



A practical problem: how do you get the best fit?

## Evaluation Criteria

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### **The Situation:**

Your organisation has decided that it wants to make the move to becoming a full asset management organisation and to that end it wants to ensure good asset information, sound policies and practices and to generate the attitudes throughout the organisation that will be necessary for success.

**Your job is to design, let and manage the contract.**

You have thought deeply, planned carefully, listened to the desires and the (spoken and unspoken) fears of your colleagues, not just those in your team but throughout the organisation since asset management affects everybody, you have taken care to manage expectations, and you have secured the approval of management to go ahead and let the contract.

**Here we focus on just one practical issue - the evaluation criteria for your contract. How do you make sure that you are getting the right people for the job?**

My thinking on this subject has been greatly helped by long and spirited discussion with Phil Miles and Ray Pascoe of Cessnock City Council and I thank them both.

Enjoy! Asset Management is meant to be fun!

*Penny*



## A few facts

If you are responsible for designing and letting an asset management contract for your organisation, the great probability is that:

1. It will be the FIRST such AM contract you have been responsible for (few of us get to do this more than once in our working lives)
2. There will be no-one else in your organisation who has experience with this kind of contract (otherwise they would probably have had the responsibility instead of you)
3. Every other Asset Manager you approach who has managed such a shape changing contract would have been in a rather different situation from you (since each major asset management contract is unique)
4. you will likely have had experience in letting maintenance contracts (since a common route to asset management is through maintenance), so it is important to know how an asset management contract differs from the ones that you are more used to.

When you are letting an operational contract (to carry out, say, a valuation, a maintenance audit, or condition assessment) you will expect the contractors

- to get on with the job without delay,
- do it as quickly and efficiently as possible and
- with the least encroachment on your time as possible.

## An Asset Management contract is different

- When the task is changing policies and practices, and especially when it is changing attitudes, **time is one of your major inputs**. Do it too quickly and people will revert to what they were used to. It takes time to reinforce and embed change.
- The challenge is not efficiency - but **effectiveness**. Not how quickly something is done, but rather how well it is done.
- And because asset management will affect everybody in your organisation, you must plan for, expect, and **welcome a lot of interaction between the contract staff and your own staff**. Most of their real work will be done on site. An asset management contract is not something you buy in a box off the shelf - and anybody who tries to sell you that idea is not the team for you.

In your planning, you have decided that you need

- a functional asset management information system
- better asset management practice
- workshops in which to encourage attitude change
- good documentation

Although you plan to let the contract as a whole, nevertheless you need to be able to evaluate the abilities of those tendering against the qualities that each of these four tasks requires

To do this you determine

- what the objective is for each of the functions
- what your criteria for success will be
- and what you need to look for in order to give you assurance that you are selecting the right team

## Referees

You do not have to confine your referee reports to the referees provided. If you know of others who have used the teams you are considering, talk to them. Use the “what to look for” suggestions on the following pages to augment the questions that you might consider asking.



## Task 1.

### ASSET MANAGEMENT INFORMATION SYSTEM

When talking about 'asset management strategy' in Issue 271, I argued that detailed information was not required - see page 8 in this issue for a continuation of that story. However, for *operational* asset management, knowing what assets you have, what they are capable of providing and need to provide, and what condition they are in are fundamental.

So Task 1 is generally to create an asset information system. This involves designing the appropriate mechanism to contain the information, collecting the data from wherever it might be held at the moment, installing it in the new system along with reporting mechanisms so that you can make use of it. Ideally at this stage you should also be told the quality of the information that is included and where the gaps are.

#### How do you decide the merits of any given proposal?

**Objective/need:** First know what it is that you want - in this case, reliable decision making information in a format that is clear, comprehensive and comprehensible.

**Criteria for success:** It should be easy to use; integrate well with other systems if needed and transfer easily to if needed at a later stage. It should lend itself to data improvement over time.

**What to look for:** the design work will be done by the consultants themselves but the gathering of organisational data will require co-operation between the consultants and your staff, particularly your field staff. Therefore look for

- documentary evidence of the quality of the system (look for clarity of the system descriptions provided and sample reporting frameworks)
- how many others have used/are using the system - how well did the consultants get along with field staff?
- quality and experience of the individuals assigned to the project - in this aspect of the work.
- confidence that staff will continue to value and use the system after the consultants leave (referee reports)



## Task 2.

### BETTER ASSET MANAGEMENT PRACTICE

Data by itself is not enough for improved asset management. You will want to make sure that instruction is provided in the use of the tools provided, not simply in the mechanical processes of moving through the database but an improved understanding of what to look for and when. The staff affected will be middle management and field staff. You will also want good process mapping and improvement of the practices currently employed.

**So how do you assess what you are being offered?**

**Objective/need:** You want improved understanding, ability and commitment on the part of middle management and field staff to asset management as a means of better service delivery.

**Criteria for success:** must have credibility and rapport with middle management and field staff, ability to work well in a training relationship (patient, supportive, encouraging)

#### **What to look for:**

- Demonstrated understanding of asset management practice
- Evidence of credibility and rapport *with middle management and field staff*
- Examples of previous process mapping work (preferably 'before' and 'after' process improvements were put into place) - are these documents easy to understand, could you 'sell' the message they contain?
- Training skills and experience. What training experience? Qualifications?
- Staff will be heavily involved, so how flexible can the consultants be with training times, how do they provide for absentees, new arrivals? Look for examples of the residual materials that they will provide.



### Task 3.

## WORKSHOPS FOR COUNCILLORS AND SENIOR MANAGEMENT

Having the right information, the right tools and the right processes and practices (Tasks 1 and 2) is not enough. Unless you capture the hearts and minds of your board and senior players there will be no ongoing change for the better. Many times we make the mistake of 'selling' asset management as a 'short term' project that will be 'done by others'. Then we wonder why our Board is unprepared for their own involvement and the ongoing support it requires. Your success can stand or fall on this.

**Objective/need:** You want to ensure the understanding of, and commitment to, asset management over the long haul, by councillors and senior management. And you need them to recognise that asset management is not a 'quick fix' solution but rather a journey of continuous improvement. You want them to embrace the journey!

**Criteria for success:** The team members who are fronting the process must have credibility and rapport at the Councillor/Senior Management level; they must be able to tell a convincing long run asset management story and demonstrate the relationship of desirable outcomes to asset management activity on the ground.

#### What to look for:

Evidence that the team has taken the trouble to identify your particular needs - just reciting back to you information in the brief should not be enough. They should be able to demonstrate some in depth knowledge of the broad asset management issues and service delivery objectives of your organisation.

Evidence of high level communication skills on the part of the Consultants (from your own assessment and/or referee reports).

The team member presenting to council should personally have a detailed understanding of the model used.

Indicative time lines should indicate the importance of involving board members and senior staff at key junctures



## Task 4.

### ASSET MANAGEMENT DOCUMENTATION

Depending on what you are prepared to do yourself and what you wish the consultant to do, you may have need for a variety of documents - e.g. an asset management policy statement, an asset management strategy, asset management plans for each infrastructure class, fair valuations, etc.

**Objective/need:** There are two needs here: One - clear directions for staff and Board on the AM actions that need to be taken, when, how and why. Two - the documents should be credible for any regulatory body that needs to see or approve them.

**Criteria for success:** You are looking here for clarity of presentation; appropriate level of detail (not too little that the documents come over as insubstantial and glossy, not so detailed as to swamp the reader and prevent real understanding); and, importantly, ownership by staff and councillors

#### What to look for:

documentary evidence of the presentation format - from other work that the teams have done.

evidence that outcomes (e.g. valuations) will be acceptable to regulatory powers - again evidence from previous work carried out

methodology for ensuring ownership by staff and board - has the team taken the trouble to spell out exactly how it will work with staff and board members to ensure that they are positive and enthusiastic about the project? Is this something to which they devote attention in their proposal? Many don't!

### The Importance of Time

Above all, have the teams recognised the importance of being around for the long haul? Do they give the impression that this is something that they can quickly whip up for you and then leave you to it? Asset management is not an 'off the shelf' exercise. You need to plan for continual reinforcement over a period of several years if the good intentions of staff and board are not to fall by the wayside.

## Postscript to last issue

### Do you need 'real time' information for **Asset Management Strategy?**

In the last issue I said that asset management strategy did not require detailed information, it needed instead broad directional information. A long time reader, whose work I much admire, wrote back immediately, attaching a very detailed presentation on an advanced 'real time' asset information system that he was about to present to his asset management steering group. This started a discussion between us on whether 'real time' information was needed for asset management strategy.

#### We discovered that

- he had been involved in high level and good quality asset management strategy work for many years now - *without* the benefit of the new system.
- real time systems are beneficial for operational decisions - when and where to intervene to maintain or change capacity/function, but that they did not help in the decision of *whether* the capacity/function needed to be maintained.
- for board members, councillors, and even some senior executive staff, the massive amount of detail in a real time asset information system can be simply overwhelming, obscuring rather than enlightening the problem at hand.
- not only can it be overkill, it can also be detrimental if it leads these decision makers to think that the answers can come from a model - and not from them!
- asset management strategy decisions: decisions as to what kind of outcomes are wanted, what values are important to us, what kind of organisational structure will best enable us to achieve these outcomes, which I have been discussing in the last few issues, are not the kind of decisions that are - or even can be - based on minute to minute information.

Like many council asset managers, he was involved in both operational tasks AND in high level advice on asset management strategy. His reaction was based on the fact that he could see great advantages in the new 'real time' system. I agreed that it could indeed be beneficial - but beneficial to him in his operational role rather than in his role in advising on the big picture strategy directions.

#### Correspondence

I have also had interesting correspondence on the value of the Infrastructure Report Cards, centralisation and decentralisation in asset management, benchmarking and renewal modelling. If you would like to talk about any asset management issue of importance to you - feel free to write me at [info@amqi.com](mailto:info@amqi.com)