

**Workplace & FM Asia Summit 2010**  
 Incorporating Sustainability & Optimizing Lifecycles  
 SEPTEMBER 9-10 SHANGHAI, CHINA

**'Rock the Foundation' 2010**  
 Shanghai, September 9

**Beyond Compliance:**  
 Repositioning existing assets to promote Sustainability

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## Beyond Compliance


“...if you cannot measure it, you cannot improve it ...”

life

*Fredrick W. Taylor 1856 - 1915*  
“the father of Scientific Management”



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## Definitions

➤ **Facilities Management**


“Integration of processes within an organisation to maintain and develop the agreed services which support and improve the effectiveness of its primary activities”

Source: <http://qsishare.com/ifma/FMpedia/index.html>

3 **P**'s = People + Places + Processes  
4<sup>th</sup> **P** = Productivity ? or Planet ?



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## Definitions


➤ **Asset Management**

“a systematic process of maintaining, upgrading and operating assets, combining **engineering** principles with sound business practice and **economic** rationale, and providing tools to **facilitate** a more organised and flexible approach to making the **decisions** necessary to achieve the public’s expectations”

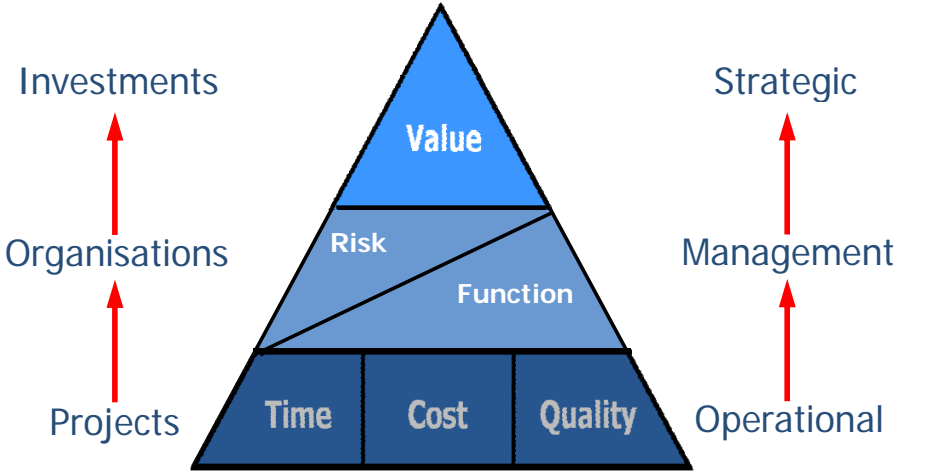
Source: Organisation for Economic Cooperation and Development (OECD)




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## Asset Performance Hierarchy



The diagram illustrates the Asset Performance Hierarchy as a pyramid. The top section is labeled 'Value'. The middle section is divided into 'Risk' and 'Function'. The base is divided into three categories: 'Time', 'Cost', and 'Quality'. To the left of the pyramid, three levels are shown with upward-pointing red arrows: 'Projects' at the bottom, 'Organisations' in the middle, and 'Investments' at the top. To the right of the pyramid, three levels are shown with upward-pointing red arrows: 'Operational' at the bottom, 'Management' in the middle, and 'Strategic' at the top.



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 **Sustainability Defined**

➤ **Sustainability**  
“improving the quality of human life while living within the carrying capacity of supporting eco-systems”



Source:  
International Union for Conservation of Nature (IUCN)  
United Nations Environment Programme (UNEP)  
World Wide Fund for Nature (WWF)


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 **The BIG Questions**

*“How much extra does it cost to build Green?”* **WRONG QUESTION #1**

*“How much will we save by building Green?”* **WRONG QUESTION #2**

*“What is the impact on user satisfaction, productivity and long term value?”* **RIGHT QUESTION!!**

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## ESD Operations Guide




[www.environment.gov.au/settlements/government/publications/esd-operations-guide.html](http://www.environment.gov.au/settlements/government/publications/esd-operations-guide.html)

- Australian Government's new 94 page Guide to impacts on **quality of life**
- Recognises and links FM, good design and effective **life cycle performance**
- Cost-effective pathways to environmental performance in **existing buildings** for owners, managers and tenants
- Independent and free

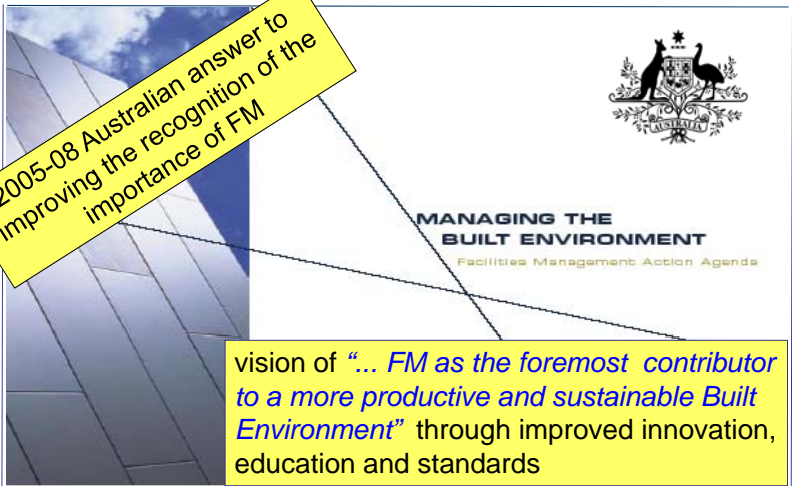


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## Managing the Built Environment



vision of *"... FM as the foremost contributor to a more productive and sustainable Built Environment"* through improved innovation, education and standards



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## FM Exemplar Project



**FM as a business enabler**  
Solutions for managing the built environment


Free Download

- Sydney Opera House with three FM research streams
  1. Digital Modelling
  2. Services Procurement
  3. Performance Benchmarking
- FM Action Agenda alignment and best practice demonstrator
- Integrated solutions for industry **'FM as a business enabler'** and **'Adopting BIM for FM'** both published in 2007  
<http://construction-innovation.info/index.php?id=53>



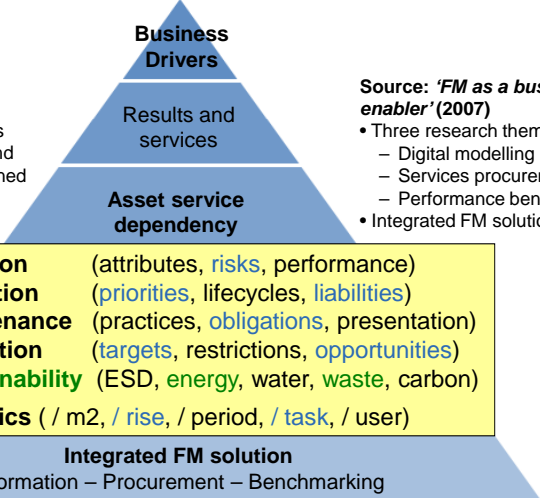
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## Asset Performance

**Total Asset Management (TAM) strategy**  
Alignment between business drivers, services provided and asset dependency underpinned by information, procurement and benchmarking systems.



**Business Drivers**

Results and services

**Asset service dependency**

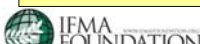
**Integrated FM solution**  
Information – Procurement – Benchmarking

**Source: 'FM as a business enabler' (2007)**

- Three research themes:
  - Digital modelling
  - Services procurement
  - Performance benchmarking
- Integrated FM solution


<ol style="list-style-type: none"> <li>1. <b>Function</b> (attributes, risks, performance)</li> <li>2. <b>Condition</b> (priorities, lifecycles, liabilities)</li> <li>3. <b>Maintenance</b> (practices, obligations, presentation)</li> <li>4. <b>Utilisation</b> (targets, restrictions, opportunities)</li> <li>5. <b>Sustainability</b> (ESD, energy, water, waste, carbon)</li> </ol>
<b>Metrics</b> ( / m2, / rise, / period, / task, / user)

Free Download 'FM as a business enabler' - <http://construction-innovation.info/index.php?id=53>




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## Technical Due Diligence




- RICS Best Practice Guidance on Technical Due Diligence (2009)
- Provides a 22 page “guide”, not an instruction manual or standard
- Risk mitigation, Value enhancement and opportunity identification
- Structure, language and ‘checklists’

[www.rics.org/Networks/Regions/Oceania/](http://www.rics.org/Networks/Regions/Oceania/)




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## Technical Due Diligence


- Building fabric, structure and façade elements
- Engineering services and capability
- Building regulations compliance
- Environmental liabilities
- Value adds:
  - CAPEX forecasts and risk analysis
  - Reinstatement / Replacement costs
  - Tax depreciation entitlements
  - FM audit and benchmarking
  - PCA Quality Grading
  - Sustainability





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## Asset Life Cycles

Life cycle is “*the time interval between a product’s recognition of need or opportunity and its disposal*”


Source: AS/NZS 4536:1999




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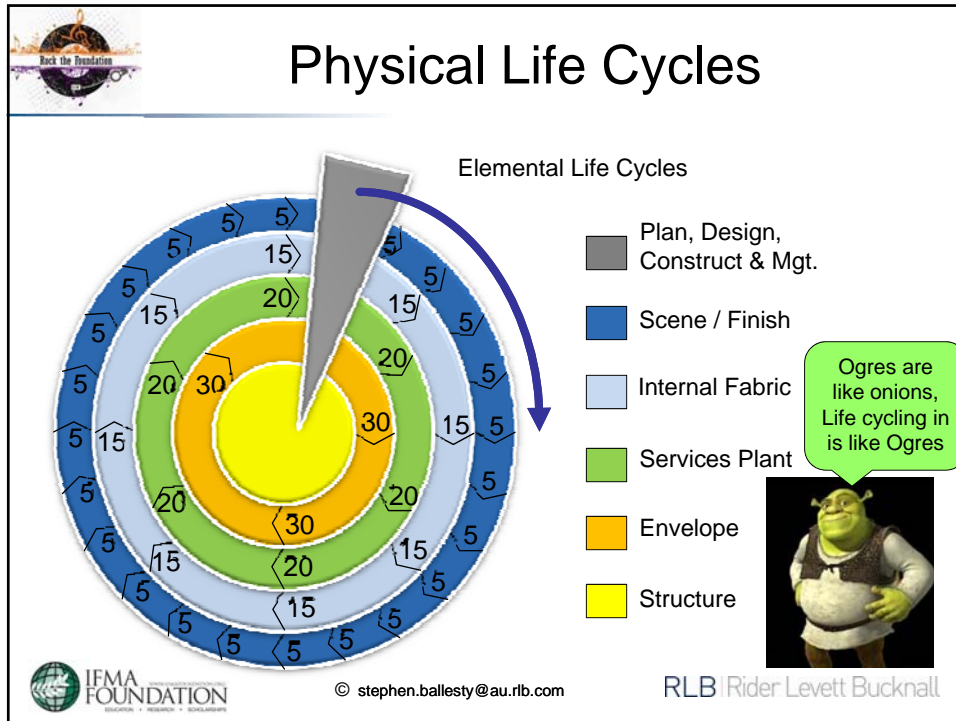
## Life Cycle Periods



- **PHYSICAL**
- Economic
- Functional
- Technological
- Social
- Legal
- Investment



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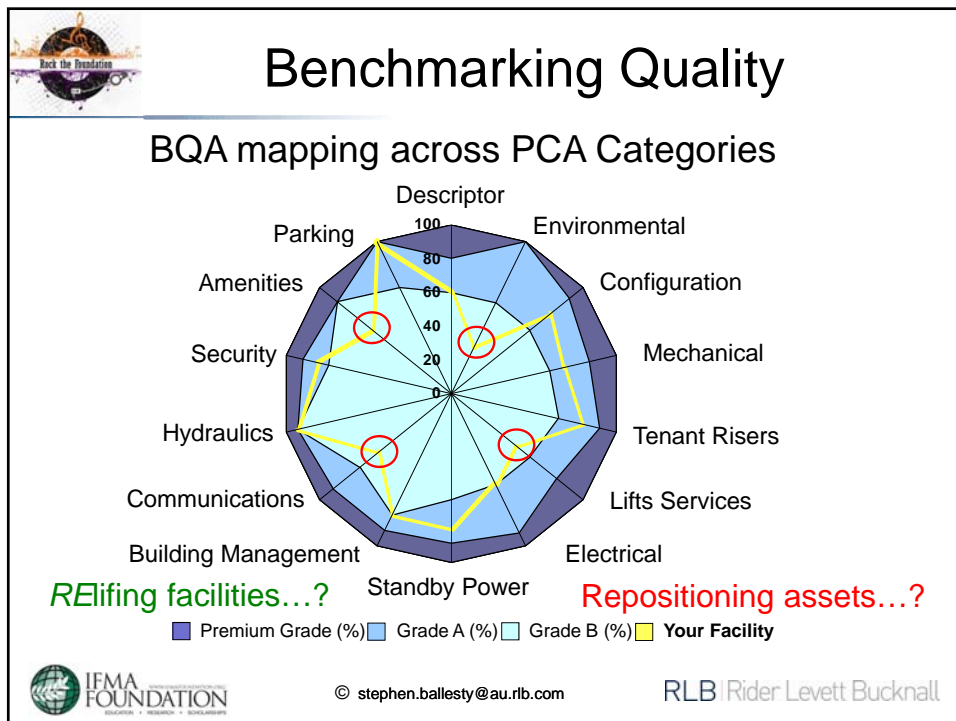
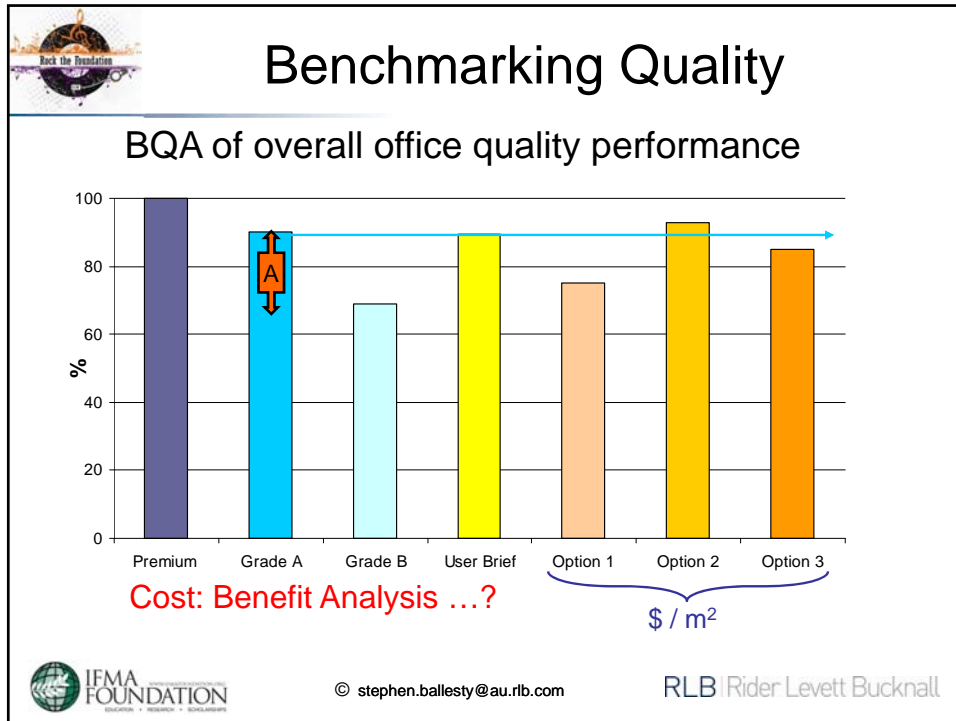


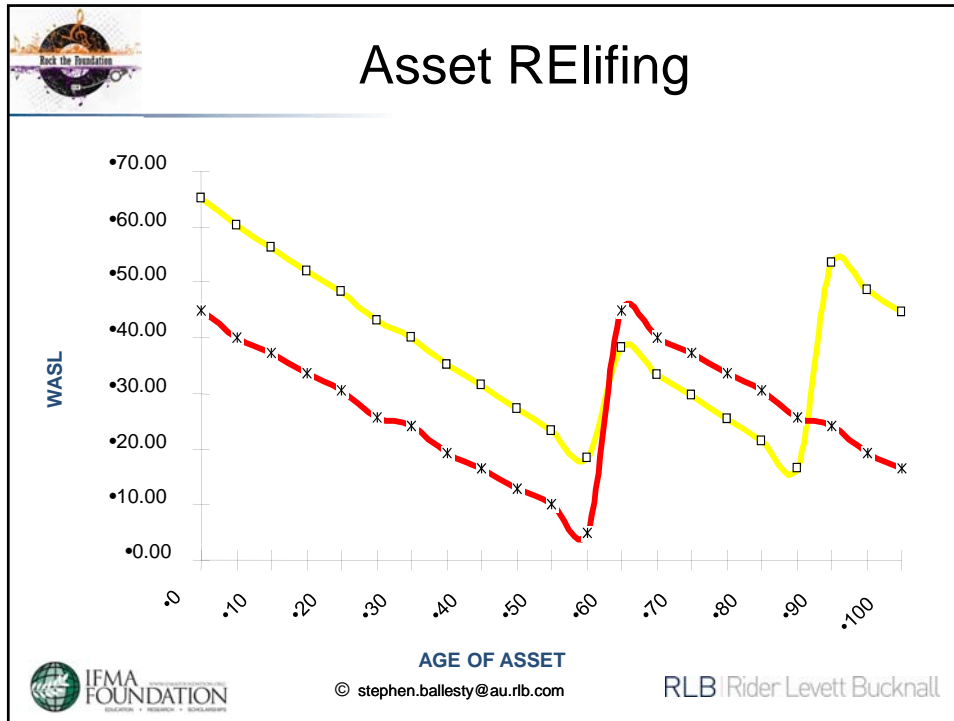
## Quality Benchmarking

- Property Council of Australia (PCA) 36 pages (2006) currently under review
- Recognized for the first time the use of Green Rating tools linking sustainability to quality
- a Guide in 2 parts
  - Grading matrix for **existing**
  - Specification for **new** offices

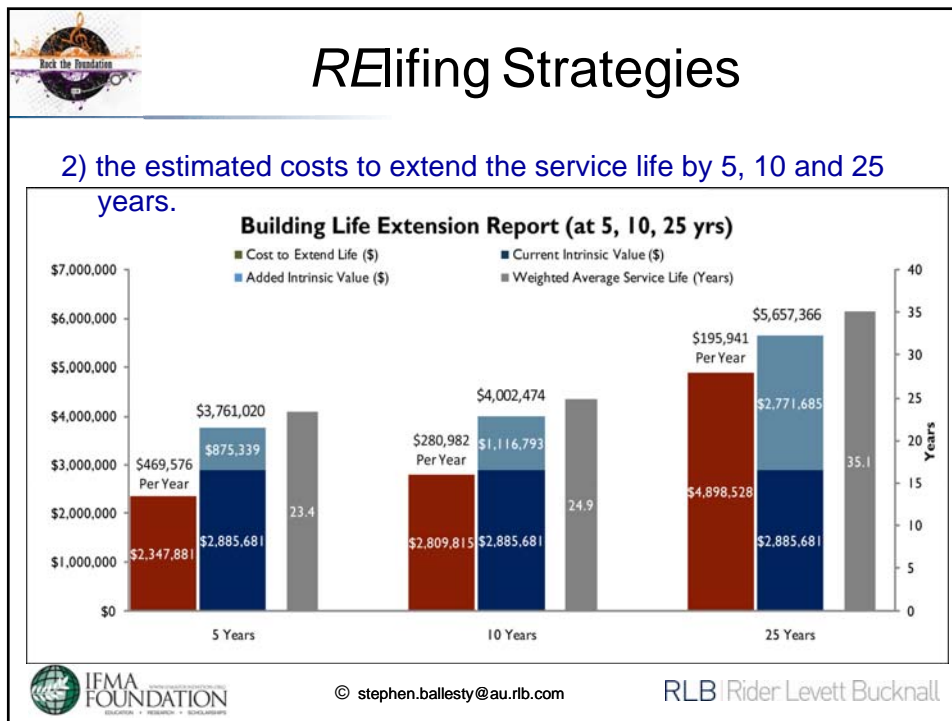
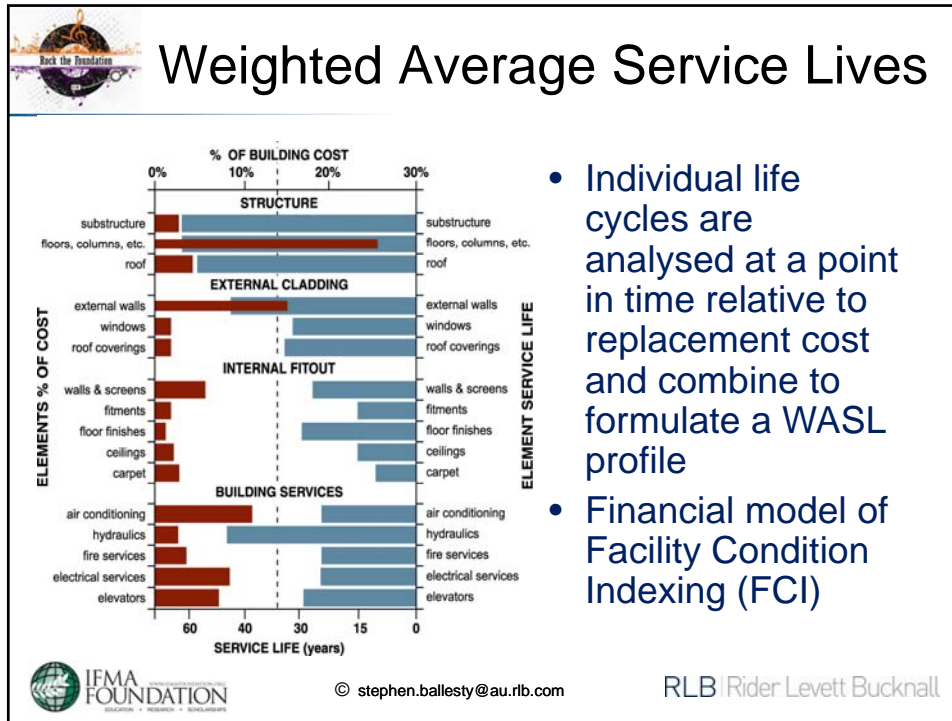
[www.propertyoz.com.au](http://www.propertyoz.com.au)

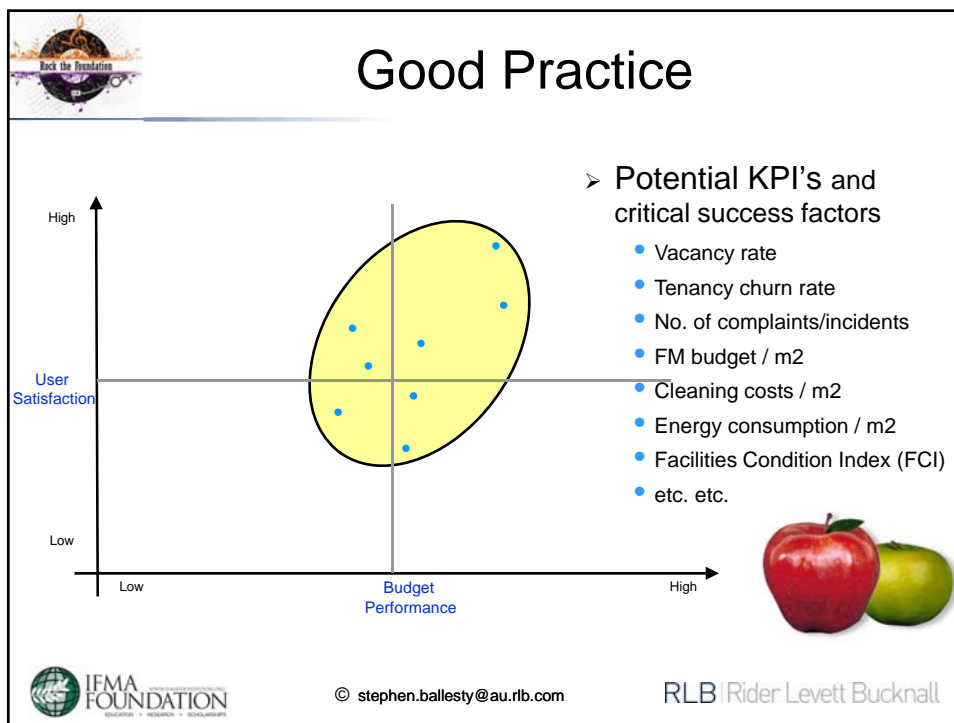
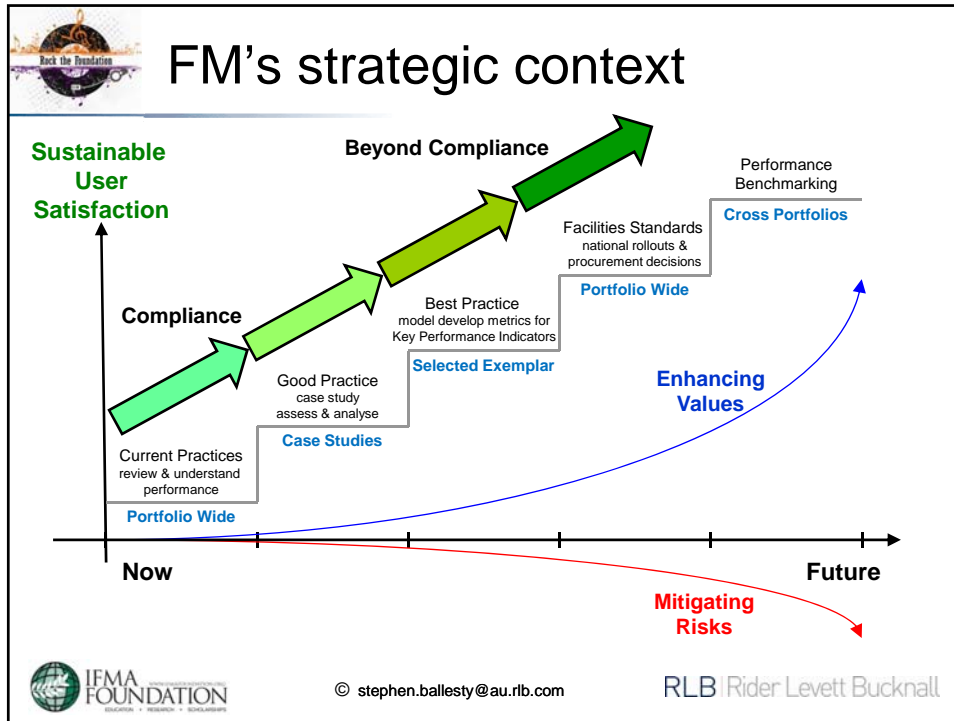
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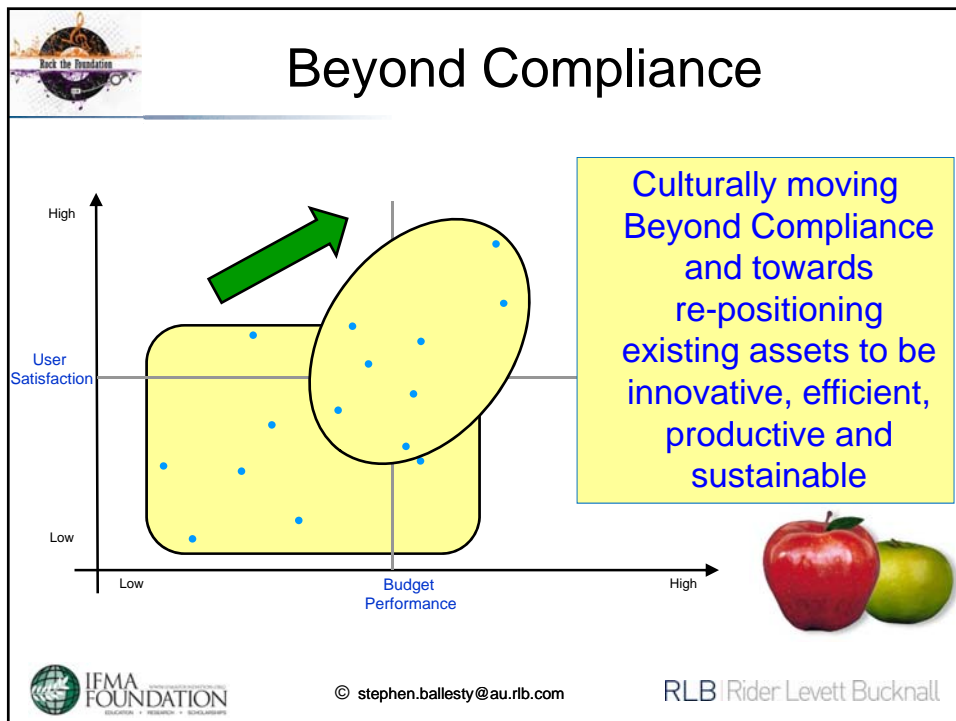
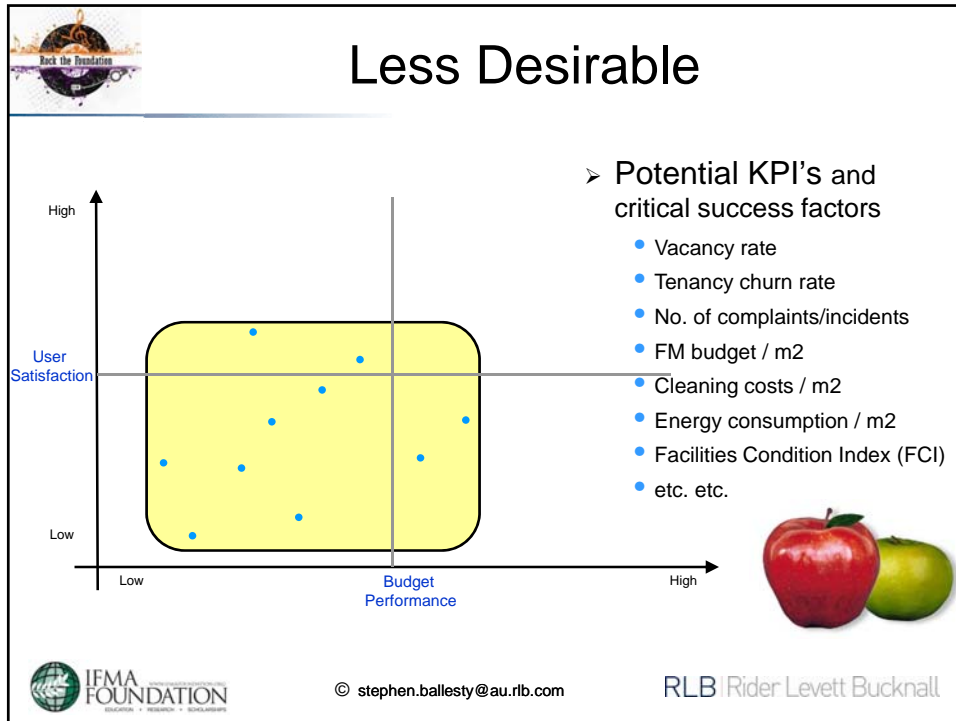




- ### RElifing Considerations
- Aligning asset management planning
  - Business drivers, valuations and financials
  - Existing facility use, condition and utilization
  - Maintenance policy, planning and procedures
  - Quality expectations and benchmarks
  - Redevelopment and refurbishment opportunities
  - Planned life expectancy and renewal cycle
  - Decision making culture – risk appetite 😊
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 **Other FM Resources**


 <p>IFMA FOUNDATION Sponsored by the Leeward Academy Inc.</p> <p><b>DELIVER the GREEN</b></p> <p>NEW free release for 2010 'Sustainability How-to Guides'</p> <p>FREE downloads</p>	 <p>IFMA FOUNDATION</p> <p><b>Violence in the workplace</b> The Role of the Facility Manager</p> <p>FREE downloads</p>	 <p>IFMA FOUNDATION</p> <p><b>The Business of Green Cleaning</b></p> <p>for sale</p>
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 **IFMA Foundation**

“To expand our knowledge of the **Built Environment** in a changing world through scholarships, education and research”



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