

Overview of Corporate Asset Management Resource Allocation

Budget Review Committee of the Whole

Thursday, October 15, 2020

Dean Rurak, P.Eng, Director, Asset Management, Corporate Services



TWENTY21

NIAGARA REGION BUDGET

Overview of Corporate
Asset Management
Resource Allocation
Oct 15, 2020

Corporate Asset Management Resource Allocation

1. Why do we need Corporate Asset Management Resource Allocation (CAMRA)?
2. What is CAMRA?
3. How does CAMRA work?
4. What is the plan to develop the Asset Management System (AMS)?

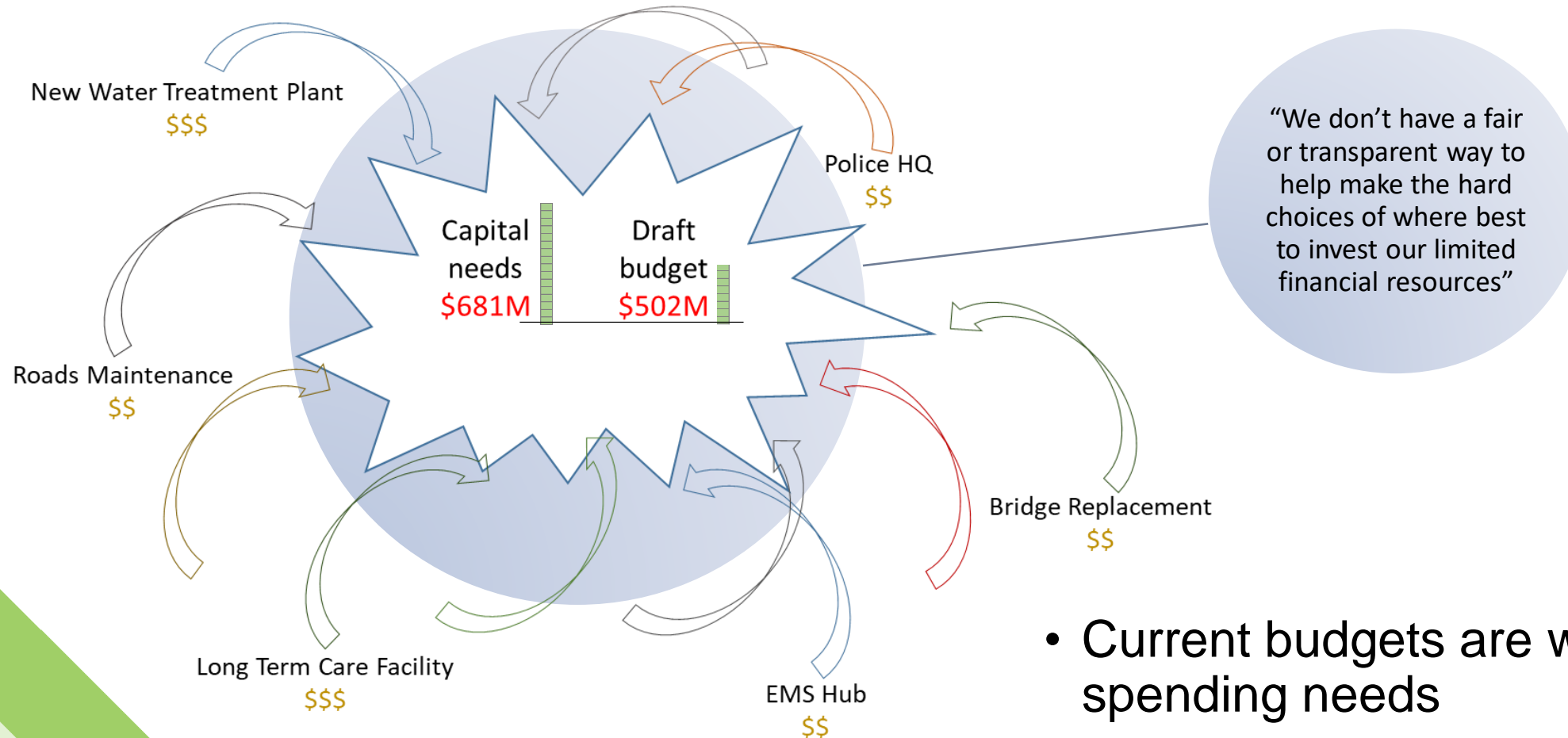
Why?

What?

How?

AMS

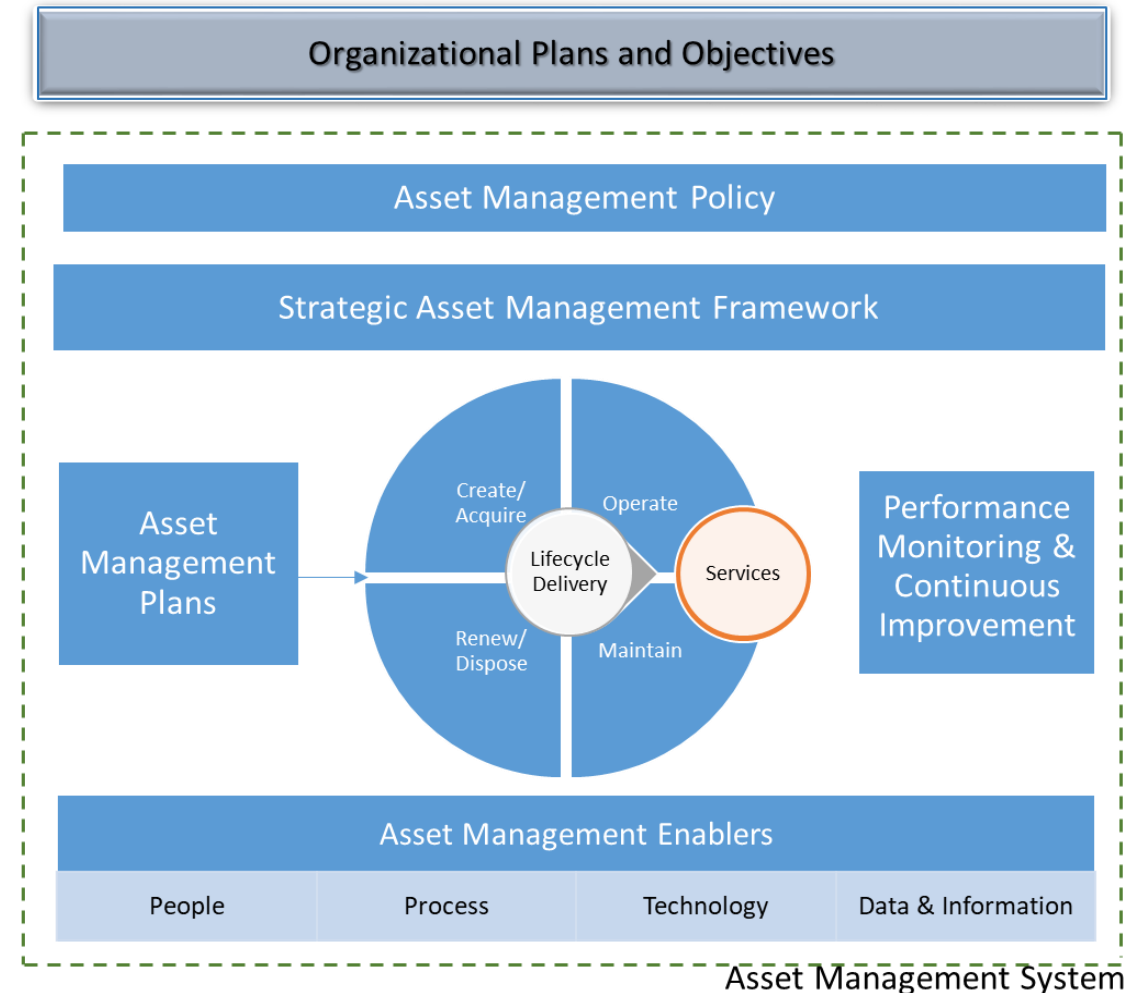
Why do we need CAMRA?



- Current budgets are well below spending needs
- So spending needs to be prioritized where it will provide the most value

What is CAMRA?

- Asset management is defined as “Coordinated activities of an organization to realize value from assets” ISO 55000
- The asset management system (AMS) comprises the activities that will allow the Region to realize the benefits from asset management
- The Corporate Asset Management Resource Allocation (CAMRA) model is one component within the AMS



CAMRA is an aid for good decision-making

Best practice in decision-making

Basic	AM decisions based largely on staff judgement and agreed corporate priorities
Core	Formal decision-making techniques are applied to major projects and programs
Intermediate	Formal decision-making and prioritization techniques are applied to all operational and capital programs within each budget category. Critical assumptions and estimates are tested for sensitivity of results
Advanced	Adds the ability for projects and programs to be optimized across all activity and service areas including conducting formal risk based sensitivity analysis

A good decision is one that is made deliberately and thoughtfully, considers and includes all relevant factors, is consistent with the organization’s vision and values, and can be explained clearly to others¹

CAMRA measures two dimensions to help decision-making:

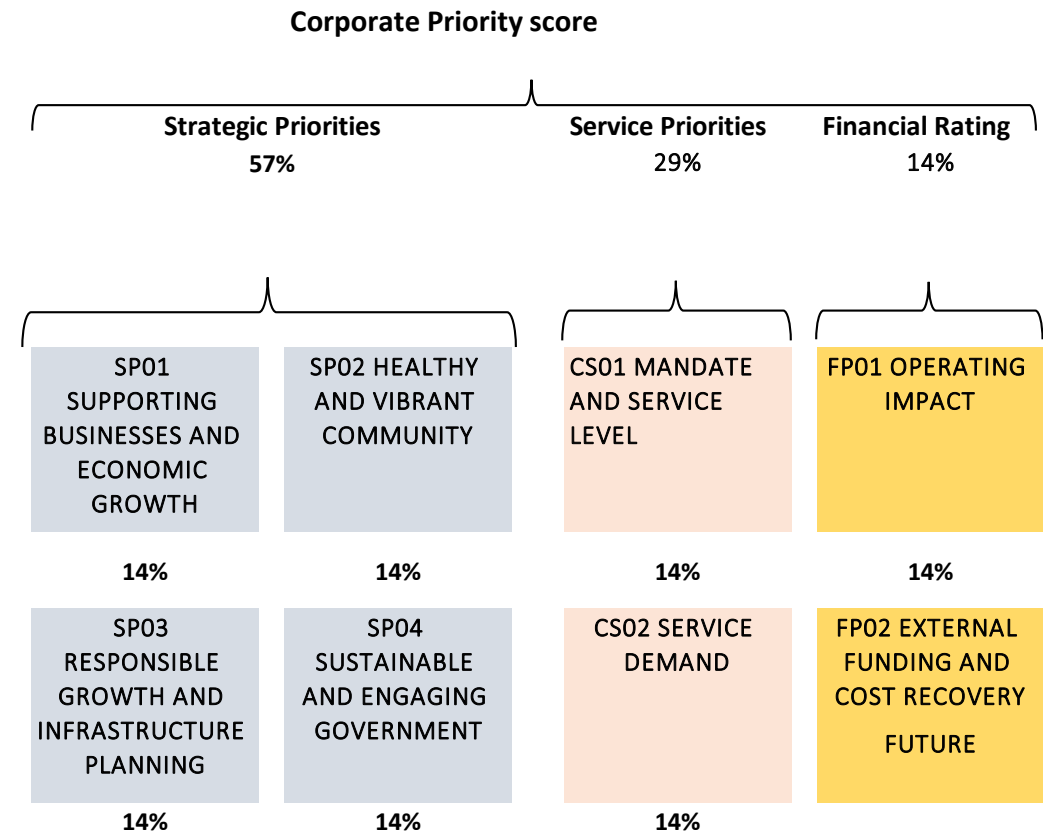
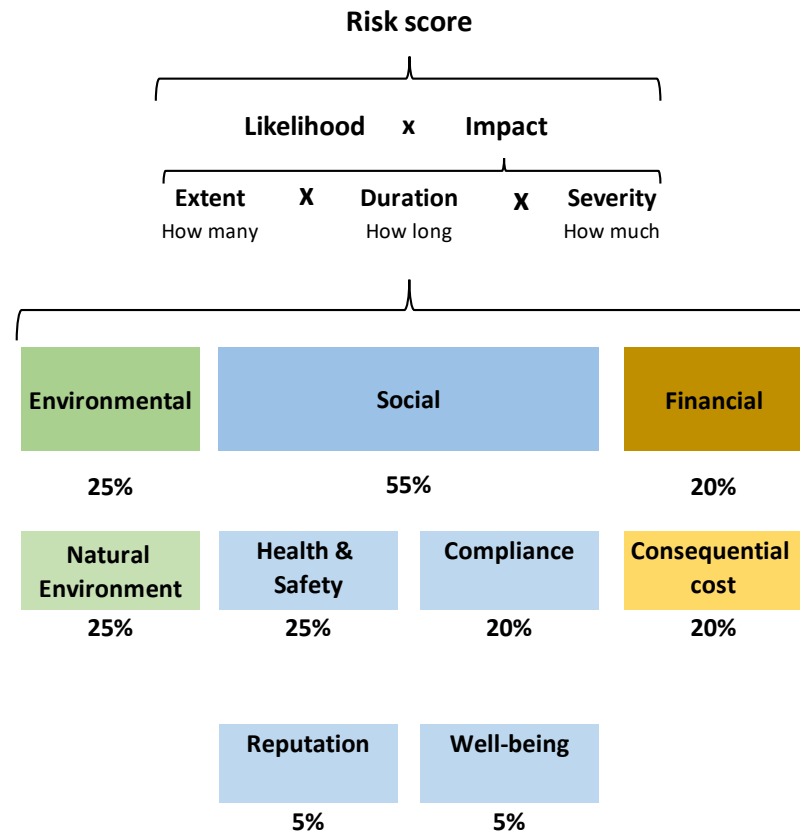
- Level of risk, and
- alignment with Corporate Priorities

Adopted from International Infrastructure Management Manual (IIMM), 2011, The Institute of Public Works Engineering Australasia (IPWEA)

2021 NIAGARA REGION BUDGET

1. Adapted from Utpal Dholakia Ph.D., The Science Behind Behavior, What Is a “Good” Decision?, Psychology Today, <https://www.psychologytoday.com/us/blog/the-science-behind-behavior/201707/what-is-good-decision>

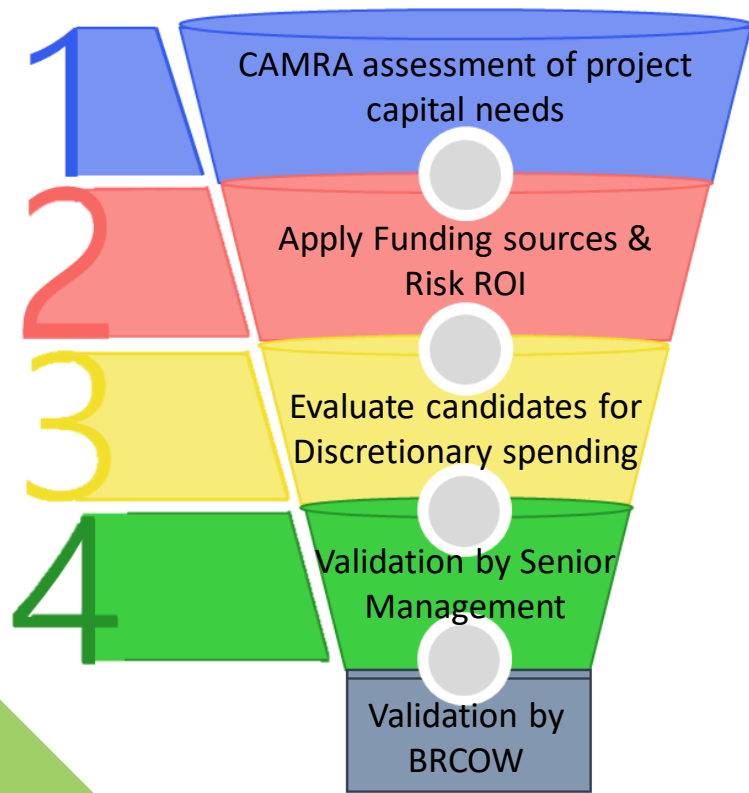
CAMRA measures Risk and Corporate Priority



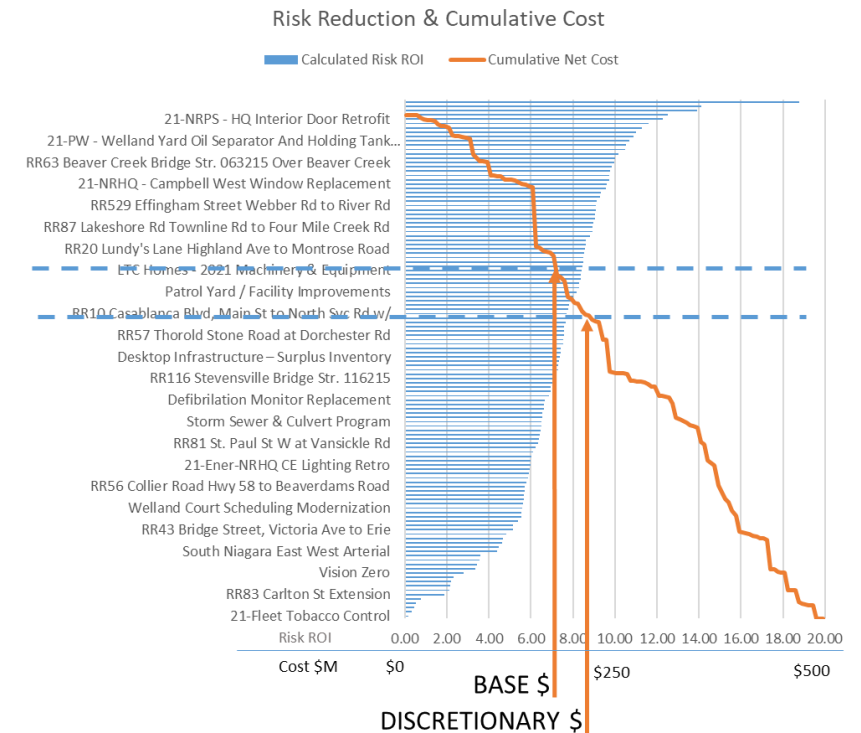
Risk is the product of the likelihood of an event occurring and the impact should it occur. It is measured with 5 weighted criteria under the triple bottom line.

Alignment to corporate priorities is measured against criteria from Strategic, Service, and Financial perspectives.

Applying CAMRA to the capital budget

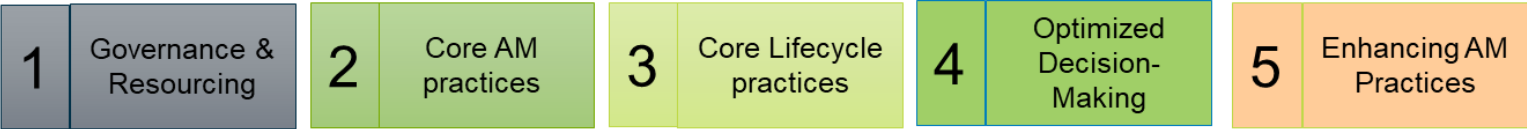


1. Assessment of projects through CAMRA sorted by Risk Return on Investment (Risk ROI – Risk reduction divided by project cost)
2. Apply **Capital Funding Strategy** (CFS) and determine candidate projects based on Strategy (funding source) and **Risk ROI** within Base budget
3. Apply **Discretionary** funding against projects below the Base budget threshold using other attributes and Risk ROI
 - Corporate Priority Score
 - Interdependent - Timing Opportunity
 - Business continuity
 - Divisional priority
 - Recurring program...etc.
4. Evaluation, adjustment and validation of results of CAMRA and CFS prioritized project listing by Corporate Asset Management Steering Team (CAMST)
5. Preparation of final draft 2021 Capital Budget for Budget Review Committee of the Whole



Asset Management System 5-year plan

The 5-year plan to improve the asset management system



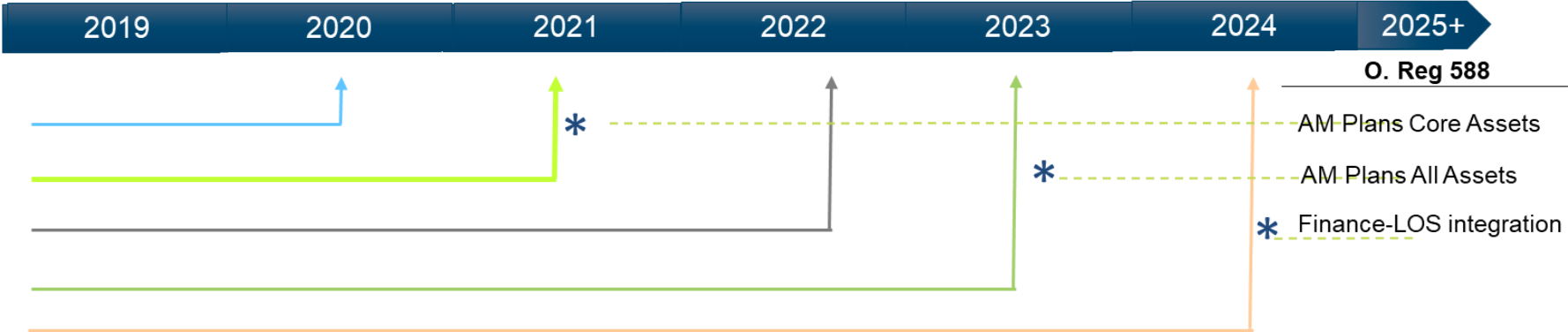
Oversight, Organization Training

Frameworks & Mapping - Risk, Asset Registry, Project delivery, LOS, LAS, Financial

Maintenance, Failure Analysis & CMMS Integration

System integration & ODM Software

Embedding AM practices



Although the roadmap is based on focused themes for each year of the 5 year plan period, throughout the period value enabling activities support achievement of goals. This includes Training, IT, and Data management

