Asset Management Business Requirements for Yukon Communities
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1.0 Introduction
1.1 **Background**

Yukon communities are the stewards of substantial infrastructure assets. These assets provide important services such as drinking water, sanitation, transportation, facilities and recreation, all of which contribute significantly to the vitality of each community. Together, these assets represent investments made over multiple generations. As infrastructure assets age, communities face challenges related to operating and maintaining, and ultimately renewing or replacing these investments.

In June 2006, the Public Sector Accounting Board (PSAB) approved standard PS 3150, which requires municipalities and First Nations to report Tangible Capital Assets (TCA) on their Statement of Financial Position effective January 1, 2009. It also requires that these assets be amortized over their useful lives. The introduction of PS 3150 has raised awareness of the value of our infrastructure assets and the growing infrastructure deficit as these assets reach the end of their useful lives and need to be replaced.

With the prospect of increasing infrastructure deficits looming for Yukon communities, the Government of Yukon commissioned this study to determine the business requirements for an asset management database. The scope of the study included:
1. Organizing an asset management introductory conference;

2. Conducting in-person interviews with staff members from each of the incorporated and First Nation communities to gain an understanding of their current asset management business processes and technology tools; and,

3. Developing business requirements for asset management in relation to Yukon communities

The related overarching objectives for the Yukon Government are:

- to accurately quantify the infrastructure deficit;
- to better understand the long term infrastructure funding needs;
- to optimize the use of infrastructure funding; and,
- to ensure the long term sustainability and resilience of Yukon communities

The report is organized in 5 sections as follows;

Section 1 – Introduction

Section 2 – Asset Management Conference

Section 3 – Community Interviews

Section 4 – Business Requirements

Section 5 – Conclusions
2.0 AM Conference
2.1 **Conference Overview**

An introductory asset management conference was held on November 7, 2011 in Whitehorse. Invitations were sent to:

- Eight incorporated communities
- Fourteen First Nation communities
- Twenty one unincorporated communities
- Representatives from the Yukon Government

The conference was well attended with approximately 75 people present. The objective of the conference was twofold; firstly, to raise awareness of the benefits of asset management and second, to educate the attendees on basic asset management concepts and techniques.

The conference content covered the following asset management concepts:

1. Asset inventory;
2. Maintenance and condition assessment;
3. Asset valuation;
4. Prioritization;

An agenda from the conference and a summary of the evaluations is included in Appendix A.
3.0 Community Interviews
3.1 Overview

In order to gain a clear understanding of the current asset management status within Yukon communities, the project team conducted interviews with each of the fourteen (14) First Nation Communities and seven of the eight (8) incorporated municipalities with the exception being Whitehorse. Whitehorse opted not to participate for reason that they had already implemented their own asset management software.

The objectives of the interviews were to:

1. Gain an understanding of the current asset management business practices being used in each community;
2. Learn what technology is currently being used by Yukon communities;
3. Identify any key challenges to address in order to successfully implement an asset management database;
4. Receive input from the communities on what functionality they would like to see in an asset management database.

The interviews followed the AssetSMART framework that was developed by Urban Systems for the Province of British Columbia.
3.2 **AssetSMART Framework**

The AssetSMART framework is a comprehensive approach to evaluating asset management capacity in five (5) core asset management areas:

- **Awareness and Understanding**
- **People**
- **Business Processes**
- **Information and Technology**
- **Financial**

Each of these core capacity areas plays an important role in a community’s ability to effectively manage their infrastructure. Computer technology can play an important role in an effective asset management program; however, the technology must be supported by people who understand how to use and leverage the technology as well as the supporting business processes and a general awareness and understanding of the decision makers.

The interview questions were developed around the AssetSMART Framework. A copy of the questions is included in Appendix B.

The interview results have been summarized using this same AssetSMART framework.
3.3 Awareness and Understanding

3.3.1 Context

For asset management to become a priority for Yukon communities a general awareness and understanding of its importance is required with community stakeholders and decision makers.

The initial implementation and ongoing maintenance of an asset management program will require an ongoing investment of human and financial resources. If asset management is not considered to be a priority for the community, implementation will be challenging.

The output from an asset management program is most valuable if community decision makers understand the importance of asset renewal to the future sustainability of their community.

3.3.2 Observations and Challenges

As part of the interview process, each community was asked to describe the key components (see box on right) of asset management awareness and understanding. The following page contains a summary of the key observations and key challenges with respect to asset management awareness and understanding within Yukon communities.

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**Awareness and Understanding**

**Key Components**

- Awareness of the importance of planning for infrastructure renewal
- General “high level” understanding of the status of the communities assets
- Making the renewal of existing assets a priority in the planning and budgeting process
### Awareness and Understanding

<table>
<thead>
<tr>
<th>Observations From the Interviews</th>
<th>Key Challenges Identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Staff have a general understanding that infrastructure is aging and that a deficit exists</td>
<td>• There is a lack of clarity as to what problem(s) a system will solve, as well as who “owns” these problem(s). This may result in resistance and/or insufficient level of commitment</td>
</tr>
<tr>
<td>• PS 3150 has helped to raise the awareness of asset management</td>
<td>• Communities that have already implemented software may be resistant to making a change without receiving reimbursement</td>
</tr>
<tr>
<td>• Political input with respect to infrastructure is often limited to annual budget discussions</td>
<td>• Some communities may be expecting a database to be a “silver bullet” and may not fully understand the non-technical process related aspects of what is required</td>
</tr>
<tr>
<td>• Council and the public often focus on visible assets, particularly housing for First Nations, with less awareness given to buried assets</td>
<td>• Short electoral cycles for municipalities (3 years) and First Nations are generally not conducive to long term planning and priorities tend to shift with a change in Council</td>
</tr>
<tr>
<td>• Infrastructure capital projects are often driven by the eligibility for funding programs</td>
<td>• There were questions with respect to why a Yukon asset management system is needed, and what the benefits would be to each community</td>
</tr>
</tbody>
</table>
| • There were questions with respect to why a Yukon asset management system is needed, and what the benefits would be to each community | }
3.3.3 Discussion

Management across communities have a fairly good understanding of the current condition of existing infrastructure; however this is closely related to the longevity of the key staff that tends to hold that knowledge, which is rarely documented.

There is often a good ‘big-picture’ idea of the replacement needs over the next 20 years but again it is usually on the job staff knowledge, as opposed to a documented plan. Most communities are able to identify key infrastructure that is known to be both vulnerable and subject to condition knowledge gaps that should be studied in detail. These range from water sources to asbestos materials and black mold. It is difficult to source both the budgets and the outside professional expertise required to gain detailed knowledge of specialized asset problems.

Awareness is highest for assets which are visible. This is especially true of housing in most of the First Nation communities and for buildings everywhere. Underground assets do not attract this same level of awareness. Councils and the public have little awareness of the operation and state of these.

Taking care of assets is the first priority of community managers. Municipalities note it is a necessity to prioritize as existing infrastructure consumes more than the available resources in a community. Projects tend to be driven by funding programs and eligibility. Critical housing needs in the First Nations require a delicate balancing act between renovation and maintenance of existing housing and the construction of new housing to meet increasing waiting lists.

Three-year Council turnovers are problematic for detailed asset awareness. For Councils and the public the ‘new and shiny’ is always attractive. It takes considerable time and attention to become comfortable with infrastructure issues, and discussion of asset renewal is often limited to the budgeting process.
3.4 Business Processes

3.4.1 Context

To effectively implement and make use of an asset management database, communities will need to have in place the required business processes to support and maintain the asset management system and to utilize the systems output. This includes processes for long term planning, condition assessment, risk classification and for managing data and information.

Any asset management database can be only as good as the quality and accuracy of information that it contains. The quality of the information it contains will be determined by the effectiveness of the business processes which collect, input, and maintain this information. Similarly, the information provided by an asset management database is only useful if there are effective business processes in place to use the information in capital planning and decision making.

3.4.2 Observations and Challenges

As part of the interview process, each community was asked to describe the key components (see box on right) of their asset management business processes. The following page contains a summary of the key observations and key challenges with respect to asset management business processes within Yukon communities.
## Business Processes

<table>
<thead>
<tr>
<th>Observations From the Interviews</th>
<th>Key Challenges Identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>General lack of long term plans to address asset renewal</td>
<td>General lack of a formal process to;</td>
</tr>
<tr>
<td>Longer term plans that do exist tend to focus on equipment and vehicles rather than core assets</td>
<td>- assess asset condition</td>
</tr>
<tr>
<td>Regular and formal condition assessments are considered to be unaffordable</td>
<td>- estimate remaining asset life</td>
</tr>
<tr>
<td>No formal processes to assess the risk of asset failure or to prioritize asset renewal needs</td>
<td>- classify asset risk</td>
</tr>
<tr>
<td>Current processes and policies around PS 3150 are inconsistent</td>
<td>- develop long term asset plans</td>
</tr>
<tr>
<td>Information about assets is generally not written down or formally recorded</td>
<td>- track and analyze asset failure information</td>
</tr>
<tr>
<td>Processes generally exist to update the asset information (additions/deletions) within the accounting system</td>
<td>A history of not formally recording asset information and activities will be difficult to overcome</td>
</tr>
<tr>
<td>User complaints and comments tend to drive the maintenance activities (“reactive”)</td>
<td></td>
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</tbody>
</table>
3.4.3 Discussion

Business processes to support asset management are probably the weakest point for Yukon communities.

Long Term Investment Plan

There is little long-term capital or investment planning beyond the mandated Integrated Community Sustainability Plans (usually limited to un-budgeted or prioritized project listings) and three-year municipal capital plans. One municipality has a ten-year capital equipment replacement plan. This has proven to be a very positive learning experience for the Council involved and a good step towards larger infrastructure planning. Communities note that even when plans are made, unanticipated events frequently take over and force a more reactive approach making long-term plans hard to maintain and constantly in need of review.

First Nations in particular may have constitutions that complicate long-term planning. General Assembly resolutions may override Council plans and redirect spending priorities.

Risk Classification

There are no formal risk classification processes. Typically these take place in ad-hoc managerial discussions and/or the annual budgeting process. The best professional judgment of current staff is well regarded as a basis for decision-making. One noted that ‘the community does that for us’. Emergency planning is better, with contingencies often in place for critical infrastructure failures such as water systems including trucks, wells and pipes.

Condition Assessment

There are few formal processes for condition assessment beyond regular in-house visual inspections of vehicles, buildings (including housing) and roads. The local knowledge of experienced employees is valued – they ‘know’ when something is wrong and will follow-up with formal qualified professional assessments as required. Resident and user comments and complaints are also an important part of the process.

Cameras are used to assess the condition of sewer lines as demand and budget allows but there are no formal road assessments. Most formal testing is limited to areas of regulatory requirement such as the public water systems. Pre-emptive condition assessments are an unaffordable luxury in most cases and are targeted at known or suspected vulnerabilities.

The housing programs are scheduled to have annual inspections, but these are regularly missed or limited in nature
and usefulness. Access to expertise and resources to conduct thorough professional housing assessments above and beyond the skills of maintenance staff would be highly informative.

Failure Tracking

At the very least, hard copy work orders are filed and retained in all but one case. These could be reviewed if necessary but this would be challenging. Actual failure tracking rather than merely recording is essentially ad-hoc and relies upon the memories and retention of experienced long-term employees.

Remaining Useful Life

Processes are weak to non-existent. Where useful life estimates are made they tend to be based on the generalized audit standards rather than any informed sense of actual remaining life based on condition or historical trends. These estimates are therefore of limited use for real-world planning.

Information and Data Maintenance

There are usually processes to add/update accounting data every year based on infrastructure additions/deletions. There are admissions that the timetables often slip and these could be more robust. One community has no process. There is almost no practice of comprehensive condition assessments, failure tracking and useful life estimation. Formal risk classification is unheard of and there is no long-term investment planning except for small equipment replacement and ICSPs. Managers are intensely aware of this but without the data and systems necessary to develop a solid plan, they appear to find that any time invested is frequently wasted as unanticipated knowledge, events and crises take over and negate the plan.

PS 3150 has driven the formation of good asset inventories with basic original attribute data but these are weak on the types of condition and replacement value data that could usefully inform forward planning.
3.5 People

3.5.1 Context

People are at the core of all the services provided by Yukon communities. Without skilled and experienced staff, communities struggle to provide the services their residents rely on.

Communities require staff with the right expertise and experience to effectively implement and maintain an asset management program. These staffing needs do not just fall into one area – capacities are needed in several areas, including finance, engineering, operations and maintenance, and planning.

3.5.2 Observations and Challenges

As part of the interview process, each community was asked to discuss their status with respect to availability of people resources, the asset management knowledge and skills of their staff, and their approach to transferring knowledge from one individual to another as people come and go from the organization.

The following page contains a summary of the key observations and key challenges with respect to human resources within Yukon communities.
## People

### Observations From the Interviews

- General feeling that asset management will require additional people resources to implement
- Suggestions were made to have a centralized, but travelling asset management “advisor”
- Remote locations will make accessing asset management training challenging
- Many communities feel some temporary Government of Yukon resources will be needed to get them “over the hump”
- General belief that too much information is held in the heads of a few key individuals
- The engineering firms with a long history with each community possess valuable “institutional knowledge”
- Office staff are generally familiar with common office software tools such as Excel, whereas field staff are less familiar

### Key Challenges Identified

- Lack of staff to implement an asset management program due to resource limitations
- Many knowledgeable staff are nearing retirement, but there is a lack of succession planning
- Acquiring and retaining the internal knowledge and skills required for asset management will be challenging for most communities
- Remote geographic locations will make training of each individual community challenging
3.5.3 Discussion

People Resources

While there are mixed opinions on people needs, this likely reflects different visions of an asset management program; from minimal reporting requirements to full-service planning, monitoring and management. Certainly all agree on the need for more in the short-term during start-up and some have already had to hire extra people just to complete the basics of compiling asset inventories and other PS 3150 reporting.

Dedicated expertise and clear responsibility for asset management is considered to be key. Repeated suggestions were made for a centralized but traveling asset management advisor who could mentor the community staff responsible at least in the early days.

Knowledge and Skills

Program implementation skills and knowledge are present but more training opportunities are always welcomed, especially directly in the communities as travel time can be hard to allocate.

Time is another constraint. Communities could work together and share resources and expertise such as when AYC hired an ICSP writer during start-up to work across them all and get ‘over the hump’. It may never happen without this kind of resource provision to motivate action.

Knowledge Transfer

There is a uniform belief that too much key information is being kept in people’s heads and that a lot of knowledge disappears when people leave. This is especially true of CAOs, and Capital and Public Works managers. While the experience of these long-term people is important, it can also be difficult to introduce new ways of working and while good knowledge of project histories is useful, some question the value of extensive writing. So while the problem is recognized and improved procedures manuals and record keeping are on the agenda, this is intensely time-consuming. With so many immediate demands upon time knowledge transfer is rarely a priority.

A municipality noted that consistent relationships with the larger engineering firms play a useful role in retaining knowledge as they have longevity beyond that of Councils and employees.
3.6 **Information and Technology**

3.6.1 **Context**

Data and information is at the core of infrastructure decision making. The quality and accuracy of the data that is available has a direct correlation to the quality and timeliness of a community’s decisions.

In addition to having good data and information, there must also be systems in place that allow people to access and analyze this information in an efficient manner.

3.6.2 **Observations and Challenges**

As part of the interview process, each community was asked to discuss the information and the technology that is currently utilized in their organization. This included whether or not a spatial inventory (GIS) existed, the quality of basic asset data, the existence of asset condition information or replacement values. In addition, communities were asked to explain how and where their information is stored, what types of tools they currently use to access asset information, how their technology was supported and what their internet connectivity was.

The following page contains a summary of the key observations and key challenges with respect to information and technology within Yukon communities.
### INFORMATION AND TECHNOLOGY

#### Observations From the Interviews
- None of the incorporated communities interviewed have a Geographic Information System (GIS) in place
- All First Nation communities have GIS to manage lands but not infrastructure assets
- All asset inventories were in Excel spreadsheet format
- With a few exceptions communities do not have asset condition recorded in their inventory
- With the exception of insured assets (buildings and housing) asset replacement values are not known
- Most staff have access to a dedicated computer with the exception of field and front counter staff who often share a computer
- Most First Nations have in-house computer support whereas municipalities often rely on outside service providers
- All communities have broadband internet access, predominantly ADSL provided by Northwestel
- Watson Lake is the only incorporated community with asset management software (Citywide) in use
- Some First Nation communities have housing management software

#### Key Challenges Identified
- Spatial inventories will need to be developed for all communities (assuming a future asset management system includes GIS functionality)
- Large initial effort will be required to fill in the missing data gaps
- Wide variability in construction costs will make the estimation of replacement value challenging
- Communities that have already implemented systems will be reluctant to switch to a different system
3.6.3 Discussion

PS 3150 has driven the formation of good asset inventories with basic original attribute data but these are weak on the types of condition and replacement value data that could usefully inform forward planning.

Spatial Inventory

Locations of assets are generally recorded and in most cases well mapped but no communities have used GIS for an inventory. No municipalities have GIS capability. First Nations do in their Lands departments but these are not linked to asset management.

Basic Attribute Data

While some communities, especially those using asset management systems, have complete attribute sets, most have some gaps, with the primary weaknesses being in materials and expected life. Data inclusion is driven by financial reporting requirements and not long-term planning needs. One community lists their water distribution system only as a ‘system’ and does not break down into components at all.

Condition Data

There is generally no condition data in the inventories, with the exception of the communities that are using asset management software that asks for this information. In these cases it is usually rated as ‘good’, ‘fair’ or ‘poor’. It can be hard to obtain condition data, much of which may have been collected by outside agencies including the Government of Yukon.

Replacement Value

There is very little information on replacement values in the inventories. Insured assets such as buildings including housing are the best and based on the underwriter valuations. Suncorp undertakes regular 5-yearly inspections and reviews of these for all the municipalities as part of a reciprocal insurance agreement. Some have attempted to at least benchmark some values by applying CPI to recent projects in the Yukon.

Data Integration

Data and information is generally departmentalized and fragmented amongst a variety of formats. Those communities that have implemented asset management software have made the best progress towards consolidating their information into a single integrated database.
Computer Access and Desktop Tools

Most staff have access to a dedicated computer but in the capital and public works departments front-line and field workers share access.

There is a level of familiarity and comfort with using Excel spreadsheets as the technological tools for reporting requirements. It is easier to find the skill sets and to transfer skills and responsibilities when using Excel. Those using Excel find that it meets their support needs for now but there may be issues as the complexity grows. A case could certainly be made for more technology and tools.

Most are using Windows 7 although a few individual users have older desktops running previous versions. One municipality was still on Windows XP 2002 and one First Nation on Windows Vista.

Computer Support

There is a wide range of approaches to support for computer desktops and servers. First Nations have in-house technicians but some municipalities are reduced to making do as they can, vulnerable to intermittent local skills capacity. Servers may be on-site or out of town – three support companies were named, being Trinus Technologies of Edmonton and New West Technologies and Polarcom of Whitehorse. In some cases departments are not networked together and Northwestel email accounts are used.

Internet Access

All are using the Northwestel ADSL internet service. Internet browsers are almost exclusively Internet Explorer although a few users activate Firefox or Safari for specific sites.

GIS

No municipalities have GIS systems and all First Nations do, but typically only in the Lands departments, not in Capital and/or Housing/Property Management departments.

Accounting Software

Five different types of accounting software are being utilized – Diamond Municipal Software, Accpac (3), Simply Accounting (2), Quickbooks Enterprise and ADAGIO.
3.7  Financial

3.7.1  Context

The requirement to comply with accounting standard PS 3150 has created a direct link between asset management and financial accounting. Although financial accounting deals with historical cost and asset management is concerned with replacement values, there is a foundation of common data that can be leveraged by both.

3.7.2  Observations and Challenges

As part of the interview process communities were asked to discuss the status of their PS 3150 compliance. In addition each community was asked to explain what tools they used for their asset inventory, valuation and amortization. And finally the communities were asked what accounting software they currently utilize.
### Observations From the Interviews

- Multiple accounting packages were found to be in use including Diamond, Accpac, Simply Accounting, Quickbooks, Easypay, and ADAGIO.
- All PS 3150 asset inventories and the amortization schedules for these assets were completed within an Excel spreadsheet.
- 5 of 13 First Nations interviewed claimed 100% completion on PS 3150, 2 of 13 had not yet started and the remaining 6 were in process.
- 3 of the 6 incorporated communities interviewed claimed 100% completion on PS 3150, with the remaining 3 in process.
- The TCA policy with respect to thresholds, asset pooling, and asset categories varies widely between communities.
- Grants make up the majority of Yukon community capital funding.

### Key Challenges Identified

- Multiple accounting packages will represent a challenge if any “direct links” are desired between an AM database and the accounting platform.
- Different approaches to creating the PS 3150 asset inventories will create some challenges to having a standardized asset management inventory throughout the Yukon.
- The dependence on grant funding may run counter to proactive long term planning and accumulating reserves for future rehabilitation needs.
3.7.3 Discussion

The requirement to comply with PS 3150 has greatly raised the awareness of the looming infrastructure deficit within Yukon communities. Unfortunately, PS 3150 is based on historical cost and does not provide any realistic estimate of future investment needs.

Most communities depend on grants exclusively for their capital funds. It is a common objective for communities to recover their operating costs from rates and taxes, but due to the small user and tax base, it is difficult to fund capital works in this manner. Some communities expressed that grants could be perceived as a disincentive to good asset management, since those communities that keep taxes low and do not look after their infrastructure often benefit from emergency type grants to address urgent asset failures.

Several communities have set aside reserves to replace at least the smaller capital items but as one municipality noted, very few people outside of the professionals can make the actual link between the tax dollar and the state of infrastructure.
4.0 Business Requirements
4.1 Scope of Assets

The types of assets that are owned by communities in the Yukon is similar to other places in Canada. In general any asset management system should be capable of handling the types of assets listed to the right. These are the types of assets that would generally meet the definition of a tangible capital asset.

Generally to be considered a tangible capital asset two criteria need to be met;

1. Have a useful life greater than 1 year
2. Have a value that exceeds the minimum threshold value

A suitable asset management system for Yukon communities should be able to readily handle these types of assets. This would include accepting basic attribute data that is tailored to these asset types (i.e. dimensions, materials, capacity, etc).

First Nation communities would be seeking greater functionality with respect to housing, since housing assets often make up the majority of their asset base.

<table>
<thead>
<tr>
<th>Water Supply</th>
<th>Facilities and Buildings</th>
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<tbody>
<tr>
<td>Treatment Facilities</td>
<td>Sport &amp; Fitness Centres</td>
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<tr>
<td>Metering Systems</td>
<td>Ice Arenas/Curling Arenas</td>
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<tr>
<td>Storage Tanks</td>
<td>Community Centres</td>
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<tr>
<td>Pumping Stations</td>
<td>Tourist Facilities</td>
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<tr>
<td>Water Pipes</td>
<td>Museums/Libraries</td>
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<td>Hydrants</td>
<td>Housing</td>
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<tr>
<th>Wastewater Collection</th>
<th>Flood Protection</th>
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<tbody>
<tr>
<td>Treatment Facilities</td>
<td>Berms</td>
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<tr>
<td>Storage Tanks</td>
<td>Holding Ponds</td>
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<tr>
<td>Lift Stations</td>
<td>Ditches/Culverts/Dams</td>
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<tr>
<td>Sewer Pipes</td>
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<td>Septic Fields</td>
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<tr>
<th>Stormwater</th>
<th>Transportation</th>
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<tr>
<td>Storm inlets/outlets</td>
<td>Street Lighting</td>
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<tr>
<td>Stormwater Pipes</td>
<td>Signage/Traffic Signals</td>
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<td>Channels</td>
<td>Roads/Walkways</td>
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<tr>
<td>Ponds</td>
<td>Bridges</td>
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<td>Culverts</td>
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<tr>
<th>Solid Waste</th>
<th>Vehicles and Equipment</th>
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<tbody>
<tr>
<td>Landfills</td>
<td>Cars and Trucks</td>
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<tr>
<td>Recycling Facilities</td>
<td>Emergency Vehicles</td>
</tr>
<tr>
<td>Transfer Station Buildings</td>
<td>Buses</td>
</tr>
<tr>
<td>Recycling Equipment</td>
<td>Mobile Equipment</td>
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<tr>
<td>Transfer Station Containers</td>
<td>Stationary Equipment</td>
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<table>
<thead>
<tr>
<th>Parks</th>
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<td>Playgrounds</td>
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<td>Playing Fields</td>
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</table>
4.2 **Functionality**

The general functionality for an asset management system has been listed below. This functionality has been divided into two categories; must have and nice to have. The “must have” items are based on our current understanding of what the current objectives for an asset management system would be for Yukon communities. Those items that are classified as “nice to have” are functions that are not required to meet the current objectives, but may be of value for some more advanced users.

The functionality listed herein is preliminary and is intended to serve as a starting point towards the eventual acquisition of an asset management system. It is anticipated that the functionality requirements will remain flexible in the immediate future and could be subject to refinements resulting from future discussions between the Yukon Government, the incorporated communities, and the First Nations.
## Asset Management Business Requirements for Yukon Communities

<table>
<thead>
<tr>
<th></th>
<th>Must Have</th>
<th>Nice to Have</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset Registry</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-level Asset Hierarchy (Categories and Sub-Categories)</td>
<td>X</td>
<td></td>
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<tr>
<td>Basic attributes tailored to each asset type</td>
<td>X</td>
<td></td>
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<tr>
<td>Ability to Link to GIS</td>
<td>X</td>
<td></td>
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<tr>
<td>Allow user defined asset types/fields</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Allow batch input from spreadsheet templates, CSV file</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Allow embedded images</td>
<td>X</td>
<td></td>
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<tr>
<td>Allow embedded documents/records</td>
<td>X</td>
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<tr>
<td>Warranty/Insurance Information</td>
<td>X</td>
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<td><strong>Asset Valuation</strong></td>
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<tr>
<td>Historical Value</td>
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<tr>
<td>Replacement Value</td>
<td>X</td>
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<tr>
<td>Costing “look-up” Tables</td>
<td>X</td>
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<tr>
<td>Inflation/Deflation Cost indexes</td>
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</table>
# Asset Management Business Requirements for Yukon Communities

<table>
<thead>
<tr>
<th>Asset Accounting</th>
<th>Must Have</th>
<th>Nice to Have</th>
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<tbody>
<tr>
<td>Asset amortization (straight line/reducing balance)</td>
<td>X</td>
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<td>Salvage value</td>
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<td>X</td>
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<td>Accumulated amortization</td>
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<tr>
<td>Additions/deletions</td>
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<tr>
<td>Acquisition/disposal dates</td>
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<tr>
<td>Betterment dates</td>
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<td>X</td>
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<tr>
<td>Service life</td>
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<td>X</td>
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<tr>
<td>Write-down’s</td>
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<td>X</td>
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<tr>
<td>Capital leases</td>
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<td>X</td>
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<tr>
<td>Maintenance/ops cost tracking</td>
<td></td>
<td>X</td>
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<tr>
<td>PS 3150 compliant</td>
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<tr>
<td>Must Have</td>
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<tr>
<td><strong>Asset Lifecycle Decision Making</strong></td>
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<td>Asset condition</td>
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<td>Asset risk</td>
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<tr>
<td>Remaining Life</td>
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<td>Asset deterioration analysis</td>
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<td>Asset performance analysis</td>
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<td>Failure tracking</td>
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<tr>
<td>Failure analysis</td>
<td>X</td>
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<tr>
<td>Refurbishment/replacement cost analysis</td>
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<tr>
<td>Asset criticality/redundancy</td>
<td>X</td>
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<tr>
<td>Asset prioritization</td>
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<td>Must Have</td>
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<tr>
<td><strong>Hardware/Software Technology</strong></td>
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<td>Hosted externally</td>
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<td>Browser interface</td>
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<td>Automatic updates via “web”</td>
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<td>On-line help manual</td>
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<tr>
<td>SQL based system database</td>
<td>X</td>
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<tr>
<td>Allow different security levels for various user types</td>
<td>X</td>
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<tr>
<td>Direct Link to Accounting Software</td>
<td>X</td>
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<tr>
<td><strong>Work Management</strong></td>
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<td>Work order generation</td>
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<tr>
<td>Parts/Inventory management</td>
<td>X</td>
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<td>Job costing</td>
<td>X</td>
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<tr>
<td>Requirement</td>
<td>Must Have</td>
<td>Nice to Have</td>
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<td>-------------------------------------------------</td>
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<tr>
<td>Work history</td>
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<tr>
<td>Inventory/parts tracking</td>
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<td>X</td>
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<tr>
<td>Purchasing</td>
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<tr>
<td><strong>Capital Planning</strong></td>
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<tr>
<td>1 to 5 year plans/budgets</td>
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<td>X</td>
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<tr>
<td>10 year and 25 year plans</td>
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<td>X</td>
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<tr>
<td><strong>Reporting</strong></td>
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<tr>
<td>Asset inventory quantity summaries</td>
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<td>X</td>
</tr>
<tr>
<td>Asset inventory replacement value summaries</td>
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<td>X</td>
</tr>
<tr>
<td>Asset inventory replacement timing (quantity/replacement value)</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Custom user defined reports</td>
<td></td>
<td>X</td>
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</tbody>
</table>
4.3 **User Expectations**

The following summarizes the key user expectations that were determined through the interview process;

- Low acquisition costs
- Simplicity – “Normal people should be able to use it with no techie knowledge needed”
- Easy to learn through different learning styles
- It should be maintained through regular work - maximum ½ hour per day
- Fully compatible with all accounting software such that both update together automatically and work is not repeated
- Support inter-community collaboration
  - Working with other communities to see how we compare
  - Beneficial learning from each other
  - Greater inter-community support and knowledge trading
  - Allow information sharing and data searches, even anonymously, for comparisons between communities – electronic ‘networking’
- Secure and private
5.0 Conclusions
5.1 Conclusions

There is a growing awareness of municipal and First Nation infrastructure deficits. The introduction of PS 3150 reporting requirements has raised the profile of infrastructure renewal and asset management significantly.

The lack of business processes to support asset management is currently the weakest area for Yukon communities. There is almost no practice of comprehensive condition assessment, failure tracking, useful life estimation, and risk classification. With the exception of vehicle and small equipment there are currently no long-term plans in place to guide investment in infrastructure renewal. Community managers are aware of this but currently lack the data and systems needed to develop a reliable long-term plan. They also suspect that, even if a plan were to be developed, unanticipated events and shifting priorities would soon take precedence as historically has been the case.

PS 3150 has driven the formation of good asset inventories with basic original attribute data but these are weak on the types of condition and replacement value data that could usefully inform forward planning. In terms of people resources, most feel they could reasonably implement a well-researched asset management program if they had one and the funding. There are concerns around the resources needed to set up an asset management program from scratch. Time is the single biggest constraint.

Questions were asked such as, “are our systems really broken and in need fixing?”, “are there an appropriate cost-benefit and risk-reward?”, “is there more merit in working to a common accounting system first?”

There was a general feeling that assets are best monitored in the community and that consideration should be given to an improved traveling centralized position to deliver expertise and advice to communities on asset management and not just rely on new technology that may not be used well - somebody who is the follow-through agent, the driving entity to ensure that it happens, somebody ‘whose baby it is’.

The successful example of the start-up ICSP planner hired by Association of Yukon Communities (AYC) was given. The wide range of the AssetSmart evaluations for each criterion suggests considerable scope for cross-pollination of ideas and management strategies between communities through this system and approach.

Communities commonly know what needs to be done but planning it, getting prepared for the future and actually getting it done is another thing. Many are fundamentally
confident with spreadsheets and express strong preferences for simplicity in light of time restraints.

Overall, there was tentative support and understanding of the potential benefits of investing in, and being on, the same system especially from the municipalities. The services and assets of First Nations can be very different and may be more difficult to integrate. Two First Nations are already using software and these systems should be reviewed further – one of them was very clear they would not change without reimbursement of the costs already spent on their existing and well-regarded system.

The scope of this study was limited to exploring the business requirements for an asset management database from a “community-centric” point of view. It is clear that the Yukon Government could also realize some benefits from such a system, particularly if it were deployed universally. Prior to proceeding with the purchase or development of an asset management database it is recommended that the Yukon Government also carefully consider what business requirements they may also desire from the system, to ensure that possible synergies are maximized from the outset.
Appendix A
November 7, 2011
Asset Management Conference
Agenda

8:30 am  Coffee and Registration
8:50 am  Introductions and Opening Remarks
9:15 am  Module 1: Context
          1. Workshop Objectives
          2. Asset Management Overview
          3. Asset Management Framework and Questions
10:45 am Break
11:00 am Module 2: Inventory
          1. Key Concepts, Tools and Techniques
          2. Group Exercise
12:00 pm Lunch
12:30 pm Module 3: Maintenance and Condition Assessment
          1. Key Concepts, Tools and Techniques
          2. Group Exercise
1:30 pm  Module 4: Asset Valuation
          1. Key Concepts, Tools and Techniques
          2. Group Exercise
2:15 pm  Module 5: Prioritization
          1. Key Concepts, Tools and Techniques
2:45 pm  Break
3:00 pm  2. Group Exercise
3:30 pm  Module 6: Asset Management Plan
          1. Key Concepts, Tools and Techniques
          2. Group Exercise
4:25 pm  Workshop Wrap-Up
On a Scale of 1 to 10, how satisfied were you with:

<table>
<thead>
<tr>
<th></th>
<th>Not at all</th>
<th>Very</th>
<th>Extremely</th>
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<tbody>
<tr>
<td>The presentations</td>
<td>2</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>The venue</td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>The catering</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>The event overall</td>
<td>4</td>
<td>4</td>
<td>3</td>
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</table>

More specifically, how satisfied were you with:

<table>
<thead>
<tr>
<th></th>
<th>Not at all</th>
<th>Very</th>
<th>Extremely</th>
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<tbody>
<tr>
<td>Module 1: Context</td>
<td>2</td>
<td>5</td>
<td>2</td>
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<tr>
<td>Module 2: Inventory</td>
<td>1</td>
<td>4</td>
<td>3</td>
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<tr>
<td>Module 3: Maintenance &amp; Condition Assessments</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>Module 4: Asset Valuation</td>
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<tr>
<td>Module 5: Prioritization</td>
<td>1</td>
<td>3</td>
<td>5</td>
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<tr>
<td>Module 6: Asset Management Plan</td>
<td>1</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Group Exercises</td>
<td>1</td>
<td>3</td>
<td>1</td>
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Which part of this workshop was most valuable to you?

- practical components- going through group process- calculating using the formulas & 20yr. Investment plan
- the pull together of all the plan
- very interesting
- Providing a final product (even though simplistic)
- Asset valuation
- The Presentation
- I found it very useful as we are in the middle of doing asset management
- The context & basic information
- It was a good refresher
- The speakers did a good a at explaining materials clearly for me to understand and were funny
- Asset valuation
- Hands-on learning
- Group exercises / group presentation. Feedback to questions
- Intro information Asset Condition importance voting exercises
- Overall, very informative
- Module 2 &3
- Prioritization on replacement of assets. We normally just replace it when it breaks
- The conference was very interactive which helped to keep people engaged.
- All
- Determining the difference between asset management and tangible capital asset reporting. Learning that our educated were the right way to go.
- The hands on exercises really showed how to apply the concepts
- Prioritization, group exercises
- The exercises- I was provided with some good tools that I can use in my organization
- All good
- all of it but in particular the forms we can take back to workplace to use as samples
- Maintenance & Condition Assessment, Valuation
- All of it was valuable
- Hands on calculations
- The hands on breakdown
- New tools for what I am currently working on
- Filling out the forms. Group discussion, the clicky things
- Yes, the hands on activities
- How important it is to have an asset management plan
- Putting the value on how important asset management is
- Module 6

Are you leaving this workshop with a better understand of what Asset Management is? Please Explain.

- Yes definitely! General increase in knowledge on the subject, but also the need to get by in the education and transparency with all stakeholders.
- Yes, plan, plan, work to save for that plan out of crisis management
- Thanks very much, excellent job and clearly very knowledgeable team.
- yes; very useful and practical - Thank you!
- yes
- Yes partly. Not fully endorse it to inter flow between first nations and Yukon Government.
- yes, but more questions than answers.
- yes
- Definitely
- Do not believe the risk assessment matrix. Too subjective - with too much "he said, she said" dialogue.
- Yes- looking to the future makes sense for me.
- Yes, I understand the components of asset management and it has confirmed that Yukon Rural communities are all at the same place in terms of planning- need to seriously start!
- no, no information was presented that was new and information was too basic to improve on current knowledge
- Yes, I think that it is very important to have a maintained and accessible database for all of an organizations’ assets.
- yes, I assumed you just had to list your assets. It is more detailed and can be improved and easily accessible if set up properly.
- yes
- yes
- Affirmed my understanding
- yes, clearer, needed 1 year ago
- Now have more in-depth knowledge of what needs to be done to efficiently manage assets.
- Yes
- Know diff. between Audit Reg. & Management. Better idea on planning-worksheets were very helpful.
- note: some sides in printout very hard to read, font was too small.
- Yes, have a better understanding the overall picture of asset management.
- No
- good refresher of information that I had already been exposed to.
- Yes, I feel we have a better understanding as a group as to what it could look like and the importance of each person's role to make something like this function.
- no
- Yes. Much better. Hard to concentrate on the big spreadsheet at the end of the day -> information fatigue. I think we needed more short breaks, hard to stay engaged despite valuable content.
- yes
- yes
- yes
- yes - better understanding of the difference between PS3150 or what an Asset Management Plan is comprised of
1 Awareness + Understanding

Understanding

Do you know the condition of your infrastructure today? Do you know over the next 20 years what infrastructure you need to replaced and the costs? Is the council/public aware?

Awareness

Is there an awareness that the infrastructure is aging and it will need to be replaced? Are key staff/administration/council and public aware?

Priority

Is taking care of what you have a priority with staff/council/public?

2 People

People Resources

Do you have enough people to develop and implement an Asset Management Program? (developing inventory, value the assets, prioritize investment, develop long term plan)
Knowledge and Skills

Do you feel confident with your community's staff skills and knowledge to implement an Asset Management program?

Knowledge Transfer

Is there a lot of key information being kept in people's heads? If someone left does a lot of knowledge go with them? (i.e. PIW operator)

3 Business Processes

Long-Term Investment Plan

Do you know over the next 20 years what infrastructure you need to replace and what the costs will be? Tell me about it.

Risk Classification

Do you have a process to classify the consequence and likelihood of failure for each of your assets?

Condition Assessment

Is there a process to assess the condition of your assets? Tell me about it.
## Failure Tracking

Are you recording information regarding asset failures such as water main breaks?

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## Remaining Useful Life

Is there a process to determine the remaining useful life of your assets based on condition? Is it documented?

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## Information and Data Maintenance

Do you have a process to add/update your accounting data every year based on infrastructure additions/deletions?

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## 4 Information and Technology

### Spatial Inventory

Do you have GIS systems?

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### Basic Attribute Data

What attribute data do you record in your inventory? Age, expected life, material, size and length, other?

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<tr>
<td>Category</td>
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<tr>
<td>Condition Data</td>
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<tr>
<td>Do you have condition data in your inventory?</td>
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<tr>
<td>Replacement Value</td>
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<td>Do you have replacement value in your inventory?</td>
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<tr>
<td>Data Integration</td>
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<td>Do you keep data in a common place and is it accessible to others?</td>
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<tr>
<td>Information Technology</td>
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<td>Do you have the tools you need to support Asset Management?</td>
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Appendix C
SECTION 3: CONTRACT SPECIFICATIONS

1. Background

The Government of Yukon, Department of Community Services' mandate is to promote and encourage responsible practices that involve issues relating to building and public safety, consumer and employment standards in addition to a variety of commercial and corporate activity. These programs administer and enforce regulations, provide registration programs, public information registries and deliver review processes and inspection services that contribute to a competitive Yukon economy and sustainable infrastructure policies and funding programs.

The Community Operations Branch within the Community Development Division of Community Services provides management services for the planning, regulatory approvals, design, construction, operation and maintenance of water, sewerage, roadworks, flood and erosion control, and solid waste disposal projects for the unincorporated communities throughout Yukon. This branch also provides advice and project assistance to municipalities and Yukon First Nations. The Community Affairs Branch provides federal Gas Tax funding and administration to municipalities and First Nations as they prepare and implement eligible projects.

The Government of Yukon delegates its authority for local governance to municipalities through the provisions of the Municipal Act. The Community Affairs Branch administers the provisions of various grants to municipalities and local advisory areas to assist them with their local governance initiatives and operations. The Branch also monitors activities and provides support to ensure communities are complying with the Municipal Act and other pertinent legislation. One of the commitments that communities must address is relatively new reporting requirements under section 3150 of the Public Sector Accounting Board (PSAB) relating to tangible capital assets.

Municipalities manage and maintain a diverse array of capital assets such as buildings, roads, and sewer systems. Prior to implementation of this rule in 2009, municipalities used the modified accrual basis of accounting whereby these assets were recorded as expenditures in the year they were acquired. Since 2009, municipalities have been required to identify all tangible capital assets as assets on financial statements. Assets are amortized over their useful lives, with depreciation values identified as expenses. These changes bring the communities in line with full accrual accounting which supports informed decision making by government. It provides managers with amortized costs which assist with future revenue planning, considering maintenance and replacement costs. It can help with annual as well as long term financial and strategic planning, and also assists with risk management. This relatively new reporting requirement is commonly referred to as the PSAB-3150 rule. Since 2009, all Canadian municipalities have been required to comply with this rule.

The following basic project management steps are commonly recognized in building a system of asset management:

Build Inventory → Complete Valuation of Assets → Amortize Assets → Reporting and Management of Assets

The efficiency of these processes relies on utilization of a well designed database that meets the needs of the various users in the Yukon Territory. The focus of this RFP is to identify business requirements, that will inform the acquisition or construction of a database, after meeting with key user groups. Agencies/bodies that will be using this database fall into the following categories:

- Incorporated Communities
- Unorganized Communities
- First Nation Governments/Settlements
- Government of Yukon

2. Project Scope

The intent of this project is to facilitate meetings with the various user groups in order to:

- Inform user groups of the benefits of managing tangible capital assets and clarify PSAB-3150 reporting requirements,
- Inform user groups about modern processes and tools being utilized by other municipal jurisdictions in Canada for asset management and efficient compliance with PSAB-3150 reporting requirements,
• Gain an understanding of current processes and tools being utilized by the various user groups (in Yukon) with respect to asset inventories, reporting processes, and asset management,
• Compile a Business Requirements Document that will inform the next step of acquiring or building a database.

The following lists identify the various user groups in the Yukon Territory.

**Incorporated Communities**
1. Village of Teslin
2. Village of Mayo
3. Town of Faro
4. Village of Carmacks
5. Village of Haines Junction
6. Town of Watson Lake
7. City of Dawson
8. City of Whitehorse

**Unorganized Communities**
1. Carcross
2. Tagish
3. Marsh Lake
4. Ross River
5. Old Crow
6. Deep Creek
7. Mount Lorne
8. Pelly Crossing
9. Keno
10. Stewart Crossing
11. Rock Creek
12. Champagne
13. Canyon Creek
14. Silver City
15. Destruction Bay
16. Beaver Creek
17. Johnson's Crossing
18. Braeburn
19. Upper Liard
20. Burwash Landing
21. Km 4 Dempster Highway

**First Nation Governments/Settlements**
1. Teslin Tlingit Council
2. Champagne and Aishihik First Nations
3. Kluane First Nation
4. Selkirk First Nation
5. Little Salmon Carmacks First Nation
6. Carcross Tagish First Nation
7. Na-cho Nyak Dun First Nation
8. Kwanlin Dun First Nation
9. Liard First Nation
10. Ta'an Kwach'an Council
11. Tr'ondëk Hwech'in First Nation
12. Vuntut Gwitchin First Nation
13. White River First Nation
14. Ross River Dena Council

**Other**
Government of Yukon, Community Operations
3. **Project Deliverables**

Mandatory deliverables are explained as follows. The proponent may augment these deliverables where appropriate.

1. **Project Initiation Meeting**

   This meeting will formally introduce the proponent’s senior project team leaders to the project steering committee. In addition, the proponent team will provide a demonstration and feedback session on the proposed work plan and deliverables. Team leaders will review the schedule and timelines and will identify resources required from the project steering committee. The proponent team will also review the materials that will be presented at individual meetings with the various user groups and the methods that will be employed to collect and compile information from those groups.

2. **Background Community / Territory Information and Capacity Review**

   It is essential that this project leverage all of the information currently available at all Government agencies and the information residing within individual communities. This deliverable item specifically requires meetings with the various user groups listed above in Project Scope, **with the exception of all “unorganized communities.”** Meetings must be held in each of the “incorporated communities” listed above. There may be an opportunity to bring user groups together during these meetings. For example, a single meeting may be held in each community, with participation by the municipality and the local First Nation, but only if both parties agree to this format. The specific expectations for these meetings relate to the first three bullets listed under Project Scope, that is, to:

   - Inform user groups of the benefits of managing tangible capital assets and clarify PSAB-3150 reporting requirements,
   - Inform user groups about modern processes and tools* being utilized by other municipal jurisdictions in Canada for asset management and efficient compliance with PSAB-3150 reporting requirements,
   - Gain an understanding of current processes and tools being utilized by the various user groups (in Yukon) with respect to asset inventories, reporting processes, and asset management.

   *It is a requirement that the proponent present overviews/demonstrations of at least two different software packages currently available on the market, the selection of which will be approved by the project steering committee.

3. **Summary Conference Call with User Groups**

   It is necessary for the proponent to conduct a conference call with all user groups for the purpose of summarizing the information that was collected during user group meetings. This conference call is crucial to the success of the project as it confirms that the user groups are being heard and that their specific opinions, ideas and concerns have been recorded and will be acknowledged in the next steps of the project.

4. **Summary Meeting with Steering Committee**

   A meeting will be required with the project steering committee after the completion of meetings with the various user groups. The purpose of this meeting is to have the proponent present a summary of what was gained from the meetings in the communities. Specifically, the proponent will be expected to summarize the current methodologies and tools being used by the various user groups, and also provide a summary of common themes, and outliers, resulting from the meetings with user groups.

5. **Business Requirements Document**

   Ultimately, all the meetings attended and information gathered will assist the proponent in creating a Business Requirements Document. This document will be essential to the project steering committee for the potential next step of either building or purchasing existing software for tracking and managing tangible capital assets in Yukon Territory.
4. **Project Schedule – Relevant Dates**

The schedule for the purposes of this Request for Proposals is as follows:

1. Release of Request for Proposals: September 2, 2011
2. Closing Date: September 29
3. Project Award*: October 6
4. Meeting with Project Steering Committee: at least one week prior to beginning meetings with user groups
5. Meetings with user groups: completed by November 11
6. Summary Conference Call with User Groups: Prior to summary meeting with Project Steering Committee
7. Summary Meeting with Project Steering Committee to summarize findings: by November 18

*subject to appropriation of funds.

The above schedule is subject to revisions solely at the discretion of the Government of Yukon.

5. **Further Responsibilities/Expectations Pertaining to Deliverables**

For greater clarification, the following points will delineate specific responsibilities and expectations for the execution of steps leading to the production of deliverables identified above.

1. Government of Yukon will establish the schedule for meetings with user groups, subject to the availability of those groups. The Government of Yukon estimates that meetings with user groups may be completed within a period of approximately two to three weeks. Reasonable notice will be provided to the proponent for the purpose of adequately planning and scheduling travels.

2. The project initiation meeting may be accomplished through video-conferencing. It is up to the proponent to schedule and suggest the specific technological format for this meeting.

3. The Government of Yukon shall provide further details to clarify the format and level of detail required in the Business Requirements Document. This may be provided through an addendum to this Request for Proposals.

6. **Travel and Disbursements**

All Travel and disbursement costs are the responsibility of the Contractor and are included in the contract price.

7. **Consultant Team Qualifications**

This project is the first phase of a comprehensive, long term project involving a high level of engagement and collaboration with a variety of user groups and agencies. As such, this Request for Proposals is structured to prescribe a high level of competency and expertise in specific technical areas, as well as in relation to fostering productive relationships with the various groups and agencies. This project demands a high level professionalism, and focus on communication and collaboration. Government of Yukon is looking for a multidisciplinary consultant team, consisting of at least two individuals with qualifications including, but not limited to:

1. Considerable experience engaging with a variety of client and stakeholder groups in a rural, and preferably northern, setting, including First Nations.

2. Considerable experience facilitating meetings and workshops with large and diverse groups representing various interests and perspectives.
3. The ability to present material in an understandable way using effective communication. Experience in an adult education setting would be an asset.

4. Experience with one or more previous contracts or projects which led multiple agencies to achieve benefits and efficiencies with respect to management of capital assets through the use of a modern database, while also complying with reporting requirements of PSAB-3150.

5. The ability to maintain neutrality and remain unbiased with the delivery of material, and in conducting business under this contract so as not to influence individuals, user groups or the Government of Yukon with respect to any particular software products available on the market.

SECTION 4: PROPOSAL EVALUATION PROCESS

1. Method of Evaluation

All proposals received will be evaluated as noted below.

Proposals can only be evaluated on the basis of criteria listed in the Request for Proposal documents and only on information contained in the proposals submitted prior to proposal closing. The Yukon Government may request clarification from a Proponent with respect to the contents of its proposal. Such clarification may not result in a material or substantive change to the proposal.

2. Evaluation Criteria

Proposals will be evaluated based on the criteria listed below. Proponents must ensure that the information they provide includes sufficient material to assess the proponent's capabilities in the areas indicated. Proposals will be graded to reflect the quality of the response.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Team</td>
<td>40%</td>
</tr>
<tr>
<td>Methodology</td>
<td>15%</td>
</tr>
<tr>
<td>Scheduling/Work Plan</td>
<td>10%</td>
</tr>
<tr>
<td>Yukon Content</td>
<td>5%</td>
</tr>
<tr>
<td>Cost</td>
<td>30%</td>
</tr>
</tbody>
</table>

3. Criteria Weighting

<table>
<thead>
<tr>
<th>TECHNICAL EVALUATION</th>
<th>Total Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Project Team</td>
<td>400</td>
</tr>
</tbody>
</table>

   Team Structure
   - Identify each team member and provide an explanation of how each team member was selected for this project. Provide a resume for each team member. (50 points)
   - Explain how team members will complement one another to create an effective team that, at a minimum, meets the mandatory requirements set out in Item 7 (Consultant Team Qualifications) of Section 3 Contract Specifications. (150 points)

   Team Leader
   - For the team leader, provide the following:
     a) A description of one or more contracts or projects managed by the this individual in which he or she provided guidance for two or more agencies and/or municipalities to derive benefits
from effective management of capital assets through the implementation of a modern, web-based database, while also achieving compliance with PSAB-3150 reporting requirements, (75 points) and

- Two references who can attest to the team leader’s competencies and effectiveness with respect to the contracts or projects listed above in (a). (25 points)

**Team Skills**

This project will require a number of skills and competencies, as described in Item 7 (Consultant Team Qualifications) of Section 3 Contract Specifications.

- Describe how the team overall will provide, at a minimum, those skills and competencies requested. Describe what experiences team members have obtained to exercise those skills and competencies. (100 points)

<table>
<thead>
<tr>
<th>2) <strong>Methodology</strong></th>
<th>150</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Describe the team’s project management plan for achieving the deliverables itemized in this Request for Proposals. (30 points)</td>
<td></td>
</tr>
<tr>
<td>- Describe specific methodology that the team will employ for engaging with the various user groups. Be specific about methods that will be utilized to ensure meetings with user groups are productive and that individuals within these groups will feel confident that their input has been acknowledged and will be utilized in the formation of the Business Requirements Document. (100 points)</td>
<td></td>
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<tr>
<td>- The overall methodology is well-written and easy to decipher. (20 points)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>3) <strong>Scheduling/Work plan</strong></th>
<th>100</th>
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</thead>
<tbody>
<tr>
<td>- Explain how the team will accomplish all required tasks and provide quality deliverables within the described timelines. (75 points)</td>
<td></td>
</tr>
<tr>
<td>- Describe when, and for what purpose Government of Yukon staff will be involved. (25 points)</td>
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</tr>
</tbody>
</table>

| TOTAL TECHNICAL AND ORGANIZATIONAL COMPETENCE: | 650 |

Proposals scoring less than 500 points on the above items will be considered technically unacceptable and the price envelope will be returned to the proponent unopened.

<table>
<thead>
<tr>
<th>4) <strong>Yukon Content</strong></th>
<th>50</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Will the Project Manager be a Yukon resident? Indicate who it will be. (25 points)</td>
<td></td>
</tr>
<tr>
<td>- What percentage of time will be spent by Yukon resources working on this contract compared to non-Yukon resources? (25 points)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5) <strong>Price</strong></th>
<th>300</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest price proponent = 300 points</td>
<td></td>
</tr>
</tbody>
</table>
Lowest price

Next Proposal price = Proposal % x 300 points = # of points awarded to other than low price proponent

TOTAL POINTS 1,000

Total the points from sections 1 – 5. The proposal with the greatest number of points is the highest ranked proposal.

4. Proposal Format

The following format and sequence should be followed in order to provide consistency in Proponent response and ensure each proposal receives full consideration. All pages should be consecutively numbered.

a) Signed and completed Proposal form “A”

b) Title page identifying the RFP

c) Table of contents, including page numbers

d) A short (one or two page) summary of the key features of the proposal

e) The body of the proposal, ie. The “Proponent Response”

5. Copies

The Government of Yukon reserves the right to make additional copies of all or part of the Proponent's proposal for internal use, or for any other purpose required by law.

6. Consent to Investigation

In order to assist the Government of Yukon in determining the best qualified and capable Proponent, the Government of Yukon reserves the right, to make any investigations of a Proponent’s business experience, financial capability and business practices as deemed necessary. The Proponent agrees to permit and cooperate with such investigations.

7. Conflict of Interest

Submissions will not be evaluated if the Proponent’s current or past corporate or other interests may, in the Government of Yukon’s opinion give rise to a conflict of interest in connection with this project. The Government of Yukon understands that the specific qualifications being prescribed in this Request for Proposals may attract individuals whose experience relates to only one software platform, as opposed to a variety. The Government of Yukon may exercise reasonable discretion in assessing potential for conflict of interest and will require the successful proponent team to maintain neutrality and conduct itself in an unbiased manner which will not prejudice the outcome of this contract.
First Item – Section 3.2 (Project Scope)

The City of Whitehorse is now removed from the scope of this project.

For clarity, the operations and the management of capital assets in unincorporated, or “Unorganized Communities,” is primarily managed by the Department of Community Services, Operations and Programs Branch. As such, the unincorporated communities should be considered stakeholders for the purposes of this project; however, it is not necessary to schedule meetings with local advisory councils in these communities.

Second Item - Section 3.3.1 (Project Deliverables, Project Initiation Meeting)

In addition to the original paragraph, include the following:

"The proponent team will present to the steering committee information related to a variety (e.g. three or more) of different asset management examples used in Canada in order to inform the steering committee of commercially available examples that may be suitable for the various user groups in Yukon Territory. The proponent team will select these asset management examples based on potential suitability for the Territory on the foundation of all information available to the team leading up to this meeting, which could include initial discussions with the steering committee."

Third Item - Section 3.3.2 (Project Deliverables, Background Community/Territory Information and Capacity Review)

Delete all information in this sub-section beginning with "Meetings must be held in each of the incorporated communities", through to the end of the sub-section. Replace with the following:

The delivery of background information to user groups and the capacity review will be done in two phases.

Phase One

The first phase will be an Asset Management Conference, to be held in Whitehorse. During this conference, the proponent team will be responsible to:

- Inform user groups of the benefits of managing tangible capital assets,

- Inform user groups about modern processes and tools being utilized by other municipal jurisdictions in Canada for asset management and efficient compliance with PSAB-3150 reporting requirements.

Here, the proponent team will present information relating to a variety of asset management examples chosen by the steering committee to the attendees of the conference.
Attention All Planholders:

General

1.1. This addendum shall be read in conjunction with the specifications.

1.2. Where inconsistent with the above, this addendum shall govern. This addendum forms an integral part of the Contract Documents and shall be included therein.

1.3. No consideration shall be allowed for increases (extras) to the CONTRACT PRICE due to failure of the Contractor being familiar with this addendum.

1.4. It is the planholder’s responsibility to ensure all addenda have been received prior to the closing time and date.

1.5. The planholder should acknowledge receipt of addenda on the tender form.

Scope of this addendum:

The Department of Community Services has received a number of questions pertaining to this RFP. Many of the questions have been clarified through the changes addressed in Addendum 1. This addendum provides clarification on four outstanding questions.

1. Current Awareness of Project?
   All First Nations, municipalities and Yukon Government (representing unincorporated Yukon) have been made aware of the Yukon Government's commitment to this project.

2. Conference Calls with Interested Participants?
   Yukon Government can host conference calls.

3. YG Participation in Community Visits?
   If Government of Yukon representatives attend individual meetings with participants, they will do so at their own cost.

4. Budget?
   It is expected that this project should be able to be completed at a cost of under $100,000.
The conference will be planned, organized and coordinated by the Department of Community Services. Facilities and catering will be paid for by the Department of Community Services.

**Phase Two**

The second phase will involve separate, individual meetings with:

- Each of the incorporated communities in the Yukon, with the exception of the City of Whitehorse,
- Up to 14 First Nations in the Territory, and
- The Government of Yukon, Department of Community Services, Operations and Programs Branch. This branch is responsible for operations and management of assets in unincorporated communities in Yukon Territory.

The purpose of these meetings will be to gain an understanding of current processes and tools being utilized by the various user groups with respect to asset inventories, asset management and reporting processes. Specifically, the proponent team will seek to gain information relating to, at a minimum:

- The operating platform of the agency. This includes hardware, operating systems, web browsers as well as information about internet connectivity,
- Which position(s) within the agency will be most commonly interfacing with any new database, and any relevant input which would inform the selection of an appropriate graphic user interface,
- Current inventory tracking by the agency. This will include, at a minimum: information about any electronic tools being used to house the inventory, categories of assets as well as asset attributes such as life expectancy, physical condition, maintenance schedules, replacement cost, risk priority,
- Current capacity for Geographic Information Systems (GIS), and whether the agency has a need or desire to link inventory to a GIS.
- Any other information deemed relevant by the proponent team.

**Fourth Item – Section 3.3.5 (Project Deliverables/Business Requirements Document)**

To clarify the expectations associated with the Business Requirements Document, the Government of Yukon is asking respondents to this RFP to suggest the structure, content and format of this document. There is an expectation to, at a minimum, describe the information collected during visits with individual agencies (see questions above, prescribed for visits with agencies), and to appropriately summarize, identify any outliers, and translate this information into specific system requirements. To be clear, the
proponent team is expected to analyze the information collected and create a Business Requirements Document that will provide guidance to the Government of Yukon as it moves forward to design and/or purchase a database that will meet the needs of all user groups while being mindful of any specific agency whose needs are the greatest.

Fifth Item – Section 3.4 (Project Schedule – Relevant Dates)

Delete bullets 1 through 8, and replace with:

1. Release of Request for Proposals: September 2, 2011
2. Closing Date: October 12, 2011
3. Project Award*: October 19, 2011
4. Meeting with Project Steering Committee: at least two weeks prior to Asset Management Conference
6. Meetings with user groups: completed by December 16, 2011
7. Summary Conference Call with User Groups: Prior to summary meeting with Project Steering Committee
8. Summary Meeting with Project Steering Committee to summarize findings: by January 13, 2012

* Subject to appropriation of funds.
The above schedule is subject to revisions solely at the discretion of the Government of Yukon.

Sixth Item – Section 3.5 (Further Responsibilities/Expectations Pertaining to Deliverables)

Delete bullet #1 “Government of Yukon will establish the schedule for meetings with user groups...” and replace with:

Government of Yukon will schedule the Asset Management Conference and send out invitations. The proponent team will be expected to schedule individual meetings with user group agencies. It will be up to the proponent team to decide how to coordinate travel in order to visit each incorporated community and each First Nation individually.

Seventh Item – Section 4.3 (Proposal Evaluation Process/Criteria Weighting)

Criteria 1 – Project Team, sub-item 2 – Team Leader

Delete the first bullet “A description of one or more contracts or projects managed by this individual in which he or she provided guidance for two or more agencies and/or municipalities to derive benefits from effective management of capital assets through the implementation of a modern, web-based database, while also achieving compliance with PSAB-3150 reporting requirements”,

and replace with:

“A description of one or more contracts or projects managed by this individual in which he or she:
- Provided guidance for two or more agencies and/or municipalities to derive benefits from enhanced management of capital assets, or
- Facilitated stakeholder meetings in order to inform the creation of an asset management system.

(75 points)