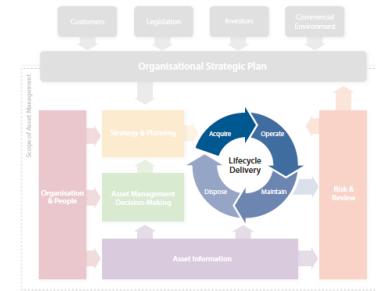
Asset Management Decision-Making

- Capital Investment Decision-Making
- Operations and Maintenance Decision-Making
- Life Cycle Value Realisation
- Resourcing Strategy
- Shutdowns & Outage Strategy



Life Cycle Delivery Activities

- Technical Standards & Legislation
- Asset Creation & Acquisition
- Systems Engineering
- Configuration Management
- Maintenance Delivery
- Reliability Engineering
- Asset Operations
- Resource Management
- Shutdown & Outage Management
- Fault & Incident Response
- Asset Decommissioning and Disposal



Asset Knowledge Enablers

- Asset Information Strategy
- Asset Information Management
- Asset Information Systems
- Data & Information



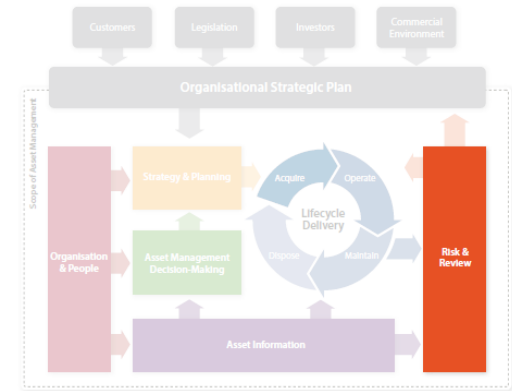
Organisation and People Enablers

- Procurement & Supply Chain Management
- Asset Management Leadership
- Organisational Structure
- Organisational Culture
- Competence Management



Risk and Review

- Risk Assessment and Management
- Contingency Planning & Resilience Analysis
- Sustainable Development
- Management Of Change
- Assets Performance & Health Monitoring
- Asset Management System Monitoring
- Management Review, Audit & Assurance
- Asset Costing & Valuation
- Stakeholder Engagement



RAM is a Way of Doing Business

- Consider RAM in the same way as QA or H&S are delivered
 - Report on at the senior management team meetings
 - Entire road authority has a role to play
 - Central person/team to co-ordinate and lead

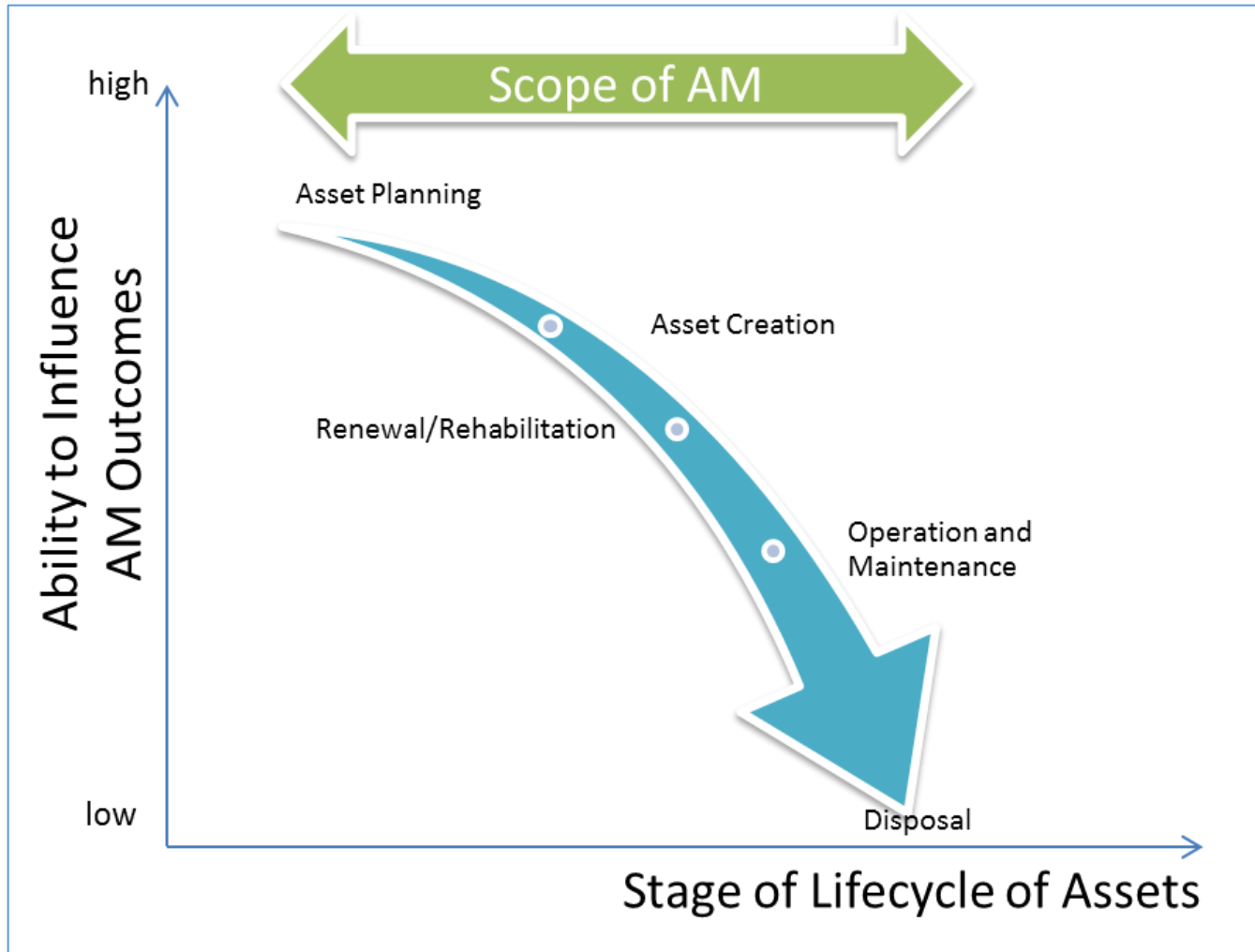
Scope of RAM = Scope of Business

- 4.1 Understanding the organisation and its context
- 4.2 Understanding the needs and expectations of stakeholders
- 4.3 Determining the scope of the asset management system
- 4.4 Asset management system
- 5.1 Leadership and Commitment
- 5.2 Policy
- 5.3 Organisational roles, responsibilities and authorities
- 6.1 Actions to address risks and opportunities for the asset management system
 - 6.2.1 Asset management objectives
 - 6.2.2 Planning to achieve asset management objectives

- 7.1 Resources
- 7.2 Competences
- 7.3 Awareness
- 7.4 Communication
- 7.5 Information requirements
 - 7.6.1 Documented information general
 - 7.6.2 Creating and updating documented information
 - 7.6.3 Control of documented information
- 8.1 Operational planning and control
- 8.2 Management of change
- 8.3 Outsourcing
- 9.1 Monitoring, measurement, analysis and evaluation
- 9.2 Internal audit
- 9.3 Management review
- 10.1 Nonconformity and corrective action
- 10.2 Preventive action
- 10.3 Continual improvement

Source: Institute of Asset Management www.theiam.org

RAM Spans Entire Asset Lifecycle



8 Key Principles for RAM Success

1. The organisation recognises the importance of AM planning and adequately resources the AM Framework
 - An AM Policy is adopted by the relevant authority
 - An AM Plan is updated annually and approved by the head of the road authority (Commissioner, Secretary, etc.)
 - The AM Plan provides the basis for the budget planning and allocation
 - An appropriate structure and resource is provided to deliver these objectives

8 Key Principles for RAM Success

2. The road network is managed in a financially prudent manner

- Priority is given to maintenance and renewal of existing roads over building new roads
- An AM plan with a long term (minimum of 10 years) expenditure and funding plan is in place to maintain the road network to agreed levels of service
- The level of service impact of differences between AMP funding requirements and annual budgets is explained in the Annual Report
- The road network value and annual depreciation is recognised in the organisation's financial accounts in accordance with International Financial Reporting Standards

8 Key Principles for RAM Success

3. Decision making is outcome and based on reliable asset information

- An asset inventory is developed and holds condition and performance information to support informed decision making
- Road outcomes (levels of service) are defined and performance reported annually
- Major expenditure decisions are prioritised using a common framework that ensures projects and activities with the highest benefit-cost proceed
- The decision framework ensures that the lowest lifecycle cost option is selected, including consideration of road user costs and maintenance, costs over a period of at least 20 years

8 Key Principles for RAM Success

4. Environmental impacts of the road network are mitigated

- The environmental impacts of significant decisions are considered in the decision framework, along with actions required to mitigate negative impacts.

8 Key Principles for RAM Success

5. The AM Framework is maintained to a high quality

- AM processes and practices are documented and opportunities for refinement and efficiency are identified
- Policies and practices represent global best practice and would permit the gaining of accreditation to the relevant ISO standards (Competent)
- A risk register is maintained and actions are identified and evaluated to reduce the highest risks.

8 Key Principles for RAM Success

6. Service delivery mechanisms ensure outcomes delivered at lowest lifecycle cost

- Physical works will be delivered through a competitive market.
- Road authority will support the development of a maintenance contracting market with capability and capacity to maintain PWRD road assets.

8 Key Principles for RAM Success

7. The organisation actively and transparently engages with stakeholders as to how the road network is managed

- Stakeholders are identified and communicated with to ensure expectations are understood and documented
- The AM plan is publicly available (website) to ensure accountability and provide transparency

8 Key Principles for RAM Success

8. A continual improvement approach is taken

- An AM Improvement Programme (Strategy) is adopted which identifies an improvement pathway to achievement of these AM Objectives
- The Improvement Strategy is regularly reviewed and progress reported to the Management Team

What Are the First Steps on the RAM Journey

1. Complete an AM maturity assessment
 - set Competent as a minimum standard to aim for
2. Produce a first Asset Management Plan (AMP)
 - Develop a multi-year improvement plan (5 years + is likely).
3. Complete an asset valuation exercise
 - Fully fund the annual depreciation and maintenance costs of the existing assets
 - Recognise the depreciated replacement cost of the assets on the financial books
4. Implement a policy of maintaining and renewing existing assets ahead of constructing new assets
5. Develop a 10-year (minimum) long term financial plan (LTFP)
6. Develop, agree and provide funding for improvements to asset management (as opposed to improvements to the assets themselves).

Continuous Improvement

- A cornerstone of AM is that of continuous improvement
- Start with what you have
- Make assumptions
- Refine and revise as you learn

Thank you

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