Asset Management Roundtable

March 19, 2015
Chateau Laurier Hotel, Ottawa

Asset Management Roundtable Summary Report

Location: Chateau Laurier Hotel, Ottawa
Date: March 19, 2015
Sponsor: Infrastructure Canada
Facilitator: Reg Andres, P.Eng.

PART 1 – PLANNING AND STRUCTURE OF THE ROUNDTABLE

Introduction

On March 19th, 2015, asset management stakeholders from across the country gathered in Ottawa to share best practices, and to identify challenges to implementing asset management as well as possible innovative solutions to these identified challenges.

Hosted by Infrastructure Canada, the day's discussion was facilitated by Mr. Reg Andres, P.Eng., Vice-President of R.V. Anderson Associates Limited and past President of the Canadian Society for Civil Engineering. Participants included representatives from provincial/territorial governments, municipalities and the federal government, along with members from national stakeholder groups including Ontario's First Nations, the Federation of Canadian Municipalities and the Canadian Network of Asset Managers. For a full list of participants, please refer to Annex C.

The goal of the Asset Management (AM) Roundtable was to bring together asset management stakeholders to discuss the current practices associated with asset management in Canada. Further it had an objective to identify possible actions to improve the practice of asset management in terms of implementation effectiveness and expanded engagement across Canada.

The Roundtable demonstrated the strength of bringing a variety of asset management stakeholders together by being able to integrate a range of perspectives into a list of suggested activities that would advance the implementation and effectiveness of asset management practice in Canada.

Through the day's discussion, it was evident, that the solution to improving the practice of asset management in Canada will require actions from the larger group of AM stakeholders, both individually and collaboratively on a variety of fronts.

This document is a summary of the Roundtable discussions that took place. It provides an overview of how the discussions were structured and the potential activities or innovations that were identified during the discussions.

Finally, this document recognizes the opportunity to continue the collaboration of asset management stakeholders to undertake some form of implementation of the proposed activities.

Background for the Roundtable Initiative

In 2012, the Canadian Society for Civil Engineering, the Federation of Canadian Municipalities, the Canadian Construction Association and the Canadian Public Works Association collaborated to produce the **Canadian Infrastructure Report Card**[1] which included commentary on the state of asset management practice across Canada. The message from the *Report Card* was that the municipal sector in Canada has finite financial resources, staff and time that limit its ability to undertake a more thorough evaluation of the state and performance of the physical infrastructure owned by municipalities.

In 2014, the Canadian Network of Asset Managers produced the **Asset Management Primer**[2], on behalf of the Canadian Infrastructure Report Card, which affirmed the importance of improving asset management practice and degree of engagement suggesting a number of recommendations to address this objective for municipalities across Canada.

Based on this background, along with the federal government's commitment to encourage asset management in Budget 2013 and 2014, Infrastructure Canada initiated the concept of the AM Roundtable to bring a number of AM stakeholders together for a conversation on the issues associated with barriers and challenges facing the industry that may be hindering a more comprehensive engagement of AM practices across Canada. One of the objectives of the Roundtable discussion was to begin a process of identifying actions that could be taken to improve the practice and degree of engagement of AM practice in Canada.

Framework for the Roundtable Discussion

Asset Management includes a broad base of multi-disciplinary stakeholders. Based on the report **An Asset Management Governance Framework for Canada**[3] published in 2009 by the National Asset Management Working Group, a committee of the National Roundtable for Sustainable Infrastructure, there are two primary types of AM stakeholders, Operational Activity Stakeholders and Capacity Building Stakeholders.

When identifying stakeholders to participate in the roundtable, an effort was made to include a group of participants that covered the full scale of national to local representation (e.g. Federal, Provincial / Territorial and municipal governments) including large and small scale municipal representations. The participating groups also included operational stakeholders (e.g. owners, operators and managers / practitioners of infrastructure) and capacity building stakeholders (e.g. policy and research, knowledge development). The participants for the Roundtable, while by no means comprehensive, provided a good cross-section of asset management stakeholders.

The Roundtable discussions were structured around presentations, listed in Annex B, by a number of the participants who were asked to provide input for the discussions. The participant presentations provided a backdrop to initiate the group discussions. These were held in two parts. The first set of group discussions focused on the identification of barriers and challenges to

implementing asset management. The second break-out discussion focused on solutions and potential opportunities to address some of the challenges identified.

PART 2: IDENTIFIED CHALLENGES AND POSSIBLE SOLUTIONS

This document has been designed to highlight the areas where continued efforts were identified, outline actions that may be required, and indicated which actors would contribute to these actions.   A table summarizing the findings can be found in Annex A.

1. CHALLENGE - Communicating the Benefits of Asset Management

The value of asset management to the overall sustainability of a community can be difficult to understand both for the public but perhaps more importantly municipal staff and elected decision makers. This is especially true given that returns on investment are not always visible within a 3-4 year election period.

In small, rural, remote and northern communities where municipal staff and administrative budgets can be quite small, dedicating the time and resources to developing asset management as part of the corporate strategy can be difficult to argue. It is therefore important that decision makers are educated on the importance of asset management and the difference in can make in cost-savings over the long-term. This in turn will help small, rural, remote and northern communities build internal capacity and dedicate the necessary resources to asset management.

The need to understand, at a basic level, the benefits of asset management, and infrastructure in general, is not unique to the government sector. It is also important for the general public to appreciate the actual cost of providing reliable and consistent services such as the availability of clean drinking water for people in the community. An educated public would make it is easier for decision makers to communicate why certain infrastructure projects are being prioritized over others.

Action # 1.1	Develop a coordinated national awareness/education campaign on the actual cost of infrastructure and the benefits of asset management
Potential Lead	Canadian Network of Asset Managers
Potential Partners	Infrastructure Canada
Possible Next Steps	• Initiate discussions with stakeholder lead and partner(s) to begin planning for strategic actions - awareness /education content, mechanisms for communicating and sharing this information to municipalities and government agencies • Identify other stakeholders who may be able to assist in the preparation of content and communication of information

2. CHALLENGE - Resources to Support Asset Management, including Capacity Building and Training

The level of capacity, experience and expertise on how to implement asset management varies across Canada. Good asset management needs appropriate inventory information, plus up-to-date local costing information and condition assessments. It also needs an understanding of how assets or their components deteriorate and, in particular, when they will have to be replaced or treated. One of the key components in successful asset management is detailed information, analysis and modeling. As such, it can become a very costly and labour intensive and complex process, which can pose capacity challenges both in terms of fiscal and human resources.

Small, rural, northern and remote communities are also challenged with recruiting and retaining educated staff. It is not untypical for a staff member to move to a larger municipality once they have completed training and gained the necessary skills and experience to gain employment in a larger municipality. This results in high-turnover rates, forcing the remaining municipal staff to continually put efforts towards recruiting and training and not focused on the implementation of new decision making structures, like asset management.

Action #2.1	Establish funding sources to support the development of capacity building in particular for the small, rural, remote, First Nation and northern communities.
Potential Lead	
Potential Partners	
Possible Next Steps	• Identify existing funding programs that could provide support for capacity development for asset management • Identify opportunities to develop programs and direct funding for capacity building resources (e.g. staff training, etc.)

The ability to access multi-disciplinary training for municipal staff and elected officials, for municipalities for all sizes, can be difficult. While on-the-job training and professional development is possible, it is resource intensive. Currently, a post-secondary program that teaches multi-disciplinary asset management does not exist. This means that municipalities are required to train each new recruit in asset management.

To alleviate some of the financial pressures on a municipality, it would be helpful if an asset management course, from a multi-disciplinary perspective, was part of engineering and accounting programs within the university curriculum. That way, young professionals who join the municipal public service already understand the importance of asset management to the overall decision making framework.

Roundtable participants also noted that for research related to infrastructure investments, universities rely on municipalities for data. Accordingly, it would seem to benefit both academic and asset management communities to establish a strong working relationship. Working towards the development of an asset management course/program, would be one way to help foster an academic relationship

Action # 2.2	Develop a curriculum or certification program, in partnership with a Canadian University, for asset management.
Potential Lead	Canadian Society for Civil Engineering* *Note: CSCE volunteered for this potential action item at the Roundtable discussion
Potential Partners	
Possible Next Steps	• Initiate meeting with stakeholder representatives to identify certification standards and methods to deliver a program for certification and / or AM training for municipal staff • Review university curriculum for engineering related to AM and potential to enhance university programs or develop other third party entities to deliver training sessions

3. CHALLENGE: Access to Asset Management Information Resources

Access to information resources that guide practitioners through the complex nature of asset management practices, as well as illustrate examples of best practices can also be a challenge. Resources are not centralized and if new to the asset management community, can be difficult to find.

Action #3.1	Create a Centre of Excellence for Asset Management to provide multi-disciplinary training and help disseminate information.
Potential Lead	
Potential Partners	
Possible Next Steps	

Participants of the roundtable noted that engagement between asset management stakeholder groups needs to be strengthened in order to reinforce the multi-disciplinary approach to asset management. Additionally, it was noted that a more coordinated approach would better support municipalities, provinces and territories in implementing asset management practices.

Action #3.2	Develop a National multi-disciplinary forum for Asset Management to facilitate the breakdown of stakeholder silos and increase information sharing.
Potential Lead	Canadian Network of Asset Managers
Potential Partners	
Possible Next Steps	• Initiate dialogue for the development of a national asset management organization tied to current regional groups organized at the Provincial level (Note – Similar to previous National Asset Management Working Group)

4. CHALLENGE: Information and Data Management

As previously mentioned, the collection and analysis of data is a challenge for many municipalities in Canada. There is no one way to practice asset management, and therefore no one way to collect information. Determining the "right" way to collect information for a specific jurisdiction can be overwhelming for those municipalities who are beginning the asset management process. Accordingly, when trying to determine the national picture of asset management in Canada, we have only a fragmented picture comprised of data collected through a number of methodologies.

Action # 4.1	Establish national templates and analytical tools to support data collection and analysis
Potential Lead	
Potential Partners	
Possible Next Steps	• CIRC Steering Committee meeting discussion to include review of technical aspects of creating templates and analytical tools to support collection and analysis of data • Discuss relationship of information collected by CIRC for Report Card with a national database

Stimulated by the presentation on the Canadian Infrastructure Report Card, participants discussed the usefulness of having a national database for infrastructure assets and noted that the established Report Card could be a starting point for this initiative. Other options raised by participants were to explore potential partnerships with the federal government to further strengthen this initiative.

Action # 4.2	Develop a national database for infrastructure assets
Potential Lead	
Potential Partners	
Possible Next Steps	• CIRC Steering Committee meeting discussion to include review of technical aspects of creating a national data base, how it could be structured, how it could be funded, etc. • Discuss relationship of information collected by CIRC for Report Card with a national database

5. CHALLENGE: Legislation, Policy and Standardization

Effective implementation of asset management requires a corporate culture change and overall institutional adoption of a new way of thinking about infrastructure investments. Changing the way a jurisdiction does business can be very challenging especially when it is more attractive to rehabilitate a visible structure like a recreation centre, rather than update a town's water system.

Infrastructure funding programs, whether intended or not, tend to have an influence on the decision making process for infrastructure priorities. Recently, the province of Ontario has introduced program changes requiring that all municipalities have an asset management plan in order to qualify for provincial capital funding. This requirement has also been applied, by the province, to federal infrastructure programs. The consistency in the approach has reinforced the message that municipalities need to change the way they make decisions and is rewarding those who are planning for the long-term.

Not all roundtable participants expressed comfort in establishing such a strong requirement unilaterally across Canada. However, there was consensus that policy consistency across programs and policies was important to implementing the culture change needed for effective asset management.

Action # 5.1	Explore the possibility of establishing asset management policy consistency across infrastructure programs
Potential Lead	
Potential Partners	
Possible Next Steps	• Initiate Roundtable conversation with a focus on policy issues associated with infrastructure programs • Research and assess effectiveness of existing infrastructure programs / policies currently in place across Canada • Consider the development of a national "infrastructure forum" represented by the broad spectrum of infrastructure stakeholders (per NAMWG document - **An Asset Management Governance Framework for Canada**[3])

PART 4 – NEXT STEPS

The actions identified in this report do not address all of the challenges discussed during the March 19th roundtable. It is clear from the conversation that more support is needed for all municipalities in developing their asset management practices but in particular, for the small, rural, remote and northern communities who face capacity challenges.

The eight (8) identified actions provide a starting point for how the asset management community can begin to work together. Not all of these actions will be easily accomplished, and some may be outside our scope of influence. That said, by identifying leads and supporting partners for each of the action items, the potential for tangible progress can be made in increasing the use of asset management in infrastructure investment decision making.

The Roundtable discussions affirmed a grass roots interest by the stakeholders for continuation of similar conversation forums. The subject matter is much broader and detailed than the Roundtable was able to cover in one day. The Stakeholder group is much larger than was able to be represented at the one day forum. Further potential stakeholder Roundtable discussions would continue to advance the conversation.

Summary of Actions

The core content and results of the Roundtable discussions may best be summarized in the following table presenting five (5) key challenges and corresponding suggested actions identified in the Roundtable discussions. These are discussed in more detail in the body of the report.

Challenge	Suggested Actions
1. **Communicating the Benefits of Asset Management**	1.1. Develop a coordinated national awareness/education campaign on the actual cost of infrastructure and the benefits of asset management
2. **Resources to support asset management, including capacity building and training**	2.1 Establish a dedicated funding source to support the development of capacity building in particular for the small, rural, remote and northern communities.
	2.2 Develop a curriculum or certification program, in partnership with a Canadian University, for asset management.
3. **Access to Asset Management Information Resources**	3.1. Create a Centre of Excellence for Asset Management to provide multi-disciplinary training and help disseminate information.
	3.2. Develop a National multi-disciplinary forum for Asset Management to facilitate the breakdown stakeholder silos and increase information sharing.
4. **Information and Data Management**	4.1 Establish national templates and analytical tools to support data collection and analysis
	4.2 Develop a national database for infrastructure assets
5. **Legislation, Policy and Standardization**	5.1 Explore the possibility of establishing asset management policy consistency across infrastructure programs

<u>March 19, 2015 Roundtable Participant Presentations</u>

Six presentations were offered by participants to lay the foundation for the discussions as follows:

1. FCM
   Asset Management: The Canadian Municipal Experience
   Shannon Joseph, Manager, Research and Development

   FCM provided an overview of the state of asset management practice in Canadian municipalities and the different barriers and challenges to its implementation experienced by small, rural, remote communities. Case study examples of successes in overcoming some of these challenges were presented.

2. Government of New Brunswick
   Infrastructure Asset management in New Brunswick
   Ahmed Dassouki, Technical Analyst, Department of Transportation and Infrastructure

   New Brunswick offered an overview of the its approach to managing provincial assets identifying an number of success processes implemented by the Province and noting some of the challenges they face.

3. Government of Ontario
   Ontario's Update on Asset Management
   Scott Pegg, Director, Economic Development, Employment and Infrastructure

   Ontario described the Province's municipal infrastructure strategy for assisting Ontario municipalities in initiating and implementing asset management processes. This included a finance / funding program for municipalities in preparing AM Plans

4. Ontario First Nations Technical Services Corporation
   First Nations Asset Management
   Elmer Lickers, Senior O&M Advisor

   The First Nations presentation provided an overview of challenges facing not only First Nations communities but also the challenges facing Aboriginal Affairs and Northern Development Canada in supporting infrastructure implementation. The presentation also noted some of the advances and successes that have been made by First Nations communities.

5. Public Works and Government Services Canada
   Asset Management at PWGSC
   Terry Homma, Director General, Accommodation, Portfolio Management and Real Estate Services

PWGSC presented the challenges of the Real Estate Services group in managing federally owned infrastructure. The discussion provided interesting insights and perspectives of dealing with government policy and practices in responding to asset management implementation processes.

6. Canadian Infrastructure Report Card
   Canadian Network of Asset Managers
   Alain Gonthier, Chair, Report Card Advisory Board
   Manager, Asset Management, Business and Technical Services for the City of Ottawa

The Canadian Infrastructure Report Card presentation provided an overview of the Canadian Infrastructure Report Card and a status update on the second edition of the Report Card, expected to be published in September. The presentation stimulated conversation pm the possibility of a larger national asset database.

March 19, 2015 Participant List

Municipal Representatives
1. David Allen, CAO, City of Courtenay, BC
2. Bernie Morton, CAO, Town of Kindersley, SK
3. Normand Hachey, Chef de division plan directeur Direction de la gestion strategique des reseaux d'eau, Ville de Montreal, QC
4. Melissa Osborne, Senior Manager of Asset Planning, City of Windsor, ON
5. Cathy Graham, Comptroller, City of Saint John, NB
6. Gabriel Bruneau, Directeur Services techniques, Ville de Granby, QC
7. Larry Baran, SAO, Community Government of Whati, NWT
8. Elmer Lickers, Senior O&M Advisor, ON FN Technical Services Corporation

Canadian Network of Asset Management
9. Bradley Leeman, Chair (Edmonton, AB)
10. Alain Gonthier, Past Chair (Ottawa, ON)
11. John Murray, Vice Chair (Hamilton, ON)

Federation of Canadian Municipalities
12. Daniel Rubenstein, Manager, Policy and Research
13. Shannon Joseph, Manager, Research and Development, National Programs

Canadian Association of Municipal Administrators
14. Murray Jamer, CAMA Board Member (Fredericton, NB)

Canadian Public Works Association
15. Kealy Dedman, President (Guelph, ON)

Canadian Society for Civil Engineering
16. Doug Salloum, President (Montreal, QC)

Centre d'expertise et de recherché en infrastructures urbaines
17. Michel Toutant, VP municipal (Laval, QC)

Provincial and Territorial Representatives
18. Brian Bedford, Acting Director, Local Government Infrastructure and Engineering, Ministry of Community, Sport and Cultural Development, Government of British Columbia
19. Bonny Bryant, Director, Government Relations, Municipal Infrastructure and Finance, Government of Saskatchewan (conference call)
20. Mike Sosiak, Director, Municipal Finance and Advisory Services, Government of Manitoba

21. Scott Pegg, Director, Economic Development, Employment and Infrastructure, Government of Ontario
22. Ahmed Dassouki, Technical Analyst, Asset Management Sector, Department of Transportation and Infrastructure, Government of New Brunswick
23. Janice Harland, Policy Analyst, Treasury Board, Government of Nova Scotia (conference call)
24. Aileen Waller-Hebb, Director of Grants and Programs, Department of Municipal Affairs, Government of Nova Scotia (conference call)
25. Chris Madden, Community Advisor, Department of Community Affairs, Government of Yukon (conference call)
26. Michael Burns, Assistant Deputy Minister of Asset Management, Government of Northwest Territories

Government of Canada
27. Terry Homma, Director General, Accommodation, Portfolio Management and Real Estate Services, Public Works and Government Services Canada
28. Patrick Tanguy, Director General, Strategic Policy and Priority Initiatives, Infrastructure Canada
29. Stephanie Tanton, Director, Strategic Policy, Infrastructure Canada
30. George Claydon, Principal Advisor, Strategic Policy, Infrastructure Canada
31. Claude Blanchette, Director General, Program Integration, Program Operations Branch, Infrastructure Canada
32. Maxine Bilodeau, Director, West, Program Operations Branch, Infrastructure Canada
33. Rachael Doucette, Analyst, Strategic Policy, Infrastructure Canada
34. Sydnie Welsh, Junior Policy Analyst, Infrastructure Canada

Facilitator
35. Reg Andres, Vice President and Principal, R.V. Anderson Associates Limited

ANNEX D

<u>**List of References**</u>

1. *2012 Canadian Infrastructure Report Card*, published 2012 by Canadian Infrastructure Report Card

2. *Asset Management Primer*, published 2014 by Canadian Network of Asset Managers

3. *An Asset Management Governance Framework for Canada, published 2009 by Nation Asset Management Working Group (NAMWG), a committee of the National Round Table for Sustainable Infrastructure (NRTSI)*