

# Asset Management – A Review of Consulting Best Practices

## An Opinion from a retired Public Works Manager

*Joe McGowan, Manager, Public Works (retired),  
City of Cranbrook*



### Current State

The majority of consultant asset management (AM) related reports describe a catastrophic scenario where the municipality is in a crisis situation due to large portions of its infrastructure deemed to be past its useful life. The reports often communicate the need for immediate replacement of assets at costs that are multiples, if not tens of multiples of the municipality's annual capital budget.

So, why is this occurring? Consultants providing AM services to local governments are not the 'Bad Guy'. However, most consultants have little to no operations and maintenance knowledge and experience as their primary role is as design consultants. Municipal governments are not providing outside consultants with clear direction as to the nature of the problem being explored and the specific details required by the client of any analysis. This client-consultant model is creating panic and information bottlenecks that are impeding implementation of asset management plans by local governments.

Experience with a great many consultants over the past 20 years reveals that in the absence of client stated clearly defined parameters, most consultants tend to default to cookie cutter report formats. The consultant's report summaries and recommendations are often supported by generic cookie cutter background data that the consultant purports will match the general nature of the problem they are commissioned to analyze and recommend a course of action. A key example includes using the estimated age of an asset as the primary indicator of when the asset needs replacement versus a physical inspection of the asset installation, **operation and** maintenance experience of the asset and actual condition.

The consulting industry faces similar recruitment and retention problems experienced by local governments when trying to hire and develop technical personnel. As with municipal governments, the consultant's project personnel often do not have hands-on experience with the many and varied facets of the problem site, process,

material, or service they are providing an opinion on. In the absence of real-life experience, consultants tend to rely on published data and metrics of what they determine to be similar circumstances to the one they are commissioned to examine. Although easy and cost effective for the consultant, this cookie-cutter approach does not well serve the long term unique geographic, social, financial, and political realities of individual communities.

### Governments Role

A great deal of money is available from senior levels of government of address municipal asset upgrading and replacement. In the absence of consistent and clear direction from municipal clients, the consulting industry has generated business plans that suit their organizations. Without the actual operating or maintaining experience of municipal assets, the consultant's business plan provides services that the consultant is capable of delivering with its personnel.

As a result, consultant asset management reports tend to be heavy on construction estimates tied to the age of assets. Little, if any, attention is paid to proven and potential mitigation actions and early low hanging fruit applicable to the immediate needs of the municipality.

### The Solution

Local Governments need to more clearly define exactly what they want and what they need from a consultant and clearly specify the deliverable and the scope of those, not leave it to the consultants' best guess. Too often, consultant services are procured through the engineering and purchasing side of the local government organization without any input from operations and maintenance. A better product will result if the scope of work for the consultant is better defined by the client using all their resources instead of just certain skills within their organization. The consultant response needs to indicate the limitations more clearly they bring to the project in meeting the terms of reference and scope of work plus show that they understand the scope of the project. If the consultant does not show a clear understanding of the client needs, the proposed work program and staffing for the project do not matter. This is a two-way street and both parties need to assess and refine their role at the engagement stage to get better and more meaningful results.

Our collective interest is having good working relations, maximizing the collective knowledge of the team, both client and consultant and get results that can be implemented within the framework of how local government operates.