

ASSET MANAGEMENT AWARDS

Rewarding continuous asset management improvement



APPLICANTS HANDBOOK

Draft V5 – July 2011

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The Asset Management Council is a Technical Society of Engineers Australia, the national peak body for all engineering disciplines. Operating as a non profit organisation, the Asset Management Council is committed to the promotion and education of optimal asset management practices in industrial, commercial, academic and government organisations.

Align, focus and motivate.

Enter the Asset Management Awards and unite people by highlighting their contribution to your organisation's business revenue through good asset management.

The Awards process provides the ideal opportunity to align and focus people toward one common approach to the management of assets. The Asset Management Awards also can provide the motivation for people to continuously improve the system year upon year.

The best results for companies are achieved by entering the Awards early in an organisation's asset management journey. This provides organisations with an accurate baseline to measure improvement and maturity year by year.

Entering the Awards regularly also allows people to celebrate their ongoing achievements by measuring each Awards entry as a 'milestone' along the journey towards reaching a mature business focused asset management system.

Each organisation that enters the Asset Management Awards has the option of keeping their report confidential. However, all companies who enter the Awards have the opportunity to have their achievements publicly recognised at the prestigious Asset Management Awards Ceremony.

Who can apply?


Asset Owners – both large and small – any company responsible for physical assets and their revenue, reliability and safety outcomes, as well as Service Providers who apply asset management systems on behalf of the asset owner. Joint submissions are encouraged.

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Overview

Organisations may enter the awards at any time during the year, develop a written submission and be evaluated by AM Council Review team. Following the Review a report and rating will be issued to the Applicant. The Asset Management Award (AMA) will then be presented by the Asset Management Council at the next annual ceremony as part of its annual ICOMS Asset Management Conference. Each year, the top scoring Australian AMA applicant will be nominated by the Asset Management Council to be a finalist at the Australian Engineering Excellence Awards, hosted by Engineers Australia.

The AMA is based upon the Asset Management Council's Asset Management Body of Knowledge,  – refer to www.amcouncil.com.au/asset-management-body-of-knowledge.html for further details.

The Analysis Approach

The assessment approach used within the AMA forms an organisational learning cycle through which a company can examine its asset management performance against each of the AMA Award Criteria, made up of:

- ✓ Approach - Identifies an organisation's asset management thinking and the processes designed to support the management of its physical assets compared against industry good practice.¹
- ✓ Maturity - Identifies the degree of capability reached by an organisation in its ability to support the management of the company's physical assets.
- ✓ Results – Identifies the measures of achieved performance (and the process by which they are monitored and evaluated) that measures the effectiveness of the Approach and its Maturity.
- ✓ Improvement – Identifies the measures of achieved improved performance (and the processes by which they are monitored and evaluated) that measures improvement to the effectiveness of the Approach and its Maturity.

The AMA Analysis Approach provides the methodology that underpins assessment against the AMA Criteria. Its primary focus is to ensure that success in asset management correlates to a planned, sustainable cycle of improvement.

Grades of Achievement

There are four AMA levels of achievement:

Grade 4	Bronze
Grade 3	Silver
Grade 2	Gold
Grade 1	Platinum

What each submission will receive

- ✓ An independent on-site inspection report from our Review Team of qualified asset management practitioners of your asset management practices and practitioners
- ✓ A written confidential review
- ✓ A graded award of either Bronze, Silver, Gold or Platinum dependant on achievement level
- ✓ The optional public promotion of the achievements of each entry via:
 - The annual AMA Ceremony
 - Announcements in the Australian Engineers Magazine
 - Announcements on the Asset Management online blog
 - Recognition on the Asset Management Council Website

¹ Refer to the Asset Management Council Asset Management Concept & Delivery Models

Submission Contents

AMA submissions must address the following Parts:

Part 1: Executive Summary

Introduction to the application

Core asset management capabilities

Enterprise asset management framework

Key business outcomes

Part 2: Press Release

A draft press release of about 200 words describing the application of asset management within the enterprise and the outcomes achieved

Part 3: Background Information

Subject and scope of application

General enterprise details including:

- Enterprise name
- Contact for award purposes
- Products and services, type and quantity
- Asset management organisation structure and size

Background information relevant to this application including:

- Asset management context / history
- Asset management processes
- Current and future business challenges
- Enterprise standards policies and information sources relevant to this application
- Acronyms and definitions

Part 4: References (Supporting Evidence)

A listing of supporting documents and other material that will be made available to the review team during the site visit.



Part 5: AMA Award Criteria

Submissions must address each of the seven (7) criteria:

- 1. Management and Leadership**
- 2. Asset Management Culture**
- 3. Asset Acquisition**
- 4. Asset Management Plan Development**
- 5. Asset Management Plan Implementation**
- 6. Performance evaluation**
- 7. Analysis and improvement**

4: Award Criteria Continued.

1. Management and Leadership

Definition: *The extent to which management understands and leads the asset management function in the enterprise.*

Good asset management organisations have effective and visible systems and processes of leadership in place at all levels. Management structures promote leadership and the allocation of effective accountabilities and responsibilities.

As a minimum, the following questions shall be addressed:

- What are the principles and policies by which your physical assets are planned, acquired, used, maintained, updated and disposed?
- What is the purpose of these principles and policies?
- How are the asset management performance goals identified, developed and demonstrably linked to business needs, including:
 - Company and legislative Personnel Safety requirements;
 - Environmental compliance requirements;
 - Short and long term Production/Service Delivery/Operating plans; and
 - Cost.
- How are the asset management performance goals assured, reviewed and improved?
- How is the overall improvement of the management of the assets identified, managed and achieved?
- How are policy needs & changes identified?
- How is policy deployed?

2. Management Culture

Definition: *The extent to which people at all levels in the organisation have the knowledge, skills and commitment to achieve the documented asset management goals of the enterprise.*

Good asset management organisations develop cultures, support behaviors and practices that are consistent with their values to achieve their business objectives. These practices help them to remain focused on the future and give meaning to the people who work in the organisations and to stakeholders.

As a minimum, the following questions shall be addressed:

- How are the asset management performance goals deployed at all levels, including:
 - Short and long term Production/Service Delivery/Operating plans;
 - Company and legislative Personnel Safety requirements;
 - Environmental compliance requirements; and
 - Cost and profit.
- Are these performance goals evident to all involved staff and reflected in the policies and procedures?
- Are the knowledge and skills necessary for achieving asset management performance goals known by the enterprise?
- Is there a plan for the provision of asset management knowledge and skills?
- Are the roles and responsibilities for those involved in asset management functions defined?
- How is performance of individuals and groups recognised and supported?

- What is the type of the culture within the organisation, for example:
 - Pathological
 - Bureaucratic
 - Generative
 - Charismatic
 - Learning oriented

3. Capability Acquisition

Definition: *The extent to which consideration is given to requirements for achieving capability during the asset life cycle.*

Good asset management organisations use systems and processes to plan for sustainable success, what the asset acquisition management strategies are and how to align the acquisition of its physical assets to the organisation's core purpose.

As a minimum, the following questions shall be addressed:

- How are the operational and performance requirements (specification) of new and modified assets identified, documented and related to the business needs of the enterprise?
- How are the specification, acquisition, and transition of new and modified assets carried out to achieve required capability at minimum "life cycle" cost?
- How are the needed integrated supporting capabilities of spares, staff and skills, training, manuals, facilities, support equipment, technical information, computerized management systems, logistics identified, verified and validated during any acquisition process?
- How is the capability of new and/or modified business assets verified and validated prior to operation?
- How are the integrated support needs identified, acquired, accepted, verified and validated before the new/updated asset is put into service?

4. Asset Management Plan Development

Definition: *The extent to which asset management plans assure achievement of enterprise business needs.*

Good asset management organisations develop systems and processes to turn strategic decisions and imperatives into a set of integrated actionable plans. They then apply those plans to achieving their goals and increasing their future value.

As a minimum, the following questions shall be addressed:

- What are the asset management performance goals in quantified terms and how do they integrate with business goals, namely:
 - Short and long term Production/Service Delivery/Operating plans;
 - Company and legislative Personnel Safety requirements;
 - Environmental compliance requirements; and
 - Cost.
- What asset management plans are developed and documented, namely:
 - Operations Plan
 - Asset Investment/Acquisition Plan
 - Training Plan
 - Maintenance Plan
 - Financial Plan
 - Asset Disposal Plan

- Is the scope and detail of the documented asset management plans sufficient to assure the delivery of the specified asset management performance goals?
- How is the level of assurance provided by the documented asset management plans specified, measured and managed?
- What is the nature and scope of the asset management planning process which identifies the details contained in each of the documented asset management plans?
- What analysis tools are used to assure that asset plans represent an optimal solution?

5. Asset Management Plan Implementation

Definition: *The extent to which the asset management activities and procedures achieves the business objectives of the enterprise.*

Good asset management organisations develop Project Plans that tell all the stakeholders what will be done and how the project/operating entity will be managed, while specifying the management procedures and controls including:

- *Detailed project plans;*
- *Scope and Assumptions;*
- *Resource schedules;*
- *Delivery schedules;*
- *Quality procedures;*
- *Reporting procedures;*
- *Risk management planning; and*
- *Project budgets.*

Consequently, the project plan should be baselined and managed under change control. The current version should be an active, living document to guide project implementation.

As a minimum, the following questions shall be addressed:

- How are the documented asset management plans communicated?
- How is planning and scheduling for the documented asset management plans carried out, namely for the:
 - Operations Plan
 - Asset Investment/Acquisition Plan
 - Training Plan
 - Maintenance Plan
 - Financial Plan
 - Disposal Plan
- How is each plan managed and implemented?
- How are the technical, operating and other support data needs identified, acquired, accepted, verified and validated before each plan is implemented?
- How are the needed resources for each plan identified, acquired, accepted, verified and validated before and during implementation?

6. Performance Measurement

Definition: *The provision of measures that provide an objective basis for all the asset management activities of the business.*

Good asset management organisations use measures and monitoring methods to confirm that the performance of the physical assets will meet expectations. The organisation uses both quantitative and qualitative measures to determine the level of assurance achieved.

As a minimum, the following questions shall be addressed:

- How is the achievement of the following asset management plans identified and measured:
 - Operations Plan
 - Asset Investment/Acquisition Plan
 - Training Plan
 - Maintenance Plan
 - Financial Plan
 - Disposal Plan
- What are the measures the enterprise uses to assess the performance of its assets, including the level of assurance?
- Why are the measures selected?
- How are the values of the measures determined?
- How are the measures logically linked to the asset management plans?
- How is the level of assurance provided by the asset management plans measured?

7. Analysis and Improvement

Definition: *The use of analysis to determine and implement needed changes to the asset management plans.*

Good asset management organisations use structured analytical methods to both improve their processes/plans as well as improve the effectiveness and efficiency of its physical assets to achieve efficiency and effectiveness for all stakeholders.

As a minimum, the following questions shall be addressed:

- What change management processes are in place to support the implementation of the asset management plan?
- What change management processes are in place to support the improvement of asset management policy and processes?
- What improvement management processes & techniques are in place for the following plans:
 - Operations Plan
 - Asset Investment/Acquisition Plan
 - Training Plan
 - Maintenance Plan
 - Financial Plan
- Are root causes of issues regularly and systematically identified and dealt with?
- What analytical techniques are available and applied?

Submission Requirements

Submission Preparation

Applicants should address each of the submission requirements.

Submissions are to be typed on A4 sheets and submitted to the AM Council as a pdf document.

Applicants are required to be brief and succinct in their responses. The maximum response to each part of the submission is:

Part 1 Two (2) pages

Part 2 one (1) page

Part 3 Five (5) pages

Part 4 Two (2) pages

Part 5 Each of the seven (7) criteria should not exceed three (3) pages.

Note that while the submission document is limited in size as indicated above, the Applicant can provide supporting material during the subsequent site review. This material will be listed in part 4 of the submission.

References

Framework for Asset Management Body of Knowledge A 30+ page publication on the definition and the models that serve two vital purposes for the Asset Management Council, namely to provide:

- The Asset Management Council with a consistent framework for the development, provision, maintenance and improvement of all delivered services; and
- The asset management community with a concise picture of the Principles, Concepts and Processes of physical Asset Management.

Go to Asset Management Council Asset Management Body of Knowledge, www.amcouncil.com.au/asset-management-body-of-knowledge.html for more information.



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The evaluation benchmark for judging asset management practices is the Asset Management Council 'Asset Management Capability Concept and Capability Delivery Models' and supporting Asset Management Body of Knowledge².

² Refer to www.amcouncil.com.au for details

Application & Assessment – Key Steps

1. Intention to Submit (at any time)
2. Acceptance of Intention to Submit
3. AM Council Lead Reviewer / Mentor nominated
4. Site Review dates agreed
5. Submission preparation (Max 16 weeks)
6. Site Review
7. Report issued
8. Rating advised
9. Award Presentation (next ICOMS Conference)

Frequently Asked Questions

When is the deadline for submitting to the AMA?

You can enter the awards at any time during the year. The submission must be received by the AM Council staff within 16 weeks from acceptance of the Intention to Submit. The Assessment process including a site Review takes place within one month after final submission are handed in by the Applicant.

How long is the on-site review?

The on-site review will take 1.5 days (approximately 12 hours). This is normally completed over two consecutive days and timing is determined between the Team Leader and Applicant representative.

Who can I contact for more information about the AMA?

Kate Robertson, Awards and Communications Coordinator, by phone on 03 9819 2515 (Monday and Wednesday), or via email at kate.robertson@amcouncil.com.au

Who can I contact for more information about the AMA Award Criteria?

Geoff Cannon (AMA Committee Chairman) Email: Geoff.Cannon@amcouncil.com.au
Peter Kohler (Asset Management Council Technical Committees Chairman) Email: Peter.Kohler@amcouncil.com.au

What is the AMA history?

In 1996, the Asset Management Council, a Technical Society of Engineers, Australia, established the Awards to provide organisations with an independent indicator to measure their asset management practices.

Who are the previous AMA recipients?

- Airservices Australia
- Aurora Energy (Tas)
- BHP Billiton Western Australia Iron Ore
- Boeing – Hawker de Havilland Skilled
- City Rail (NSW)
- Clough AMEC Joint Venture
- CS Energy
- Defence Materiel Organisation
- Land Systems Division
- Downer Engineering Power/ANZ Data Centre Infrastructure
- Edison Mission Energy (Vic)
- EnergyAustralia (NSW)
- Hazelwood Power
- HMAS ANZAC
- Klinge & Co Pty Ltd
- Woodside Energy :Ltd (Operations)
- Kvaerner Facilities Management
- Monsanto Limited
- MTR Corporation (Hong Kong)
- One Steel (NSW)
- Powercor (Australia)
- Powercor (Vic)
- Rail Services Australia (Hunter Valley & North West)
- RailCorp Infrastructure Division - Illawarra Region
- Royal Australian Navy FFG Capability Element & Defence Materiel Organisation FFG System Programme Office
- Snowy Mountains Hydro-Electric Authority
- Transalta Energy Ltd
- Transfield - Power Generation Services
- Transfield - Maintenance and NSW RTA
- Transfield Services (Australia) Infrastructure Roads
- Transfield Services jointly with the NZTA
- Transfield Worley Power Services
- Collie Power Station
- TRANSGRID
- United Group Rail
- Western Power
- Woodside Energy Limited

Can we provide feedback to the AM Council on the Awards process?

Yes – As part of our internal Continuous Improvement process we will be requesting your organisation to complete an Evaluation sheet at the conclusion of your assessment. The form should be completed by key personnel who had a significant involvement with your submission and participation during the site visit. We look forward to receiving any input into ways we can improve meeting your needs through the Asset Management Awards.

As part of our internal Continuous Improvement process we also request that our Reviewers complete an Evaluation Form at the conclusion of the review.

Who are the Asset Management Council Partnering Organisations and Members?

For the full list of the Asset Management Council Partnering Organisations and Member details, go to www.amcouncil.com.au/business-directory.

Form - Intention to Submit to the AMA

Applicant Profile

Organisation:

Candidate/Unit:

ABN:

Address:

Telephone:

Facsimile:

Web site:

Applicant Representative

Contact Person:

Position Title:

Contact Address:

Email:

Telephone:

Mobile:

Signature

Date

Suggested Schedule

Submission completed

Date.....

Note No more than 16 weeks from AM Council receipt of this Intention to Submit

Site Review Dates (Nominal)

From – Date.....To – Date.....

Note Final dates will be agreed between Review Team Leader and the Applicant Representative

Previous AMA Submissions & details by Candidate/Site/Unit

Asset Management Council Notes

Application Fee:	\$5775.00 (GST inclusive)
Fee Inclusions	1 full registration to next ICOMS (following completion of the submission and assessment) and 2 guest tickets to the Awards Ceremony
Fee Exclusions	Overseas and regional sites may require an additional cost recovery for travel. Please request information.
Award Presentation:	The Award Ceremony is held during the Asset Management Council Gala Dinner, conducted in conjunction with the annual ICOMS Asset Management Conference.

Return to Kate Robertson, Awards and Communications Coordinator, Asset Management Council
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