

# Auckland Transport Asset Management and Levels of Service

## Purpose

The purpose of this report is to:

- Present to the Board the Asset Management and Levels of Service Frameworks.
- Outline to the Board the work done to date in collating Level of Service information from the Previous Local Government Organisations (PLGO's).
- Seek the approval of the Board to adopt the proposed Auckland Transport (AT) Asset Management Framework and the Level of Service (LOS) framework.

## Executive Summary

This paper presents two important frameworks for Auckland Transport – the Asset Management Framework and the Levels of Service Framework.

The Asset Management Framework integrates planning processes and decision-making across all transport assets and activities. It provides a management structure within which stakeholder needs, levels of service, asset information, finance, risk and resources are brought together to enable balanced, consistent and high quality asset management practice within Auckland Transport.

The Levels of Service Framework provides a region wide basis for defining, measuring and reporting the service standards and outcomes of the transport network.

This paper also details progress in the development of the Auckland Transport Asset Management Plan.

Both frameworks presented in this paper, Asset Management Framework and the Levels of Service Framework need Board approval to enable related planning works to be further developed and to facilitate the publication of the regional Asset Management Plans in 2012.

## Background

Asset Management can be defined as a strategic approach that identifies the optimal allocation of resources for the management, operation, preservation and enhancement of transport infrastructure to meet the needs of current and future customers.

There are five specific themes that define a robust asset management approach:

1. **Strategic Approach:** A systematic process that takes a long term view of the management of the asset to achieve outcomes
2. **Whole of Life:** The whole life-cycle of an asset is considered
3. **Optimisation:** Maximising benefits by balancing competing demands
4. **Resource Allocation:** Allocation of resources based on assessed needs
5. **Customer Focus:** Explicit consideration of customer expectations

In order to achieve these objectives two important frameworks need to be adopted. They are;

- Asset Management Framework
- Levels of Service Framework

## AT Asset Management Framework

The Asset Management Framework integrates planning processes, decision-making and information across all transport assets and activities. It provides a management structure within which stakeholder needs, levels of service, asset information, finance, risk and resources are brought together to enable balanced, consistent and high-quality asset management decision-making. Through this, it enables the delivery of agreed service levels to our customers in the most cost-effective manner and provides proper stewardship of transport assets.

The framework enables consistent asset management practice by linking the asset management responsibilities of key AT stakeholders. High quality asset management outcomes are highly dependent upon the consistent use of the framework by stakeholders, planners and decision-makers.

The proposed Asset Management Framework for Auckland Transport is included in Attachment 1.

## AT Levels of Service (LOS) Framework

The Auckland Transport LOS Framework addresses the four Auckland Transport key outcomes of **effective, efficient, safe** and **sustainable** roading and public transport networks. These four key outcomes are supported by a number of key service values including accessibility, quality, ease of use and reliability. The Auckland Transport key outcomes and service values have good alignment with the service values of both Auckland Council and NZTA.

For usability and practicality, the Auckland Transport LOS Framework comprises three levels of measures below the Auckland Transport Statement of Intent:

### Level 1 – Strategic Network Outcomes (Governance / Strategic)

These LOS measure the Auckland Transport key outcomes for roading and public transport at a **network level**. The measures consist of user opinion of outcomes and supporting SMART (Specific Measurable Achievable Relevant Time-bound) measures where possible.

### Level 2 - Service Area Outcomes (Tactical / Planning)

These LOS measure the Auckland Transport key outcomes for each **network service area** such as road, pedestrian, cycle, rail, bus and ferry. The measures consist of user opinion of outcomes and supporting SMART measures where possible.

### Level 3 - Technical Levels of Service (Operational / Delivery Measures)

These are SMART performance measures of **assets** and **Auckland Transport services** to deliver or support outcomes at Levels 1 and 2.

The LOS Framework has been developed to formally align, monitor and manage performance measures against key result areas and strategic objectives. It has a strong focus on clearly stated outcomes and measures that are necessary and sufficient to achieve them. The concept of 'necessary and sufficient' is embedded throughout the LOS.

The approach has been to focus the framework on measurable outcomes and provide a structure that is easy to use. It will be a resource for consultations and discussions between governance, users, planners and other stakeholders. The LOS Framework has been developed in keeping with the National Asset Management Steering Group (NAMS) practice and uses a set of Auckland Transport guiding principles and criteria for future development.

Under the proposed LOS Framework, a step change from previous models in LOS usability is expected and a stronger emphasis on measurable outcomes will be maintained.

The proposed Levels of Service Framework for Auckland Transport is included in Attachment 2.

The hierarchical nature of levels of service is also shown in the diagram included in Attachment 3.

## **Asset Management and Levels of Service**

The first AT Asset Management Plan (AMP) is being developed for Auckland Transport. It is anticipated that the first draft of this document will be available at the end of June 2011 and will be used to facilitate the development of Auckland Council's Long Term Plan. The document will be further refined and expanded over the following 12 months prior to publication of the 2012 Auckland Transport Asset Management Plan.

Using the key themes identified above, the AMP will link asset investment with strategic objectives to optimise performance against the appropriate key strategic, tactical and operational levels of service for all roading and public transport assets. The AMP will form the basis for asset decision making throughout Auckland Transport.

Levels of Service are an integral part of the developing AMP. They are the agreed asset and service standards of the transport network. They determine the standards required to keep the transport network effective, efficient, safe and sustainable. The LOS Framework maintains the structural linkages between operational activities and Auckland Transport's strategic outcomes. It must be clear, logical and robust to ensure the quality of our services.

## **Existing Levels of Service**

The existing AMP, Annual Plan and LTCCP LOS inherited from the PLGO's have been consolidated for analysis and reporting. These existing LOS have been aligned into various common categories such as service area, asset type and customer service value.

### **Key Findings of Existing LOS Stocktake**

- The previous Councils shared core NAMS structures and concepts such as strategic outcomes, customer values, customer and technical LOS
- There is significant variation across previous councils in the number of LOS and level of detail. Some are minimal and some are complex.
- There is wide variation in the consistency and rigour of linkages between outcomes and operational activities
- Several current LOS have no active measure and are noted for future development
- There is significant variation between current LOS methodologies, language, interpretation and measurements
- Given the variation in measurement methodologies, there are few LOS measures that are fully comparable across previous Councils apart from some industry wide technical measures such as road roughness and safety statistics used for NZTA reporting

The high degree of variation found between the LOS is not unexpected given the differences of scale, community focus and asset management maturity between PLGO's. It is considered that there is limited value in pushing the alignment of these LOS beyond what has been done to date.

However, a number of PLGO AMPs have been recently acknowledged by Audit New Zealand and NZTA as examples of best practice LOS e.g. Auckland City and North Shore City. The relevant aspects of these AMPs' have been used in the development of the Auckland Transport LOS Framework.

## **Levels of Service Development**

### **Stakeholder Alignment**

- The AT LOS to be strategically aligned with the Mayoral Vision and the outcomes of Auckland Council's Long Term Plan
- The AT LOS to be strategically aligned with the NZTA Statement of Intent and the Government Policy Statement (GPS)

### **Guiding Principles of AT LOS**

- LOS to retain core NAMS LOS concepts and principles
- LOS to focus on delivery of measurable outcomes
- LOS must be easily understood, accessible and usable to provide a common resource for consultation and discussion between customers, stakeholders, governance, executive, planning and service delivery. To this end clear frameworks and info-graphic concepts to describe our processes and information will be used.

### **Criteria for LOS Framework**

- Clear definition of strategic goals
- Consistency of service values across service areas
- Correct use of asset categorisation and hierarchies
- Use of necessary and sufficient SMART measures
- Use of plain English language

### **LOS Performance Measures and Statements**

- The LOS performance measures together with the numerical values and LOS statements given in Attachment 2 – LOS Framework are only for indicative purposes at this stage. The details of these measures and statements are still being developed and will be confirmed to the Board at a later date following acceptance of the LOS Framework submitted with this report.

## The Way Forward

Both frameworks presented in this paper, Asset Management Framework and the Levels of Service Framework, need Board approval to enable the related planning works to be further developed and facilitate the publication of the regional Asset Management Plans in 2012.

For the LOS Framework all measures will be populated as part of the 2011 Auckland Transport Asset Management Plan (AMP) development. The framework and its measures will then become a primary resource for the development of new regional and local board LOS within the 2012 AMP and Long-Term Plan.

Existing customer surveys such as the NRB Community Perceptions report and the Gravitas Customer Satisfaction report will be used as well as existing measures from RAMM and other current performance data. However new regional measures will need to be developed where previous councils' measures are not reliably comparable or do not provide regional coverage.

The draft AMP is due to be completed by 30th June 2011 and the draft LOS is expected to be ready for review at the same time.

## Recommendations

That the Auckland Transport Board:

- i). Notes the contents of this report
- ii). Endorses the Auckland Transport Asset Management Framework and the Levels of Service Framework.

## Attachments

**Attachment 1:** Auckland Transport Asset Management Framework

**Attachment 2:** Auckland Transport LOS Framework

**Attachment 3:** Auckland Transport LOS Hierarchy

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