ASSET MANAGEMENT COUNCIL

ASSET MANAGEMENT AWARD

Recognising continual improvement

APPLICANT HANDBOOK

2015

Align, focus and motivate.

Continue to motivate your team by highlighting their contribution to your organisation's success: Enter the Asset Management Award.

The Asset Management Award provides the ideal opportunity to align and focus your team toward one common approach to the management of assets and its continual improvement, year upon year.

The experience of past participants has shown that the best improvements are achieved by entering the Asset Management Award early in an organisation's asset management journey, providing an accurate baseline to measure improvement and maturity.

Entering the Asset Management Award regularly allows your team to celebrate their ongoing achievements by measuring each entry as a 'milestone' along the journey towards a mature business focused asset management system.

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

Who can apply?

- ❖ Asset Owners (both large and small) – any company responsible for physical assets and their revenue, reliability and safety outcomes

- ❖ Service Providers – who apply asset management on behalf of the asset owner

- ❖ Joint submissions are encouraged

Contents

Overview

Organisations may enter the Asset Management Award (AMA) at any time.

Once an organisation decides to apply for the AMA to signify a milestone in its asset management journey, an 'Intention to Submit' form should be completed and sent to the Asset Management Council. This is the trigger to commence the AMA process. Refer to the 'Intention to Submit' form at the back of this handbook for details of requirements.

Participation in the Asset Management Award requires each participant to prepare a written submission on its asset management performance to be evaluated by an experienced Asset Management Council Review team. Following the review of the Applicant Submission, the Asset Management Council Review Team will, in conjunction with the applicant, conduct an on-site review and verification of the Applicant Submission.

Following that on-site review, an Applicant Inspection Report is prepared by the Review Team and issued to the Applicant. The report includes a radar plot rating of the applicant's asset management system, against each of the review criteria. The radar plot rating also provides a benchmark evaluation against the AM Council's Bronze, Silver, Gold and Platinum maturity criteria for an asset management system.

In the event of a positive rating, the Asset Management Award will be presented by the Asset Management Council to the recipient at the next annual ceremony as part of its annual Asset Management Conference.

Each year, the top scoring Australian Asset Management Award applicant is nominated by the Asset Management Council to be a finalist at the National Engineering Excellence Awards, hosted by Engineers Australia.

The Asset Management Award criteria are based upon the Asset Management Council's Asset Management Body of Knowledge – AMB🔷K – which is comprised of three strategic components: a definition of Asset Management which defines the boundaries of Asset Management; a Capability Concept Model which presents the basis of successful asset management; and a Capability Delivery Model which presents a series of processes which may be used to deliver successful asset management. Refer to www.amcouncil.com.au/asset-management-body-of-knowledge.html for further details.

The Analysis Approach

The assessment approach used within the Asset Management Award enables an organisation to examine its asset management performance against each of the Asset Management Award Criteria, including:

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.

Each of the above criteria are evaluated and scored against the following:

- ✓ 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]

- ✓ Organisational Process Capability/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 Process Capability.

- ✓ 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 Process Capability.

Grades of Achievement

There are four Asset Management Award "Levels of Achievement":

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

What each applicant submission receives:

- ✓ An independent on-site inspection report from our Review Team of your asset management practices and practitioners that includes:

  o The current "Strengths" of your asset management system identified for each of the seven asset management criteria;

  o The list of "Opportunities" for each of the seven asset management criteria as identified by the Review Team, expressed in business terms;

  o A "Radar Plot" showing the relativity of your asset management system to each of the seven asset management criterion; and

  o A Benchmark of your asset management system against the AM Council Levels of Achievement.

- ✓ A Level of Achievement of Bronze, Silver, Gold or Platinum dependant on achievement level

- ✓ The optional public promotion of the achievements of your submission via:

  o The annual Asset Management Award Ceremony

  o Announcements in the AM Council's magazine, "The Asset Journal"

  o Announcements in the Australian Engineers magazine

  o Announcements on the Asset Management Council online blog

  o Recognition on the Asset Management Council Website in the "Hall of Fame"

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

Submission Requirements

A. Intention to Submit

The Intention to Submit form must be completed and forwarded to the Asset Management Council to commence the AMA process. Refer to pages 19 and 20 of this handbook for details.

B. Asset Management Award submissions

Asset Management Award submissions must address the following:

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: Asset Management 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

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 must 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? Namely:

  - company and legislative personnel safety requirements;

  - environmental compliance requirements;

  - short and long term production/service delivery/operating plans;

  - 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 and changes identified?

- How is policy deployed?

2. Asset 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 must be addressed:

- How are the asset management performance goals deployed at all levels? Namely:

  - short and long term production/service delivery/operating plans;

  - company and legislative personnel safety requirements;

  - environmental compliance requirements;

  - 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 the 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. Asset 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, know 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 must be addressed:

- How are the operational and performance requirements (specifications) 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, computerised management systems and 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 must 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;

  - cost

- What asset management plans are developed and documented? Namely the:

  - 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 achieve the business objectives of the enterprise.

Good asset management organisations develop Project Plans that tell all 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;*
- *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 are 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 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 must be addressed:

- How is the achievement of the following asset management plans identified and measured? Namely for the:

  - 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 their physical assets to achieve efficiency and effectiveness for all stakeholders.

As a minimum, the following questions must 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 and techniques are in place for the following plans? Namely the:
  - 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 Guidelines

Submission Preparation

Applicants should address 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: While the submission document is limited in size, as indicated above, the Applicant can provide supporting material during the subsequent on-site review. This material will be listed in Part 4 of the submission.

References

Framework for Asset Management Body of Knowledge ISBN 978-0-9870602-2-8

The Framework provides information and guidance on the definitions and the models. These serve two purposes, namely to provide:

- The asset management community with a concise picture of the Principles, Concepts and Processes of asset management; and

- A consistent framework for the development, provision, maintenance and improvement of delivered services by the Asset Management Council.

Further information on the AMB**K can be found at www.amcouncil.com.au/asset-management-body-of-knowledge.html

You may download, display, print and copy any material on the AM Council site for your personal use or for non-commercial use within your organisation. You must not copy, adapt, publish, distribute or commercialise any material contained on this site without acknowledging the source.

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 Knowledge[2].

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[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, including Applicant Representative

7. Report issued

8. Rating advised

9. Optional: Award Presentation (next Asset Management Conference)

Frequently Asked Questions

When is the deadline for submitting to the AMA?

You can enter the AMA 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, or as otherwise indicated by the Asset Management Council. The Assessment process, including a site Review, takes place within one month after the final submission is handed in by the Applicant.

All 2015 Asset Management Award submissions and site Reviews are to be completed by Monday 30th March 2015. Submissions received after this date will be eligible for the 2016 Asset Management Awards.

How long is the on-site review?

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

Who can I contact for more information about the AMA?

Awards and Publications Coordinator, by phone on 03 9819 2515, or via email at publications@amcouncil.com.au

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

Mo Barghash, Projects Manager, AM Council Email: mo.barghash@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 Reviews the Submission?

The Review Team comprises of a minimum of two people external to the Award Applicant. The Award Applicant organisation being reviewed may include a Representative on the Review Team. Members of the Review Team are as follows:

- Team Leader; Certified Fellow in Asset Management

- Reviewer (usually 2); Certified Senior Practitioner in Asset Management or equivalent

- Award Applicant Representative (optional);

- Observer (optional for Asset Management Council training purposes).

The time available for the review process is short, so it is important that each team member understands their particular roles and responsibilities.

What is the role of the Applicant Representative?

The Award Applicant's Representative is a particularly important member of the Review Team, and is encouraged to participate with the Review Team during the site presentation.

The Award Applicant's Representative questions may assist presenters in communicating the full extent of their efforts. The Award Applicant's Representative does not participate in grading; however his/her advice may be invaluable in clarifying points during the grading process.

The Award Applicant's Representative will:

- Communicate with the Team Leader to assist in arranging transport and accommodation for Review Team members

- Prepare the agenda for site presentation, discussion and tour

- Ensure that the program provides ample opportunity for the other Review Team members to grade each of the items under each of the criteria

- Discuss and agree on the program with the Team Leader prior to the Review presentation

- Organise access to resources (such as photocopying) for the Review Team

What is a typical Review Program?

EXAMPLE PROGRAM

A typical Site Review is held over two days and follows the general time frame below. Prior to commencement of visit, all necessary Award Candidate information and any points arising from the Submission should have been shared amongst team members to focus discussion topics; any specific team member responsibilities must be allocated / agreed prior to arrival on site.

Day 1: 11am – 5pm

Preliminary Review Team consultation (if necessary) – on arrival in area

Introductory Meeting

- Introduction by Review Team Leader (5-10 mins)

- Award Candidate's presentation on the Award Criteria, being:
    o Management and Leadership
    o Asset Management Culture
    o Asset Capability Acquisition
    o Asset Management Plan Development
    o Asset Management Plan Implementation
    o Performance evaluation
    o Analysis and improvement

- Review Team members assess adequacy/completeness of information provided (30 mins)

- Review Team discusses outstanding issues/additional information requests with Award Candidate staff

- Review Team plan key objectives for tour of assets and review itinerary with Award Candidate staff

Day 1: Evening

- Evening social event with Award Candidate staff, if feasible (information gathering, networking and asset management promotion opportunity)

Day 2: 8am – 2pm

- Review Team tour of assets (4 hours)

- Review Team discussion of outstanding issues with Award Candidate's personnel (30 mins)

- Review Team discussion: grading, summarising of observations and finalising of feedback presentation (1 hour)

- Review Team presentation to Award Candidate's personnel (30 mins) including:
    o Concluding remarks and hand over of Review Team Observations
    o Gather feedback on Site Review process from Award Candidate staff

- Review Completed – confirm process/timeframe for final report delivery

What is the Scoring Process?

Each of the seven criteria has a set of questions that have to be answered during the Award Candidate's presentation. Each question seeks to understand how the organisation is managing a particular aspect of the criteria. The response to the questions will vary depending on the industry and the strategy adopted by the particular Award Candidate. The Review Team shall comment on the appropriateness of the strategy in terms of "strengths" and "opportunities".

Each AMA Criteria is equally weighted, and is scored on 4 grades, as described below.

THE GRADING DESCRIPTIONS

Definitions:

- 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.[3]
- 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.

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[3] Refer to the AM Council Asset Management Capability Delivery Model

Score	Approach	Maturity	Results	Improvement
0 -1	Practices & processes do not largely meet the overall requirements of the Process Model	The process is not documented. There is little or no evidence of any *systematic* achievement of purpose.	Ad hoc and/or poor results achieved. Goals are not identified.	No improvements have been recorded. Improvement goals are not identified.
2 - 3	Practices & processes meet some of the requirements of the Process Model	The processes are implemented in a managed fashion (planned, monitored and adjusted).	Poor results achieved from applied practices. Goals have not been identified	Poor improvements achieved from applied practices. Improvement goals are not identified
4 - 5	Practices & processes meet some of the requirements of the Process Model but are not integrated into one complete process.	The previously described processes are implemented using a defined process capable of achieving its process outcomes.	Some actionable results are being achieved. Goals have been identified.	Some improvement results are being achieved. Improvements have been identified
6 - 7	Practices & processes meet the requirements of the Process Model but are not integrated into one complete process.	The previously described process now operates within defined limits to achieve its process outcomes.	Results are being achieved. Goals have been identified. Trends are being recorded and used to establish and meet goals	Improvements are being achieved. Improvements have been identified. Trends are being recorded and used to establish and meet goals
8 - 9	Practices & processes meet the requirements of the Process Model and are integrated into one complete process.	The previously described processes are continuously improved to meet relevant current and projected business goals.	Sustained results have been recorded. Goals have been identified. Trends are being recorded and used to establish and meet goals.	Sustained improvements have been recorded. Goals are being met. Trends are being recorded and used to establish and meet goals.

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

- Meridian Energy
- Monsanto Limited
- MTR Corporation (Hong Kong)
- NRG Operating Services
- 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 request your organisation to complete an Evaluation sheet at the conclusion of your assessment. The form should be completed by key personel 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 Award.

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.

AMA - Intention to Submit Form

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:	$15,000 (GST exclusive)
	Previous applicants should contact the Asset Management Council regarding ongoing fees.
Fee Inclusions	3 Reviewers for 1.5 days, including travel and accommodation
	1 full registration to next Asset Management Conference (following completion of the submission and assessment) and 2 guest tickets to the Award Ceremony
	Reports, Certificates and Awards
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 Asset Management Conference.

Return to Awards and Publications Coordinator, Asset Management Council
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