

ROLES AND RESPONSIBILITIES!



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AMQ INTERNATIONAL STRATEGIC ASSET MANAGEMENT

This week, another practical problem.

The Situation:

Your organisation has decided that, as part of its move to becoming a full asset management organisation, it wants to ensure that all roles and responsibilities are clear and and that any overlaps are removed and any gaps identified and filled.

Your job is to design the roles and responsibility overview statement

You have considered the structure of your organisation, the controlling documents and major information sources.

The aim is to ensure that every one in your organisation is clear about his/her particular place in the structure and the relationships of that role to every other. How do you do it? This is what we look at in this issue. Our exemplar comes from JAN KOREK, Stirling City Council, WA. P. 3-5

Also in this issue:

We can't afford to waste our engineers (p.2)

Asset management and environmental sustainability, (p.6)

A Vision of Perfection - what would the world look like if we had perfect infrastructure decision making? (p.7)

Enjoy!

Penny

Editor: Dr Penny Burns, AMQ International
PO Box 75 Salisbury South Australia 5108
Telephone 61 (0) 8 8359 0559
Email: amqi@amqi.com Website www.amqi.com



Editorial: Another practical problem - we cannot afford to waste our engineers!

Something angered me this week, an item in 'Our Failing Infrastructure - the official blog of the ASCE Government Relations'. And it angered me for a number of reasons.

It reported that a water main installed in the 1870s ruptured in New York City causing major flooding and transportation disruptions. The blogger wrote

"While I hate to say "I told you so" after a disaster, this rupture brings home the need to do two crucial things recommended by the 2009 Report Card for America's Infrastructure:

- (specific) Invest in modernising the nation's water infrastructure
- (general) Plan, design and operate resilient critical infrastructure systems to withstand and recover from disruptions."

He goes on to argue that the first thing to be done is to support legislation that increases revenues for water infrastructure. He recognises that 'most of these problems won't be fixed overnight' (an understatement if ever there was one) but offers no help in prioritising.

Why was I angry?

1. This is a 'government relations' site, for goodness sake - how can we expect to win the support of the bureaucracy for our cause with such a gloating, non useful response?
2. Always it is the 'chuck more money at it' solution! But when you have a problem the size of New York's, you need to break the problem down into more manageable chunks.
3. **But most of all, I was angry because engineers can do so much to help prioritise and create more innovative solutions and help justify the limited funds that could be made available.**

I was angered enough to place my own comment on the site:

For too long we have held off on developing well thought out, prioritised, reasoned, rehabilitation plans for ageing infrastructure because the job is so difficult - much easier to blame others for failure to provide funding.

Yet simply spending money on infrastructure is not the answer - and if we have any doubt about that then we have not been watching in horror as millions have been hastily, and unwisely, spent on infrastructure in the name of economic stimulus.

Let's **stop using lack of funding as an excuse for lack of thinking**. Develop - and publicise - the plans. If the public can see where the money is going, and what it will achieve, then support and funding could follow.

And if they can't see this, why should they fund it? If you would like to add your ideas, this is the blog site <http://blogs.asce.org/govrel/?p=207>

ROLES AND RESPONSIBILITIES - AN EXEMPLAR

As we have discussed recently, the most important element of any business organisational structure is 'balance' - each section needs to be the appropriate size and weight for its job, but for this to take place you have to know exactly what the job is! The framework developed by Jan Korek, Stirling City Council, WA, uses the ARCI framework recommended by Clive Deadman in an earlier issue:

Accountable - the buck stops here!

Responsible - the person or group delegated by the Accountable person to get the job done

Consulted - must be consulted when decisions are made

Informed - must be kept informed

The exemplar in the next few pages is worthy of examination for its structure and clarity.

CONTEXT	SOURCE/GUIDING DOCUMENTS	FUNCTION/PROCESS	COUNCIL	EXECUTIVE TEAM
WHERE DOES THE CITY WANT TO BE?	<p>CORPORATE STRATEGIC PLAN</p> <p>AM POLICY</p> <p>AM POLICY</p> <p>AM STRATEGIC PLAN</p> <p>AM STRATEGIC PLAN</p>	<p>Development</p> <p>Communication</p> <p>Development</p> <p>Communication</p>	<p>Accountable</p> <p>Accountable</p> <p>NA</p> <p>NA</p> <p>NA</p>	<p>Responsible</p> <p>Responsible</p> <p>Informed</p> <p>Accountable</p> <p>Consulted</p>
WHERE IS THE CITY NOW?	<p>ASSETIC SAM</p> <p>(This is the corporate asset management data system)</p>	<p>Asset Data Collection and Recording</p> <p>Condition Assessment</p> <p>Recording</p> <p>Life Cycle Assessments</p> <p>Service Level Assessments</p> <p>Risk Evaluation</p>	<p>NA</p> <p>NA</p> <p>NA</p> <p>Informed</p> <p>NA</p> <p>Informed</p>	<p>Accountable</p> <p>NA</p> <p>NA</p> <p>Informed</p> <p>Informed</p> <p>Accountable</p>
WHAT DOES THE CITY NEED TO DO?	<p>ASSET GROUP AM PLANS</p> <p>ASSET ACTIVITY PLANS</p> <p>PLANS</p>	<p>Capital Projects</p> <p>Planned Maintenance</p> <p>Reactive Maintenance</p> <p>Project Evaluation</p> <p>Reporting</p>	<p>Informed</p> <p>Informed</p> <p>Accountable</p> <p>Informed</p> <p>NA</p> <p>Informed</p> <p>Informed</p>	<p>Informed</p> <p>Informed</p> <p>Responsible</p> <p>Responsible</p> <p>Informed</p> <p>Accountable</p> <p>Informed</p>

Stirling has adopted the system of a corporate strategic asset management unit, responsible to the Executive and supported by an Asset Management Working Group consisting of all the main players (directors, unit managers).

SOURCE/GUIDING DOCUMENTS	FUNCTION/PROCESS	STRATEGIC ASSET MANAGEMENT SECTION	ASSET MANAGEMENT WORKING GROUP	CORPORATE INFORMATION SERVICES BUSINESS UNIT
WHERE DOES THE CITY WANT TO BE?				
CORPORATE STRATEGIC PLAN AM POLICY AM POLICY AM STRATEGIC PLAN AM STRATEGIC PLAN	Development Communication Development Communication	Informed Responsible Accountable Responsible Accountable	Informed Informed Responsible Informed Informed	NA NA NA NA NA
WHERE IS THE CITY NOW?				
ASSETIC SAM (This is the corporate asset management data system)	Asset Data Collection and Recording Condition Assessment Recording Life Cycle Assessments Service Level Assessments Risk Evaluation	Responsible NA NA Consulted Informed Informed	Consulted Informed NA Consulted Consulted Consulted	Responsible NA NA NA NA NA
WHAT DOES THE CITY NEED TO DO?				
ASSET GROUP AM PLANS ASSET ACTIVITY PLANS	Capital Projects Planned Maintenance Reactive Maintenance Project Evaluation Reporting	Informed Informed Informed Informed NA Informed Accountable	Consulted Consulted Informed Informed NA Informed Responsible	NA NA NA NA NA NA Consulted

Jan's original also indicates (in Notes) where, as corporate asset manager he is responsible for introducing new asset management techniques to the organisation - star ratings for service level evaluation and investment logic maps for project evaluation.

contact him at korek.jan@stirling.wa.gov.au

SOURCE/GUIDING DOCUMENTS	FUNCTION/PROCESS	BUSINESS UNIT DIRECTOR	BUSINESS UNIT MANAGER	BUSINESS UNIT
WHERE DOES THE CITY WANT TO BE?				
CORPORATE STRATEGIC PLAN AM POLICY AM POLICY AM STRATEGIC PLAN AM STRATEGIC PLAN	Development Communication Development Communication	Consulted Informed Informed Informed Consulted	Consulted Informed Informed Informed Consulted	Consulted Informed Informed Informed
WHERE IS THE CITY NOW?				
ASSETIC SAM (This is the corporate asset management data system)	Asset Data Collection and Recording Condition Assessment Recording Life Cycle Assessments Service Level	Informed Accountable Informed Informed Accountable Accountable	Consulted Responsible Accountable Responsible Responsible Responsible	Consulted Responsible Responsible Consulted Responsible Responsible
WHAT DOES THE CITY NEED TO DO?				
ASSET GROUP AM PLANS ASSET ACTIVITY PLANS	Capital Projects Planned Maintenance Reactive Maintenance Project Evaluation Reporting	Accountable Accountable Responsible Responsible Informed Accountable Informed	Responsible Responsible Responsible Responsible Responsible Informed	Responsible Responsible Consulted Consulted Consulted Consulted Informed



IS ANYBODY DOING ANYTHING?

A correspondent in the Steel Industry told me that his company had a significant focus on environmental issues and are heavily regulated. Knowing that carbon credits are going to have a major impact they recognise that they have to reduce energy usage and there is a business unit to do this - but they do not know of technology that will allow them to do this for their major usage so they are 'focussing on low end gain such as lighting (5% of electricity costs)' and 'ensuring things are turned off when not in use'.

He feels rather embarrassed about this - but he is not alone!

I have been looking for significant effort in this regard by organisations and their asset managers and, so far, not finding anything. A few leading councils are talking about ecological footprints - but how many have measured theirs, or have targets for reduction with action plans to achieve those targets? *Asked to write a short passage on Environmental Sustainability in Australia for the Institute of Asset Management in the UK, I scripted the following.*

Environmental Sustainability Action in Australia

Australians pride themselves on being 'practical' people, yet we are also 'early adopters': the combination lends itself to interesting conflict between reacting to a concept and waiting for proven reality. We can see this if we look at the three major areas of energy, transport and water. The severe water shortage reality has meant that water has received by far the most attention – and action. South Australia, 'the driest State in the driest Continent', leads in development of extensive wetlands, storm water recycling and subsidies for water saving devices and rainwater tanks. Recycled water is now mandated in new developments. Australians are also moving away from green lawns and English style gardens. Solar energy has received surprisingly little attention given how much sun we have to go around (but coal is a big export earner!) Imminent emission charges mean large energy users are looking at energy savings, but without the financial imperative of actual charges, little more is currently being done than being vigilant switching off lights. Transport – with the greatest ecological footprint of all, has so far done the least. Passion for the motorcar here could rival the American gun lobby for ardor. But asset managers could take the lead here using video communication with remote sites to reduce time and travel costs as a number of state government departments have done. In South Australia, the "Tour Down Under" has done great things for increased bicycle use over short distances. Some Councils encourage staff to ride to work by giving bonuses for the number of days per week and the distances they travel – and then claim the energy savings.

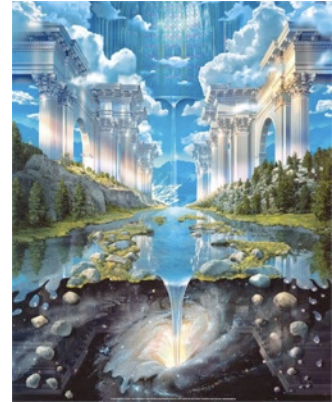
PLEASE TELL ME I'M WRONG! - and show me what you are doing

WHAT WOULD THE WORLD LOOK LIKE IF WE COULD ACHIEVE WISDOM IN INFRASTRUCTURE DECISION MAKING?

For years now I have tried to figure out how we can improve the general level of decision making in public infrastructure. But just as we need a clear vision to guide our asset management strategy, we also need it for the higher levels of decision making.

Here is my vision of such a Utopia.

In this world



- Public sector decision makers would be forever striving to make better decisions, they would seek out tools to help them, they would be proud of the decisions they have made, they would be able to publicly describe what makes theirs a good decision and they would be happy to make them available for analysis.
- Opportunities to exchange information to improve infrastructure decision making would be freely available and decision makers would take full advantage of them.
- Analysing such decisions would be a highly rated activity by academics and by intellectuals everywhere. Ordinary educated citizens would take an interest. Public Infrastructure Decision Making would be recognised as an important, and complex, subject for University courses in public administration at all government levels.
- Governments and government departments as well as statutory authorities would be judged by the quality of their decisions rather than by lucky or unlucky happenstance of outcomes. Awards would be made for good quality decisions that were well explained. And the opposite would be a source of fun, amusement and derision - there would be Proxmire type awards for the 'worst decision'. (Senator Proxmire, a US Senator who died in 2005, used to give out his 'Golden Fleece' awards to the projects that he considered exceptionally poor use of taxpayers' money.)
- Decision making would be a public sport and the wider community would be active and intelligent participants. (As enthusiastic as sports fan but less biased!) Quality journalists would specialise in analysis. Talk back radio would carry intelligent comment on decisions.
- 'Good decisions' would transcend party politics. Good decisions are those that give sound reasons to believe that the proposed actions will result in the outcomes desired. We may not agree with the desired outcomes but we can still appreciate the quality of the decisions (sound research, careful use of data, assumptions spelt out clearly, etc.) Politically it means that 'right' and 'left' values are acknowledged as

good in their own right. - and that we need both! In this way a belief in good decision making will help to break down the 'us and them' attitudes that bedevil society today.

- “Commercial-in-confidence” would no longer be accepted where public monies are concerned, even for PPPs. A higher premium would be placed on transparency and accountability. Transparency International would make special and detailed mention of the quality of public infrastructure decisions in their assessments.
- There would be a public reference benchmark against which to measure the quality of decisions. The standards would also be seen to apply to public companies who use shareholder money to make decisions on infrastructure assets.
- Decision makers would take pride in demonstrating their honesty through the clarity and good formation of their decisions and the information and analysis that precede them. This would represent a major attitude change. Not what you can get away with, but how you can demonstrate that you are not.
- Journalists would take courses in analysing decisions so that they could write more useful reports
- Good community decision making would be taught in primary schools as part of a wider interest in Civics. Interest in Civics would grow because of the wider availability of information by which to judge it.

We would judge decisions by the following:

- clarity in what the decision seeks to achieve and why - and also what it seeks to avoid!
- quality of the information sought, analysed and presented. This would include up front and life cycle costs, demographics, risk assessment, etc. for both the decision and alternative options.
- careful and qualified statement of the benefits to be achieved
- clarity in who will be the gainers and who will be the losers from the decision
- public evidence that the negative consequences of the decision have been analysed, compensated for where this is possible, and that the residual can be lived with, and is worth living with, for the benefits to be obtained

Sufficient time would be made available for public comment and a public forum would be held on major decisions to say what comment came in and how it has been taken into account.

At the moment there is much uninformed discussion on whether Adelaide should build a new major hospital at a cost of \$1.7 Billion (and maybe more) or whether it should upgrade the existing Royal Adelaide. The people overwhelmingly prefer the upgrade of the Royal Adelaide but the Government is going ahead with the new hospital. This would be a good instance in which the government could be asked to justify their decision in the light of the questions above.