

# 2007 LAPA CONFERENCE

5 – 7 September. 2007.



## **“Public Building Management – Snap Shot on What I Need Know”**

Spire Lessons & Observations from Auckland, Christchurch,  
Wellington and Manukau City Council Property Units.



Presented by Paul A. Rogers: Managing Director Spire  
Consulting New Zealand. [paul.rogers@spireconsulting.co.nz](mailto:paul.rogers@spireconsulting.co.nz)



# ABOUT THE PRESENTER

**Paul A. Rogers**; M.Bldg.Sci, Dip.Env.Mgt, Dip.En.Mgt, M.IPENZ, M.NZPI, M.IoD is the founder and Managing Director of the New Zealand based management consultancy firm **Spire Consulting Ltd**. Paul specialises in strategic asset management, organisational design and supply chain optimisation. Based in Christchurch, NZ, Paul consults to a wide variety of clients globally in the production, infrastructure, utilities and commercial property environments. **Paul also provides facilities management and procurement advice to the property units at Auckland, Manukau, Wellington and Christchurch City Councils.**

Paul, a registered professional engineer has over 25 years experience in asset management having worked for J.P.Morgan, Lloyds of London, Colliers Jardine and AMP Investments. Prior to forming **Spire Consulting**, Paul was National Manager – Facilities Management at Telecom New Zealand where he was responsible for the contract and performance management of New Zealand's largest facilities management portfolio.



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# About Spire Consulting -



**“Aspire. – Deliver. People who implement good advice”**

- **Business Process Improvement**
- **Complex Procurement and Outsourcing**
- **Facilities and Property Management Advice**
- **Organisational Design, Change and Transformation**

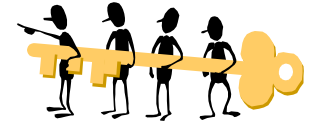
**Clients Include:**

- |                        |                    |                              |                            |                                 |
|------------------------|--------------------|------------------------------|----------------------------|---------------------------------|
| •NZ Post               | •Fonterra          | •PFI – AMP Capital           | •Schott Glass Germany      | •Otago Regional Council         |
| •NZ Police             | •Wgtn City Council | •Otago District Health Board | •Hong Kong Poly University | •Canterbury University          |
| •Auckland City Council | •Melbourne Airport | •CHCH City Council           | •Manukau City Council      | •Auckland District Health Board |





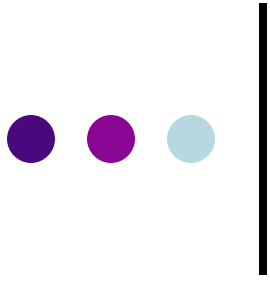
# What this session covers -



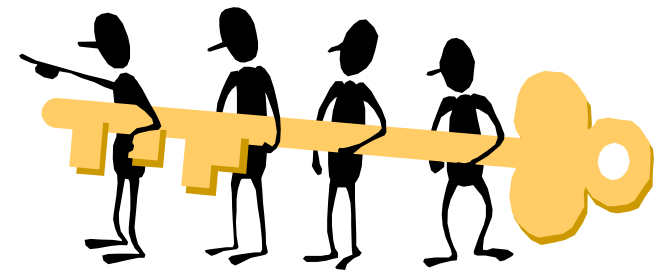
- Understanding the influences of the LTCCP & AMP on our building & facilities
- Identifying & scoping the regulatory requirements (Building Act., HSE, etc)
- Identifying Property Levels of Service. Managing your space.
- Best practice facilities & supplier management options
- Communicating with your tenants

● ● ● | CCC. CHCH Art Gallery





# Asset Management: AMP's LoS & Compliance -





# **Compliance & Business Drivers' Drive Asset Management – AMP's.**

The AM plan is intended to be a key component of Art Gallery's business and strategic planning processes. The following Christchurch City Council and Art Gallery documents contribute to or are affected by the AM plan:

**LTCCP (Long Term Council Community Plan): "Our Community Plan Christchurch O-Tautahi".** The plan sets out the broad strategic direction for the long term development of the city, as well as the financial consolidations of the AM plans.

**Art Gallery Annual AM Plan:** The AM plan is intended to contribute to the development of future annual operational, maintenance and capital works plans by the Art Gallery management group

**Art Gallery - Annual Business Plans:** The Art Gallery service level policies, processes and budgets are referenced in the AM plan and conversely the AM plan will be incorporated into business plans – impacting activity budgets, management strategies and performance measures.

**Paradigm Shift** –Five year strategic plan 2005-2010. Printed July 2006. This is a framework to guide the Christchurch Art Gallery to achieve its new Council approved key performance indicators.

**Legislation, Regulations, Codes, Standards and Policies:** The AM plan must comply with all relevant statutory and regulatory.



# Asset Management Functions

- Provide a systematic approach to asset management:
  - Forward planning
  - Capital planning
  - Maintenance planning
  - Budget development
  - Risk management
  - Health and safety





# Asset Management Benefits

- The Benefits of an AMP includes:
  - Financial Forecasting (operational expenditure, capital expenditure and revenue)
  - Alignment of facilities with operation companies strategic or master plan
  - Maintenance planning / forecasting to ensure optimised life cycle of facilities
  - 'Asset Ownership' through position description
  - Means for providing effective reporting and analysis in a consistent format



# Related Legislative Drivers & Influences

**Legislative and regulatory requirements may affect asset operation or require certain levels of service. Events facilities are subject to the following Legislative and Regulatory requirements:**

- Resource Management Act 1991
- Building Act 2004
- Building Regulations 1992
- New Zealand Building Code
- CCC City Bylaws
- NZ Standards
- Local Government Act 2002
- Health And Safety in Employment Act 1992
- Fire Service Act 1975
- Race Relations Act 1971
- Health Act 1956
- Property Law Act 1952
- Treaty of Waitangi
- Fire Safety and Evacuation of Buildings Regulations 1992
- Hazardous Substances and New Organisms Act 1996 (and subsequent amendments)
- Financial reporting Standard 3 – Accounting for Property Plant & Equipment



# AMP Levels of Service

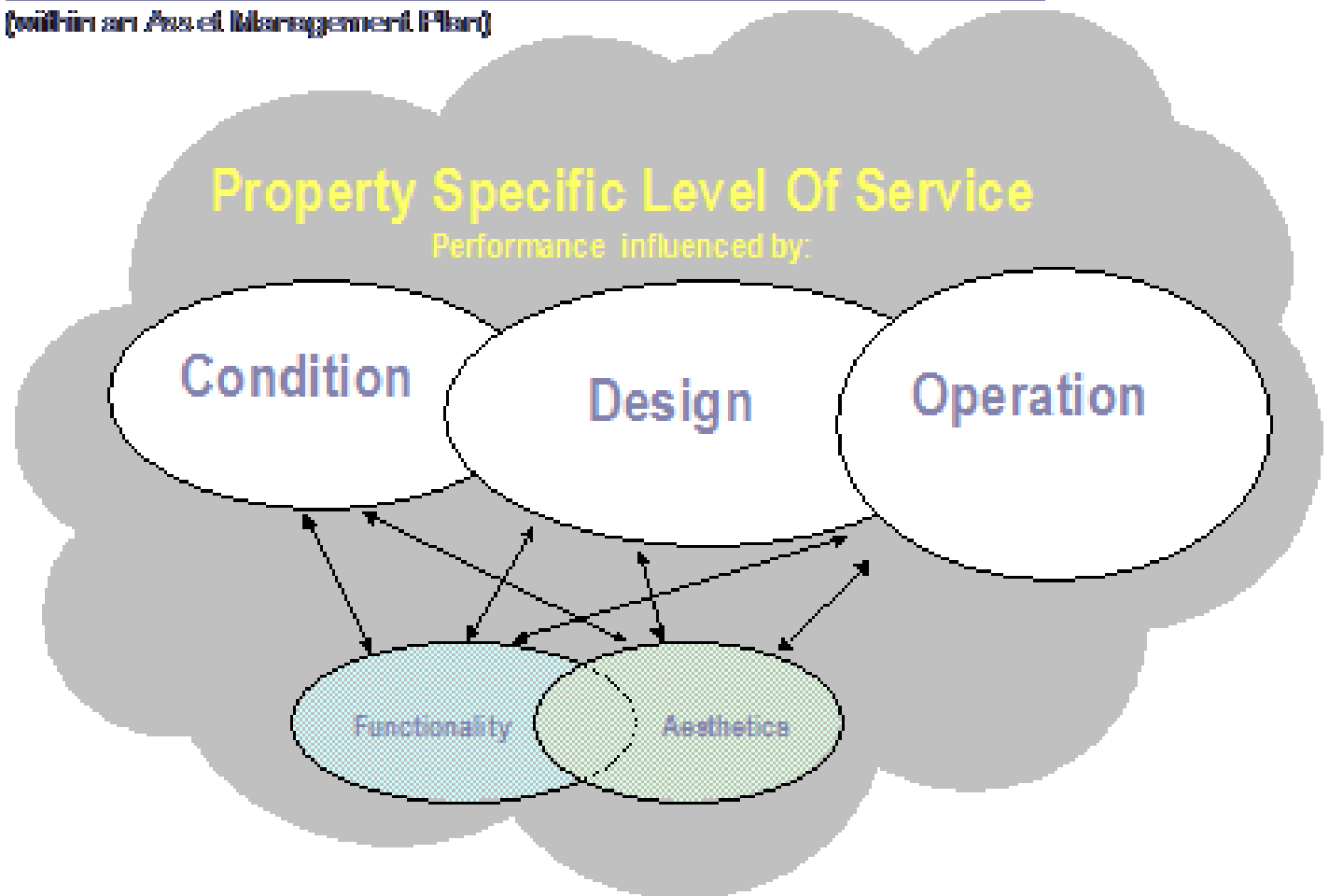
**A key objective of this AMP is the development of “property specific levels of service” that contribute to and align with businesses operations & activities, business planning processes & the organisation’s strategic objectives.**

- The desired outcome of this work is the ability to match the levels of service provided by the assets and staff with customer expectation. Customer expectations are generally derived from the
  - **marketing strategies (what was said would be delivered)**
  - **historic service delivery (what was delivered in the past)**
  - **competitors service delivery -locally, nationally and internationally (what other people deliver)**
- The AMP also seeks to establish the relationship between levels of service and the cost of services over the short, medium and long term. This relationship can then be evaluated, in consultation with customers and stakeholders, to determine the optimal future level of service that the Art Gallery should supply.



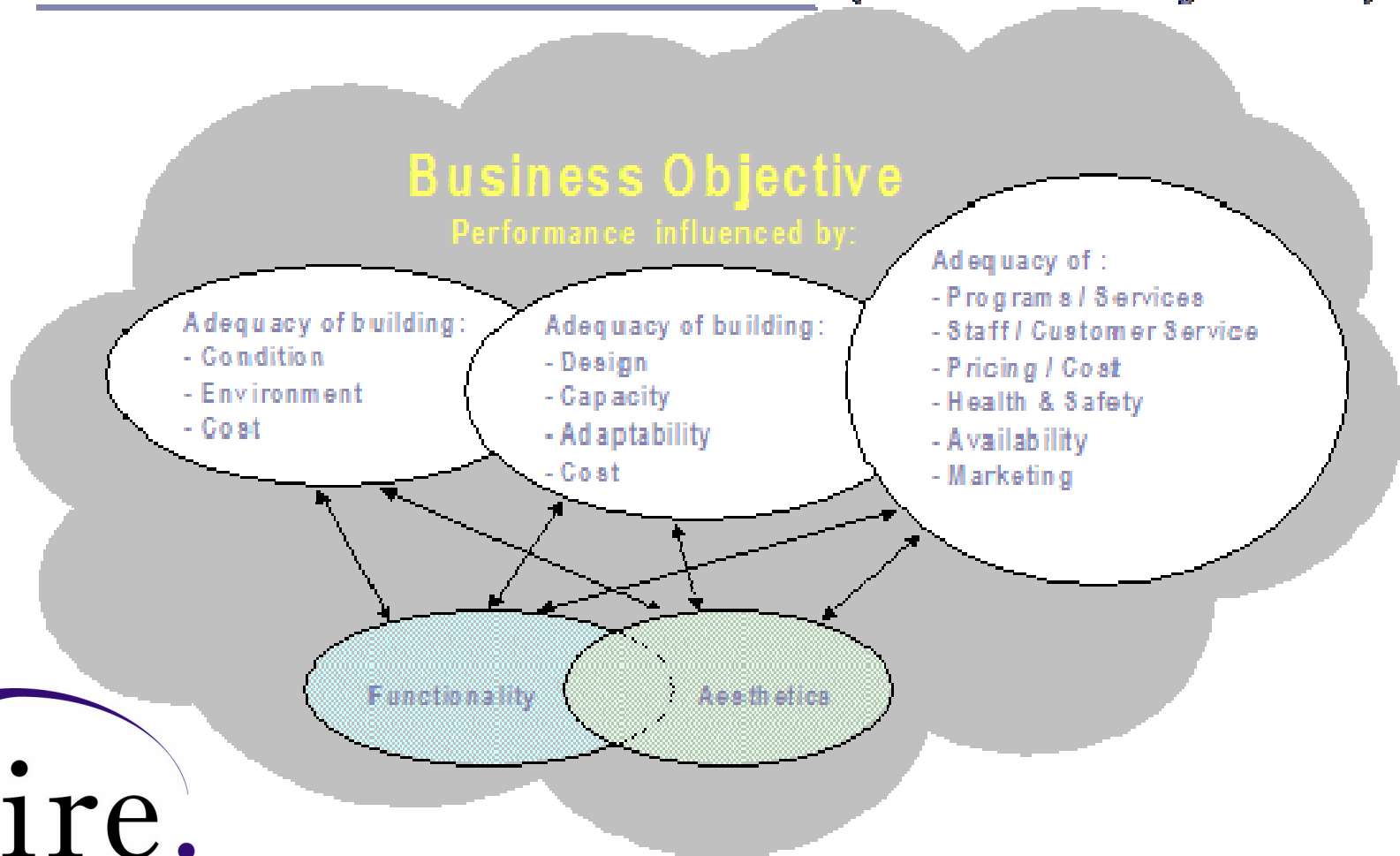
# AMP & Levels of Service

Property Specific Level of Service Performance  
(within an Asset Management Plan)

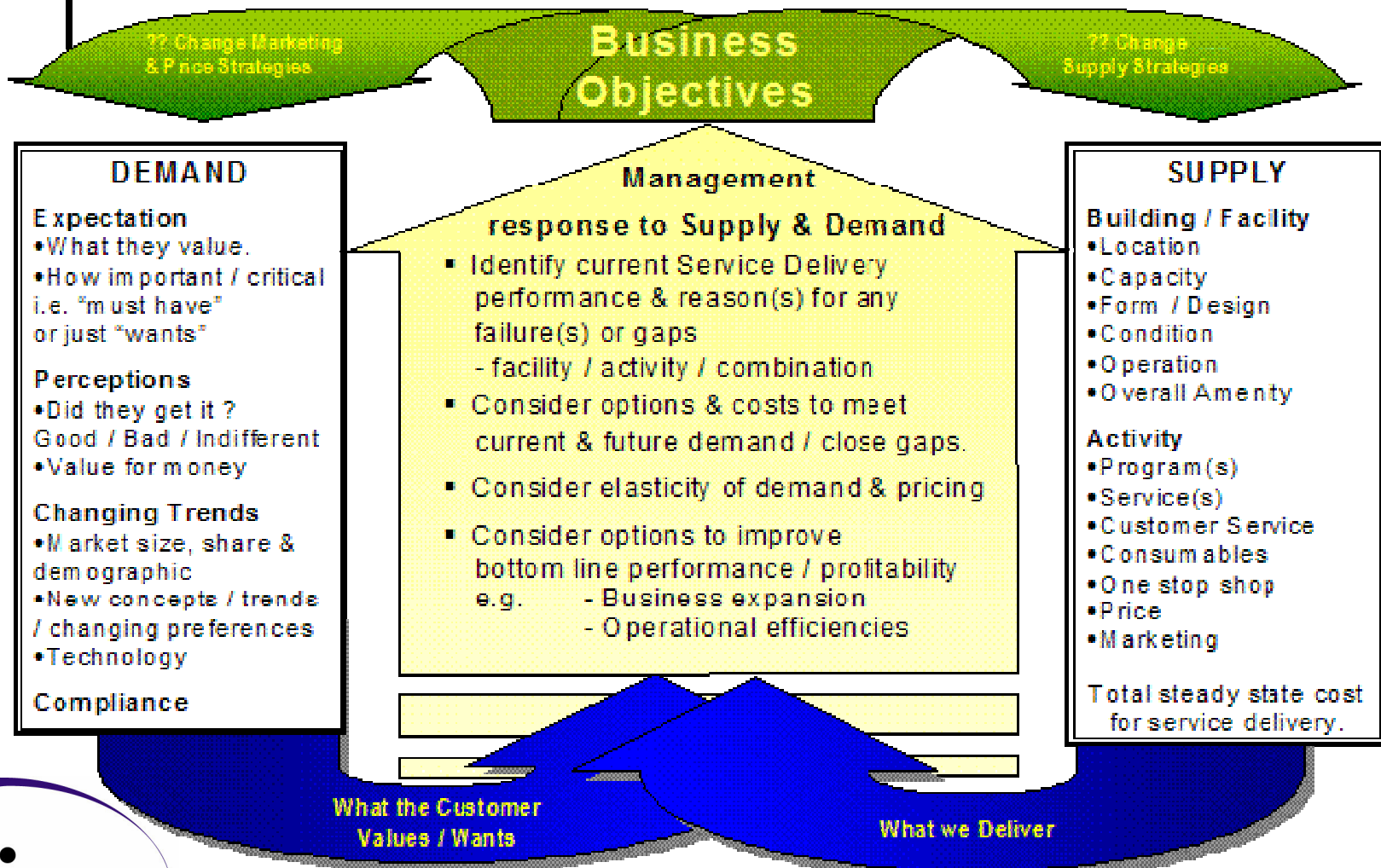


# AMP & Levels of Service

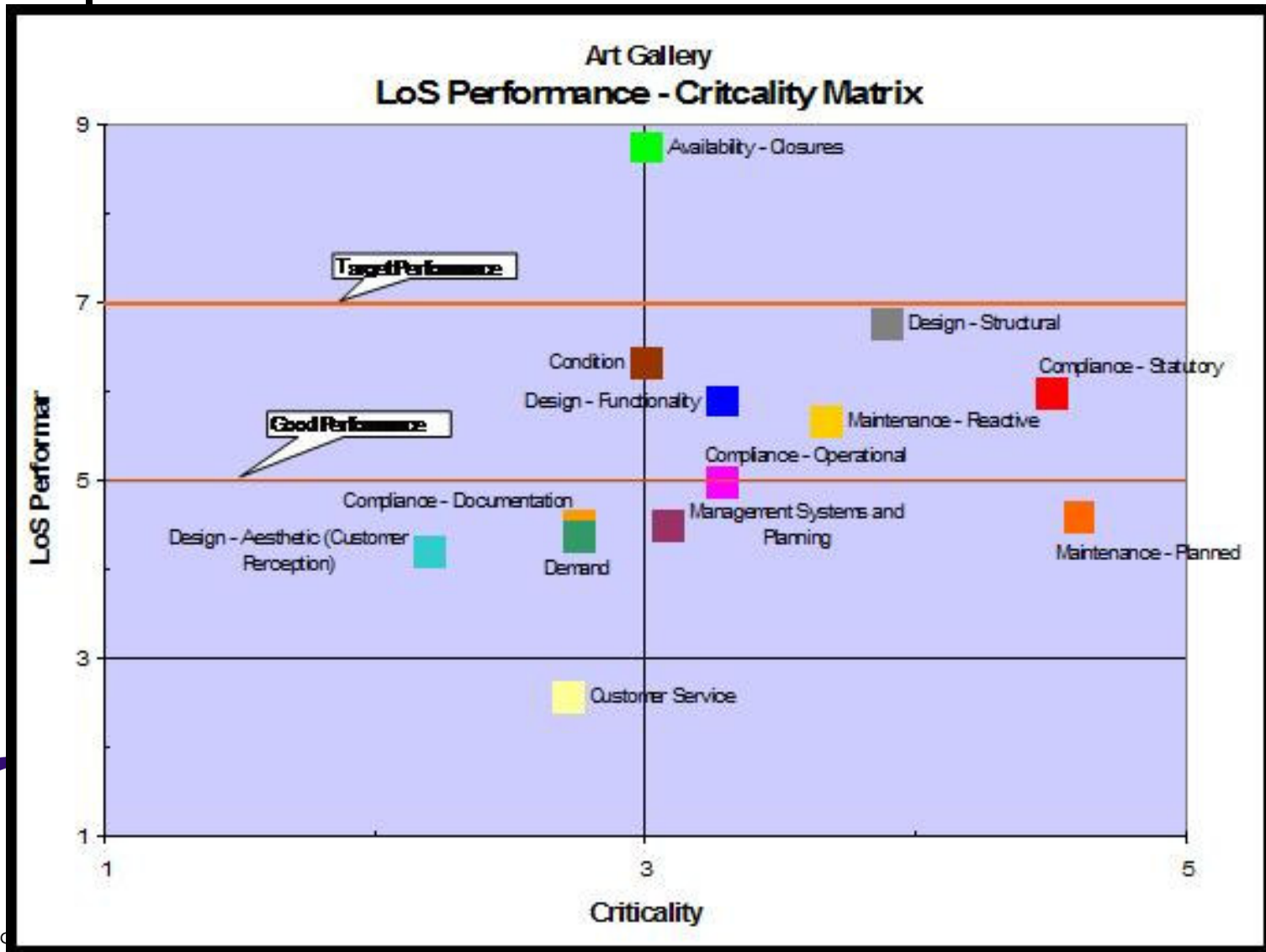
## Business Performance Matrix (within an Asset Management Plan)



# AMP & Levels of Service



# AMP & Levels of Service





# AMP & Levels of Service

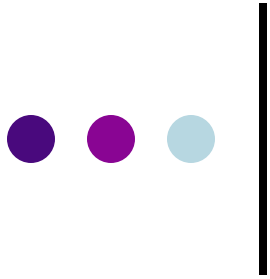


LoS  
Criteria  
Code

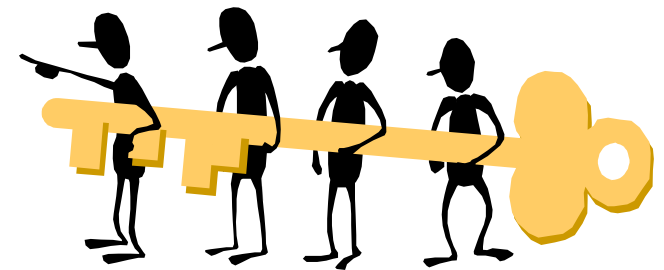
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14

		Desired Score	Current Score	Criticality
1	<b>Availability - Closures</b> Combined score Count (Questions) Ave score	56 8 7	70  8.8	24  3.0
2	<b>Management Systems and Planning</b> Combined score Count (Questions) Ave score	168 24 7	108  4.5	74  3.1
3	<b>Information Knowledge &amp; Management</b> Combined score Count (Questions) Ave score	0 0 0	0  0.0	0  0.0
4	<b>Compliance - Operational</b> Combined score Count (Questions) Ave score	175 25 7	125  5.0	82  3.3
5	<b>Compliance - Statutory</b> Combined score Count (Questions) Ave score	28 4 7	24  6.0	18  4.5
6	<b>Compliance - Documentation</b> Combined score Count (Questions) Ave score	56 8 7	36  4.5	22  2.8
7	<b>Customer Service</b> Combined score Count (Questions) Ave score	49 7 7	18  2.6	19  2.7
8	<b>Demand</b> Combined score Count (Questions) Ave score	56 8 7	35  4.4	22  2.8
9	<b>Design - Aesthetic (Customer</b> Combined score Count (Questions) Ave score	35 5 7	21  4.2	11  2.2
10	<b>Design - Functionality</b> Combined score Count (Questions) Ave score	273 39 7	230  5.9	128  3.3
11	<b>Design - Structural</b> Combined score Count (Questions) Ave score	63 9 7	61  6.8	35  3.9
12	<b>Condition</b> Combined score Count (Questions) Ave score	21 3 7	19  6.3	9  3.0
13	<b>Maintenance - Planned</b> Combined score Count (Questions) Ave score	35 5 7	23  4.6	23  4.6
14	<b>Maintenance - Reactive</b> Combined score Count (Questions) Ave score	21 3 7	17  5.7	11  3.7





# Supplier Management Options for Effective Service Delivery

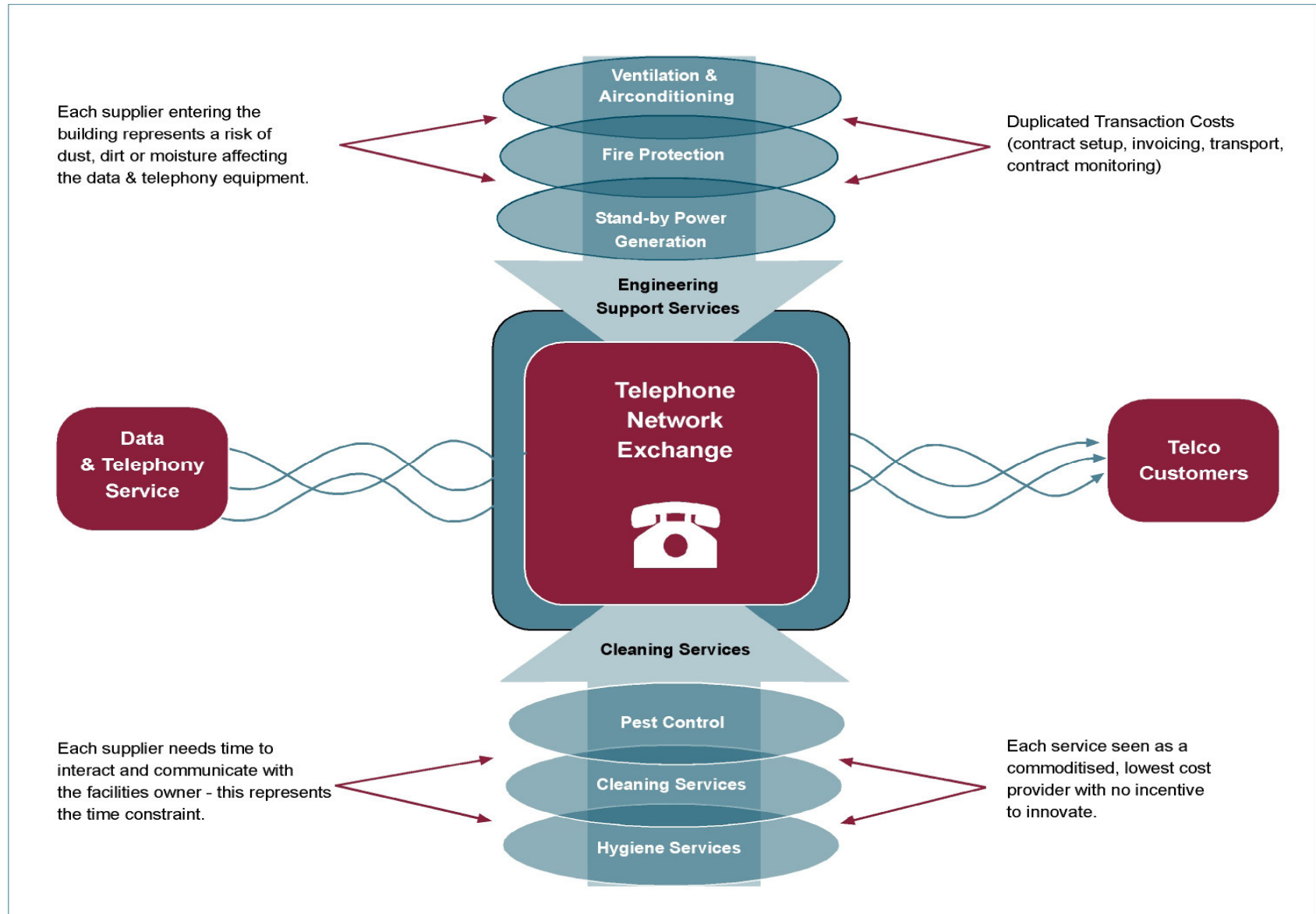




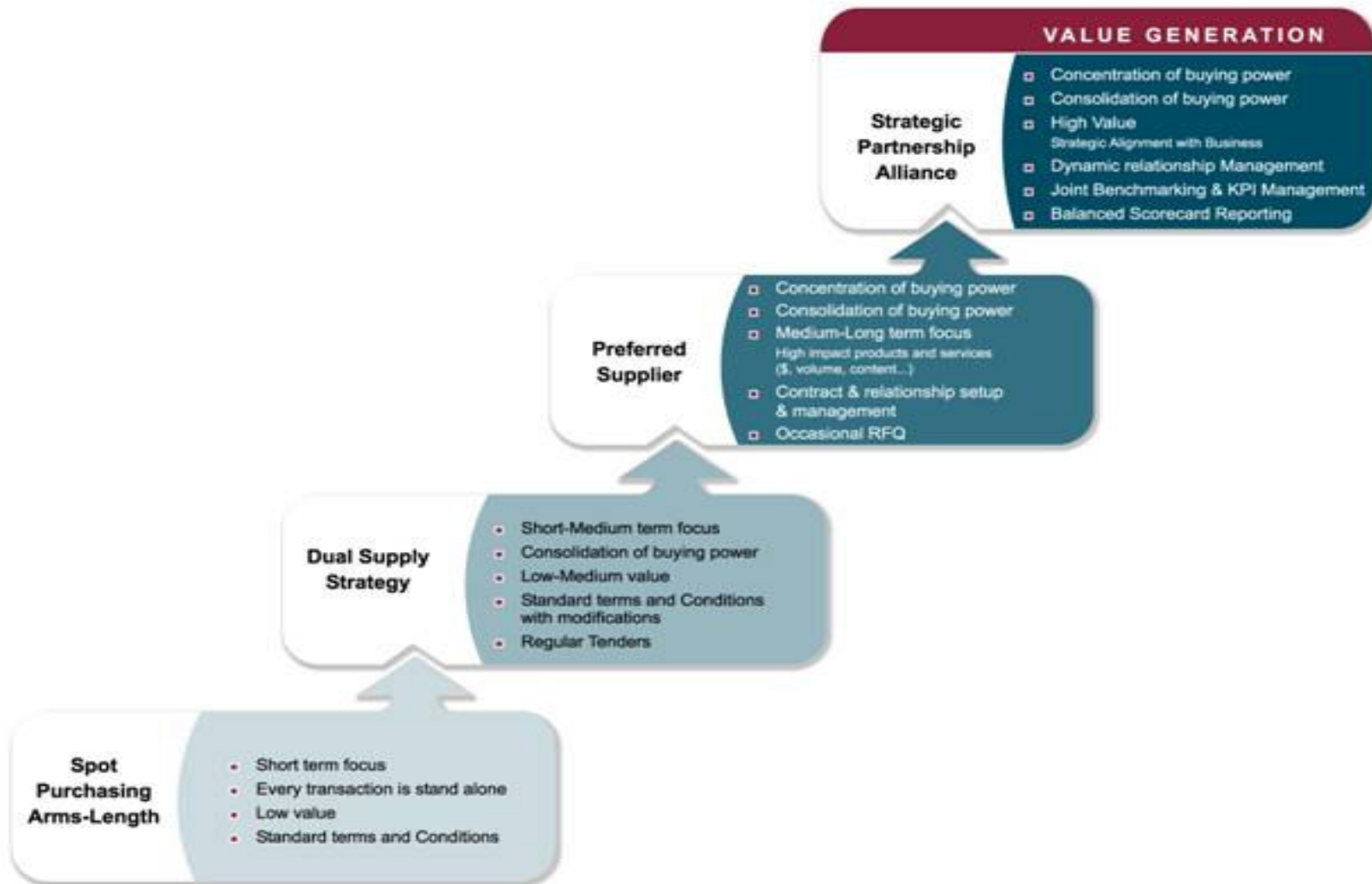
# Supplier Management Strategies

1. Supply Chain Optimisation  
Performance Based Contracts  
Partnering & Alliancing  
Recognising Total Cost of  
Ownership (TCO), Lifecycle  
Management and Early Intervention  
as Building Managers

# TYPICAL FM SUPPLY CHAIN ISSUES



# SUPPLIER RELATIONSHIP EVOLUTION



# OUTSOURCING MODELS



## TRADITIONAL

Goals and objectives not clearly defined and communicated - Organisations not totally engaged

Suspicion and mistrust; each party wary of the motives of the other

Each party geared to what is best only for them

Communication structured and guarded

Single-project contracting

Objectivity limited due to fear of reprisal

Mistakes lead to retribution

Limited organisation access; structured procedures; self preservation takes priority over optimisation

Involvement limited to project personnel

Finger pointing and buck passing



## PARTNERING

Clear mutual vision, re-enforced by strongly supported leadership tone with well-defined objectives & process, well understood expectations & measures

Mutual trust forms basis for strong working relationships

Shared goals and objectives ensure common direction

Open communication avoids mis-direction and bolsters effective working relationships

Long-term commitment provides opportunity for continuous improvement

Objective critiques geared to candid performance assessment

Create atmosphere where service provider willing to come up with ideas and suggested changes

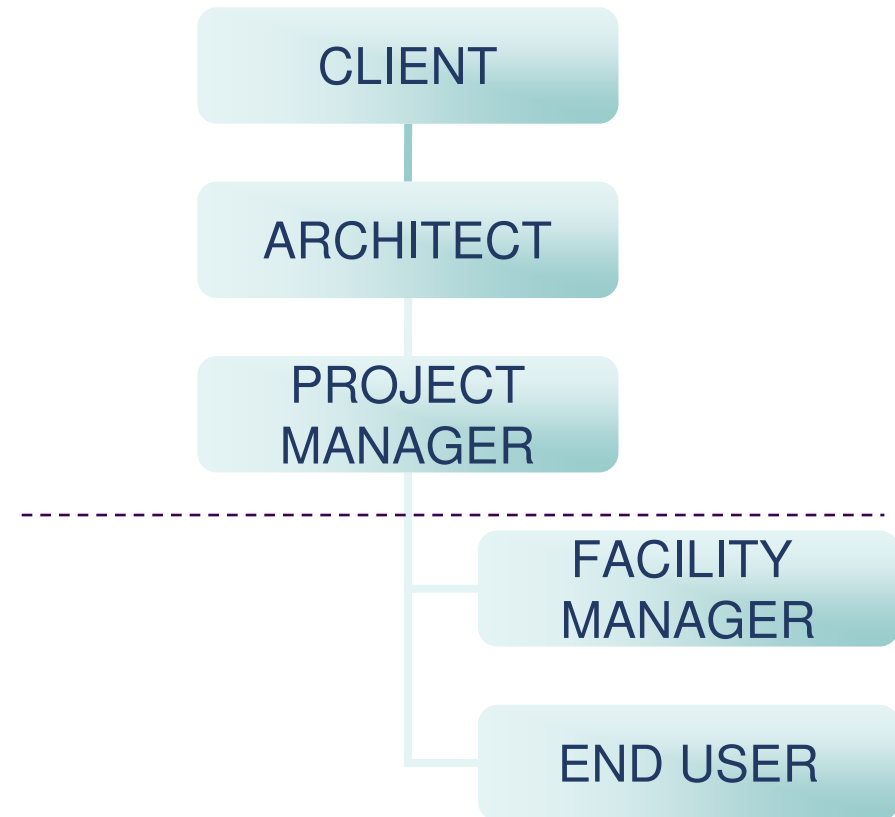
Organisational access and sharing of resources

Total company involvement at all levels

Work as a team to solve problems

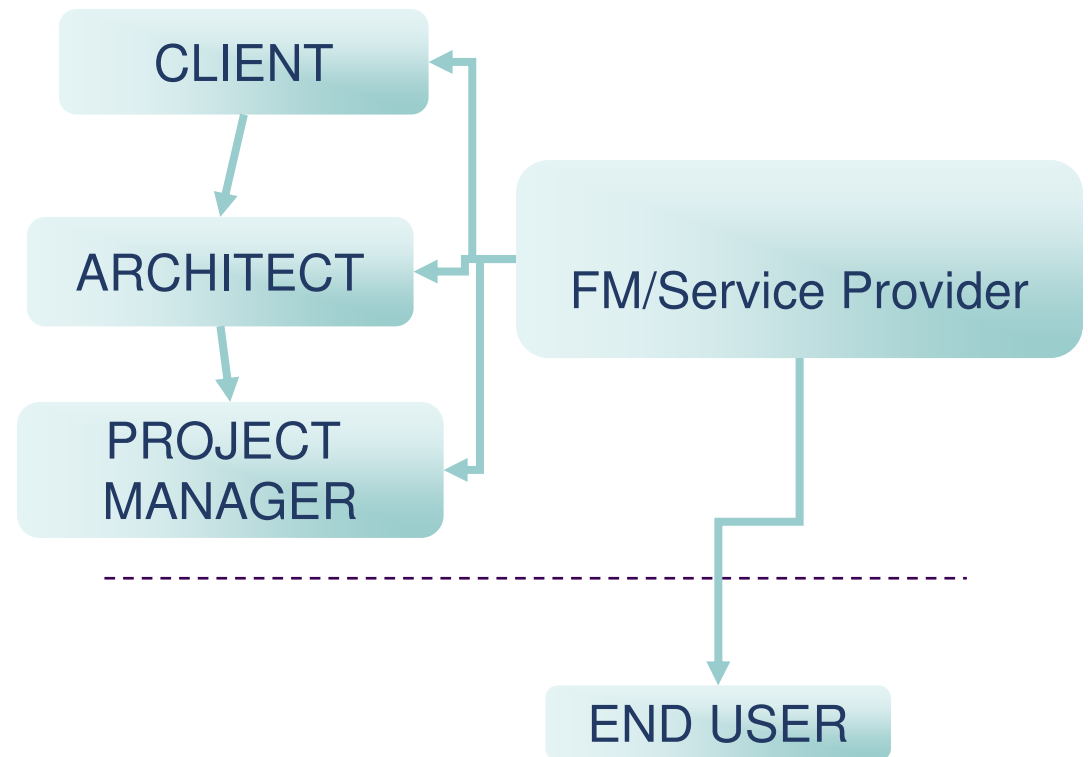
# Avoiding Design Problems – As Building Operators?

- Typical organisation without the input of the Property Manager or end user until project handover
- Decisions are made without feedback and risk problems at user and maintenance stage



# How can we avoid these problems?

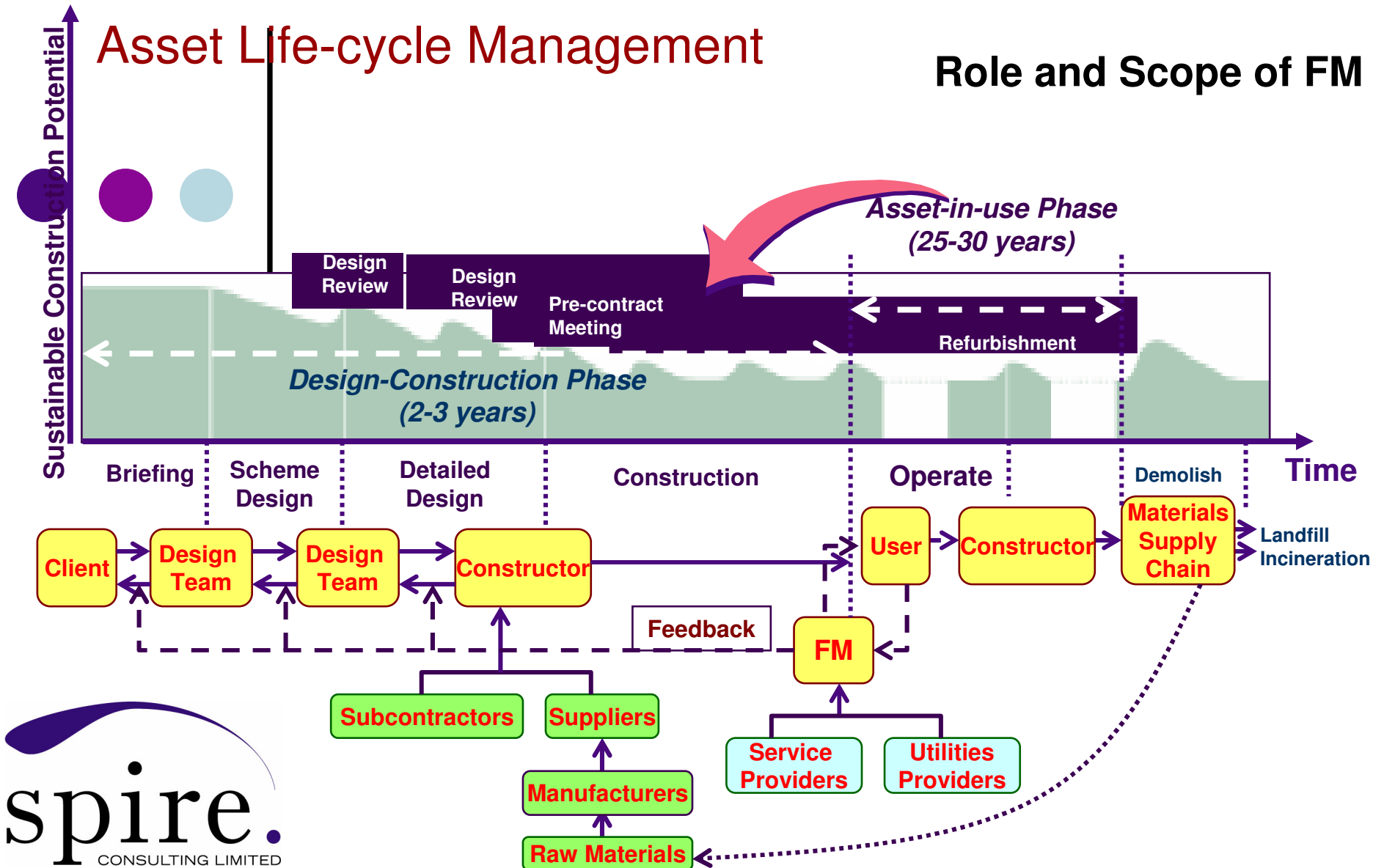
- Ideal organisation involves PM/FM and end users in a continual feedback role
- PM/FMs are consulted early by the project managers to avoid early implementation mistakes
- Use of monitoring forms to include the end user considerations in the feedback



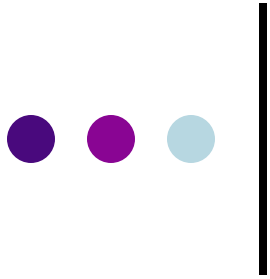
# Facilities Management *Providing Feedback to Design & Sustainability*

## Asset Life-cycle Management

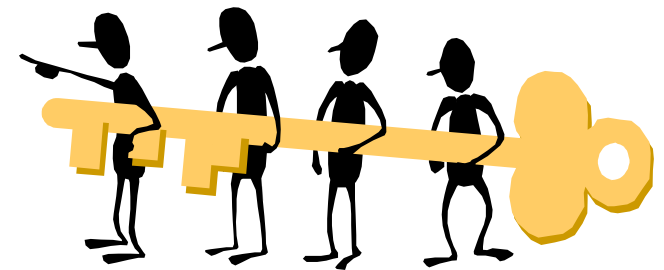
## Role and Scope of FM







# Tenant & Communication Strategies





## **Stakeholder Management & Communication Strategies for Buildings. AMP Development.**

The level of reporting, information and consultation required for different stakeholder groups varies considerably. An AM plan can support a corporate communication plan by clearly defining:

- current Levels of Service and Costs,
- a range of alternate service levels / delivery options (& their respective costs),
- Stakeholder feedback / consultation; and
- stakeholder confidence that funding is being allocated in an
  - equitable and cost effective manner and
  - that assets are being well managed for both current and future generations.



## Stakeholder Management & Communication Strategies for Buildings. AMP Development.

### Art Gallery Example:

The following objective has been adopted for this Plan, within the framework of the Art Gallery's existing strategic policy.

***Aim:*** *To ensure the most cost effective long term Asset Management options are implemented while meeting agreed levels of service and customer needs, both now and in the future.*

### **Goals:**

- *to assist the organisation achieve its strategic goals, both now and in the future*
- *to meet relevant legislative requirements and customer expectations,*
- *to minimise asset life cycle costs while providing an appropriate level of service,*
- *to optimise the holding of property assets.*



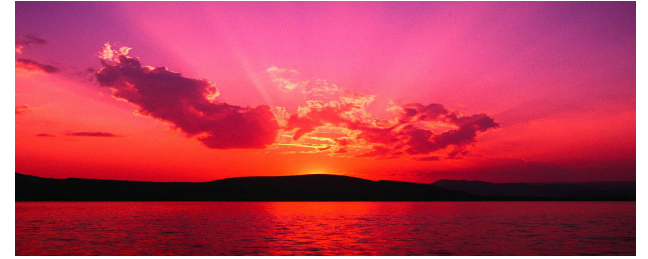
## **Stakeholder Management & Communication Strategies for Buildings. AMP Development.**

### **PM/FM Communication**

- Involve stakeholders as much as possible.
- Consult, discuss, question and survey.
- Occupiers want 'quiet enjoyment'. Be proactive MBWA.
- Accessibility, Safety, Security, Comfort & Productivity.
- The building is their to enable (not constrain) occupiers and customers.



# SYNOPSIS



- 1. Recognise the importance of the Drivers. The demand for the space sets the levels of service. Create a 'fit for purpose' response.**
  - 2. Develop "Clarity of Purpose". Then a "Culture of Urgency" in developing your AMP's. This also applies to the way in which you provide the LoS for occupiers.**
  - 3. You are measured on deliverables. That means timely response to any building issues + good supplier base to enable your buildings + comfortable and productive buildings for your occupiers.**
  - 4. Get the AMP's done – its an iterative process. Work in progress and work to be done goes into the Improvement Plan.**
- Have Fun. LG is a great place to work.**