



Building an Asset Management Organization and Executive Buy-In

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Disclaimer

Presentation is from the perspective of an asset management system developed and managed from within a multi-modal midsize transit agency.



Asset Mgmt- what's that??

No seriously, what IS that??

- *That's just maintenance right?*
- The process UTA follows to ensure its assets are in a State of Good Repair.
 - Inventory
 - Maintenance
 - Condition Assessments
 - Deterioration Monitoring
 - Risk Assessments
 - Budget Projections
 - Reporting



How to build an effective asset management system

- Clearly understand the intent, goals and expectations of asset management within your agency
- Establish an approach

Establish an approach

Top Down

Direction or
Approach

Bottom Up

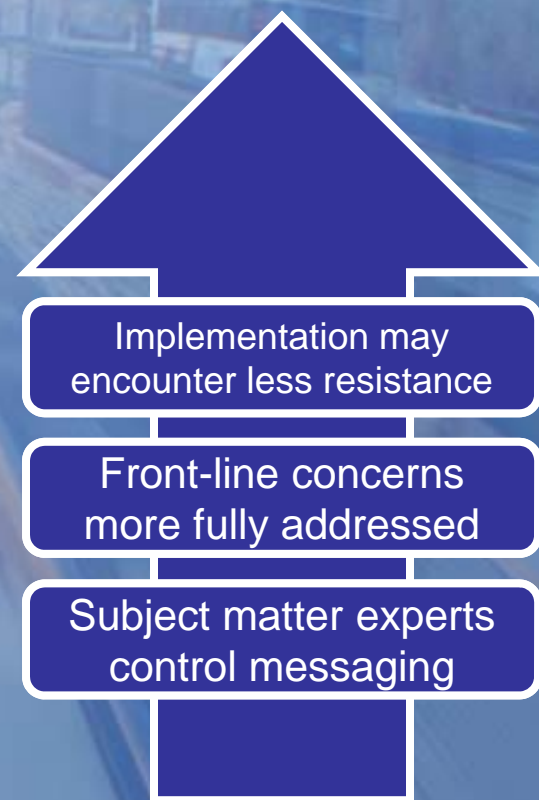


Benefits of a

Top Down Approach



Bottom Up Approach



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- As early as possible establish a definition of asset management

UTA definition: “Asset Management is the key to identifying problems before failures occur that can cause unplanned outages and disruptions in service. An effective Asset Management program will maintain a safe, efficient and reliable transit system for our customers and keep the public investment in a State of Good Repair.”

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- Clearly understand the intent, goals and expectations of asset management within your agency
- Establish an approach
- As early as possible establish a definition of asset management
- Get Executive and Board buy in (ISO 55001 requirement)
- Mentor your Executive Champion



Mentoring an Executive Champion

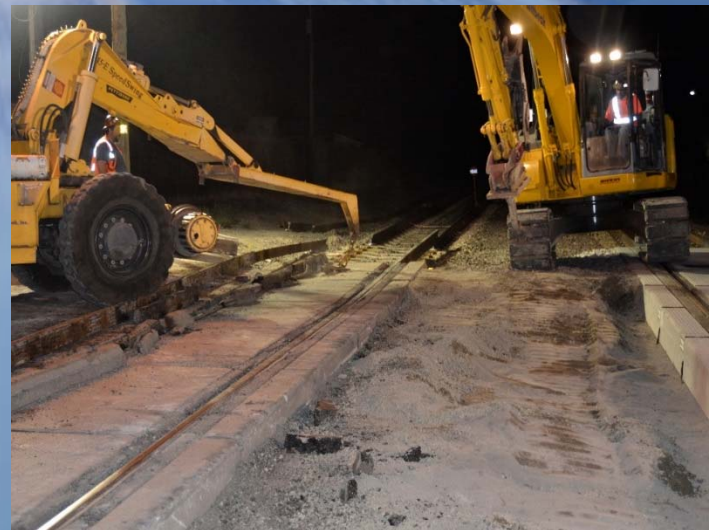
- If the agency does not have a functioning asset management process the SGR efforts are usually additional work
 - Burden could be significant if implemented as written in NPRM.
- Agencies need a champion **AND** subject matter experts.
 - Subject matter experts to coach and guide.
 - Executive Champions to push program out
- Agencies will have similar obstacles during implementation
 - High-level champion needed to navigate internal bureaucracy
- An agency's long-term success in SGR efforts will be directly proportional to the buy-in at the Executive level

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- Establish an approach
- As early as possible establish a definition of asset management
- Get Executive and Board buy in (ISO 55001 requirement)
- Mentor your Executive Champion
- Identify internal stakeholders (choose them carefully)
- Define with stakeholders inventory criteria
- With the internal stakeholders establish, at a high level, inventory items
- Use SME's to evaluate and inspect assets
- Apply inspection data to deterioration curves
- Create long term budget projections
- Create 5 year project specific budget

Getting Executive Buy-in at UTA with a bottom up approach

- A bottom up approach requires significant effort for buy-in
- DO NOT underestimate the obstacles you will encounter
- Budget projections will shock the Executives
- Be prepared to explain why maintenance costs exceed initial construction costs



UTA progress in getting Executive buy-in

- Year 1 – Created inventory
- Year 2 – Refined inventory, developed projects, obtained funding and provided long term budget projections
- Year 3 – Refined inventory, and budget projections, obtained funding for new SGR projects and presented to the Board
- Year 4 – Refined inventory, projects and budget projections. Pushed for budget projections to appear in TDP
- Year 5 –Major milestone, SGR funding was moved up in budget under operations and maintenance. Refined inventory, budget projections and developed 5 year project specific budgets.
- Year 6 – Refining project specific budgets for incorporation directly into TDP

How do you measure Executive buy-in?

- Have you started development of an asset management system?
- Do you have a top down or bottom up approach?
- Do you have a dedicated asset management staff or was it added to the duties of existing staff?
- What is the size of your dedicated staff and is it sufficient?
 - For a mid-sized agency a dedicated staff of 2 is not sufficient
 - For mid-sized agencies dedicated staff size ranges from over 20 to zero
- Where in your agency is the asset management team located?
- Are the results of the asset management team and stakeholders autonomous or are they modified by the Executive team?

Opportunities and Recommendations

- Continuously educate and inform Executive Staff and Boards
- Foster open honest communication to ensure positive implementation
- Understand and plan for Executive and operational challenges
- Development of a EMS or TAM will require significant effort and will take time



Questions?



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