

Asset Management

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Transport Chicago
June 1, 2018



***“The
co-ordinated
activity of an
organization
to realise
value from
assets”***



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1. Introduction to me

About me

- Thomas Goodyer *BA MEng (Cantab) CEng MIMechE MIAM*
- Range of projects/programmes in Power, Rail and Aviation (engineering, PM, commercial)
- Long term secondment into Her Majesty's Treasury
- Asset Management, Infrastructure Costs
- Rail franchising: everything into a NPV
- Engineer / Economist?
- American Dream...



BARKING
POWER



MTR



ARRIVA

abellio

Heathrow



pace

British Energy



Infrastructure UK

hs
engine for growth



SOUTH SHORE
LINE

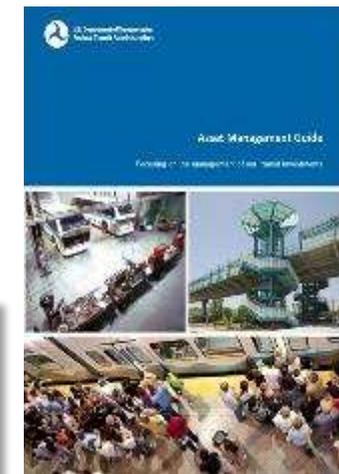
Metra

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2. Introduction to Asset Management at WSP

Leaders in Asset Management

- ✓ High technical capability in all asset classes
- ✓ US & International leaders in all aspects of Asset Management
- ✓ Authors of the **FTA Transit Asset Management Guide** and Small Agency Supplement
- ✓ Key contributors to **ISO-55001:2014**
- ✓ Industry leading approach that positions our clients for successful implementation
- ✓ Currently providing back-office services to support the US Chapter of the Institute of Asset Management



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3. What is Asset Management?

~~What is Asset Management?~~

What are Assets?

Assets are there to support business objectives or obligations (agreements) of the organisation. They may include:

- Physical systems comprising hardware and embedded software
- Intellectual property
- Physical property or infrastructure (buildings and structures) owned or managed by the organisation



What is Asset Management?

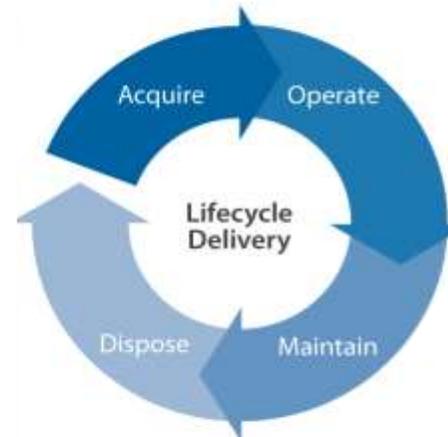
“Co-ordinated activity of an organisation to realise value from assets”

ISO 55000 2014:3 Terms relating to asset management (3.3.1)

- An overall approach to running an asset-rich business – not a technology, technique, (IT) system or fad
- A combination of management, financial, economic and engineering practices applied to physical assets
- It is about making the most of our assets by doing the right amount of work at the right time and cost to deliver the right level of service

What is an Asset Management System?

→ *Institute of Asset Management (IAM) conceptual model*



Recap: Key terms

Asset

- Item, thing or entity that has potential or actual value to an organisation

Asset Management

- Coordinated activity of an organisation to realize value from assets

Asset Management System

- Management system for asset management whose function is to establish the asset management policy and asset management objectives

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4. Why do it?

WHY DO ASSET MANAGEMENT?

Because
you're
told to!



Because
you want
to!

WHY DO ASSET MANAGEMENT?

Because
you're
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- US Federal Transit Agency has demanded Asset Management Plans be produced
- UK Department for Transport has demanded rail operators attain ISO55001 certification
- Australian Govt required that bidders for electricity or gas network operations attain PAS55 certification

Theme: Government despairing that assets are deteriorating, insufficient cash to eliminate a backlog, demand that the operators/maintainers figure out how to improve

WHY DO ASSET MANAGEMENT?

- Heathrow Airport was lobbying heavily to get permission for expansion so went for ISO55001 to prove they're a good steward of assets
- MTR Hong Kong wanted to prove that it was at the forefront of Asset Management (and generally very efficient)
- Private water companies in the UK given ever tighter demands on efficiency, want to demonstrate continuous improvement and that they are investing optimally already



Because
you want
to!

Theme: Top performing organizations want to demonstrate they're doing well, and that they want to continue improving

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5. What is happening here?

In this region



- 5+ year ago FTA required all agencies to assess their assets (and ages)
- Using 'Useful Life Benchmarks' calculated "backlog" for the region of \$19.5bn in 2014
- ...powerful number, and it grew!



- New FTA ruling demanding Asset Management Plans from all agencies
- Commitments to improve 'performance'
- Transparency over capital project prioritization
- Requires agencies to capture (some) data on all major assets
- Not ISO55001, but it's a start!

- FHWA has a similar ruling for state highways (DOTs). Some states requiring that counties do similar

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6. Approaches



“A good plan today is better than a great plan tomorrow.”

General George S. Patton

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7. Summary and closing thoughts

Summary

- Asset Management is the coordinated activity of an organisation to realize value from assets
- An Asset Management System is the collection of policies, strategies, processes and procedures which govern your Asset Management activities
- Benefits include reduced maintenance costs, optimized whole life costs, performance improvements, communications to leaders
- Asset Management initiatives are being undertaken by all sorts of organizations all around the world for all sort of reasons
- Significant work being undertaken by the transit sector in Chicagoland
- Start with a Plan: collate the information; develop the System around it over however many years is necessary

Thank you!

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