

# AssetSMART 2.0

A Tool to Assess Your Community's Asset Management Practices

## What is AssetSMART?

AssetSMART is a tool that local governments can use to assess their capacity to manage their assets. This tool has been designed to help local governments:

- ◇ Evaluate their asset management practices in a comprehensive way
- ◇ Identify particular areas of strength and areas for improvement
- ◇ Establish priorities
- ◇ Build awareness of the many dimensions of asset management
- ◇ Generate productive discussion across departments
- ◇ Measure progress over time
- ◇ Benchmark against other communities
- ◇ Set short-, mid-, and long-term objectives in specific areas

## Which communities should use AssetSMART?

AssetSMART has been specifically designed to reflect the unique challenges that local governments face in managing their assets. This tool is intended to be used by any local government, of any size, and at any stage of implementing an asset management program. Whether your community is in the initial or advanced stages of asset management, AssetSMART can help your organization take stock of where it is today and plan for the future.

DATE \_\_\_\_\_

NAME \_\_\_\_\_

ORGANIZATION \_\_\_\_\_

## The Framework

AssetSMART uses Asset Management for Sustainable Service Delivery: A BC Framework (the Framework) as a foundation. The Framework establishes a high-level, systematic approach that supports local governments in moving toward service, asset and financial sustainability through an asset management process.



## The Core Elements of Asset Management

People, Information, Assets, and Finances are considered the core elements of asset management. Each of these elements are necessary for sustainable service delivery. Success requires the integration of these four elements throughout the process of asset management. The four core elements form the AssetSMART assessment categories.

## Step 1 Assess Current Capacity

For each of the rows, choose the cell that most closely describes your organization's capacity today (simply check the appropriate box). If you feel that your organization falls between two cells, choose the line between the two cells. Add comments as needed in the adjacent column.

The assessment matrix is organized into the five core capacity areas (rows), and by capacity level (columns). Capacity increases from left to right as follows:

- Level ① Very low capacity
- Level ② Fair capacity
- Level ③ Good capacity
- Level ④ High capacity

## Step 2 Identify Desired Capacity

For each of the rows, choose the cell that most closely describes the level of capacity that you would like your organization to have in the future. You may want to indicate desired capacities for a given timeframe, as your organization may have different short-, mid-, and long-term objectives.

Defining "desired capacity levels" will likely be more difficult than identifying "current capacity levels", and will require organization-wide discussion to establish attainable objectives. It is not suggested that all communities aim for Level ④ capacity on all components – targets will need to reflect the specific circumstances of each community.

## Who should fill in the self-assessment?

Effectively managing a community's assets will require the participation of many individuals and groups from across the organization. At a minimum, personnel responsible for

the following functions should be invited to participate in the self-assessment:

- ◇ Engineering (transportation, water, sanitary, stormwater)
- ◇ Facilities
- ◇ Parks and Recreation
- ◇ Operations
- ◇ Planning (current and long-range)
- ◇ Finance

## How should the self-assessment be completed?

Local governments can opt to fill in the self-assessment in a number of ways, such as:

### A group (whole organization)

Local governments may choose to complete the assessment together as a group in workshop format, to help ensure that all participants are on the same page. This approach can effectively build buy-in from the entire group, but may not highlight significant differences in understanding across the organization.

### Individually

Alternatively, local governments may choose to ask each participant to complete the assessment independently, and then meet as a group to review the results. Providing respondents with the assessment prior to meeting as a group can help ensure that individual input is fully explored, and bring to light any significant differences in understanding across the organization.

### Business units

Other local governments may choose to complete the assessment first by business unit or department, and then discuss the results as an entire organization.

Local governments will need to choose an approach that makes the most sense for their organization. However, it is recommended that local governments always include plenty of time for discussion about assessment results. **The discussion is the most valuable part of the exercise.** Local governments may also find it helpful to have an outside asset management expert facilitate the discussion. Involving an objective third-party can help ensure that issues are discussed fairly and comprehensively.

## How can the assessment results be used?

Completing AssetSMART is an important first step in developing an asset management strategy. Next steps include:

### Prioritizing gaps

For most local governments, it will not be reasonable to expect to build capacity in all areas at once. Local governments will need to choose which capacity gaps to address first. Some capacity gaps will be more significant than others. This will all depend on the local government's unique circumstances.

### Developing implementation strategies

The next step will be to develop detailed implementation strategies to fill the most significant capacity gaps.

AssetSMART helps frame the discussion on prioritizing gaps and developing implementation plans, but it does not provide pre-packaged solutions. Local governments will need to look carefully at their specific circumstances, evaluate available options, and decide for themselves the best way forward.

## **ASSET**

A physical component of a system that has value, enables services to be provided, and has an economic life of greater than 12 months.

## **ASSET MANAGEMENT**

Systematic and coordinated activities and practices through which an organization manages its assets, their associated performance, risks and expenditures over their life cycles.

## **ASSET MANAGEMENT PLAN**

Document specifying activities and resources, responsibilities and timescales for implementing the asset management program.

## **ASSET MANAGEMENT PROGRAM**

A program to identify asset management needs, set up longer term financing means, and regularly schedule maintenance, rehabilitation and replacement works for the long term sustainability of the asset.

## **ASSET RENEWAL**

Works to upgrade, refurbish or replace existing facilities with facilities of equivalent capacity or performance capability.

## **GIS**

Geographic Information System.

## **INFRASTRUCTURE DEFICIT**

A cumulative shortfall of required asset renewal.

## **LEVEL OF SERVICE**

The defined quality for the provision of a particular service. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability, and cost.

## **LIFE CYCLE**

The life of an asset, from the point when a need for it is first established, through its design, construction, acquisition, operation and any maintenance or renewal, to its disposal.

## **LIFE CYCLE COST**

The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation, and disposal costs.

## **LOCAL GOVERNMENT**

Municipalities and regional districts.

## **LONG-TERM FINANCIAL PLAN**

Funds the long term investment plan.

## **LONG-TERM INVESTMENT PLAN**

A long-term multi-asset renewal plan (e.g. 20 years).

## **MAINTENANCE**

All actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal.



	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	EVIDENCE / NOTES
<b>1</b> <b>Location</b>	<p>Accurate location data is available for fewer than half of the assets and is in a format or location that is generally inaccessible to those who need it.</p> <input type="checkbox"/>	<p>Accurate location data is available for at least 50% of the assets.</p> <input type="checkbox"/>	<p>Complete and accurate data is available for most assets, including all critical assets. Data is easily accessible to all who require it.</p> <input type="checkbox"/>	<p>Complete and accurate data is available for all assets, including new assets. Data is easily accessible to all who require it.</p> <input type="checkbox"/>	
<b>2</b> <b>Key Attribute Data</b>	<p>Accurate attribute data is available for fewer than half of the assets and is in a format or location that is generally inaccessible to those who need it.</p> <input type="checkbox"/>	<p>Accurate attribute data is available for at least 50% of the assets.</p> <input type="checkbox"/>	<p>Complete and accurate data is available for most assets, including all critical assets. Data is easily accessible to all who require it.</p> <input type="checkbox"/>	<p>Complete and accurate data is available for all assets, including new assets. Data is easily accessible to all who require it.</p> <input type="checkbox"/>	
<b>3</b> <b>Install Data</b>	<p>The installation date is available for fewer than half of the assets and is in a format or location that is generally inaccessible to those who need it.</p> <input type="checkbox"/>	<p>Asset installation date is available for at least 50% of the assets.</p> <input type="checkbox"/>	<p>Accurate install date is available for most assets, including all critical assets. Data is easily accessible to all who require it.</p> <input type="checkbox"/>	<p>Complete and accurate data is available for all assets, including new assets. Data is easily accessible to all who require it.</p> <input type="checkbox"/>	
<b>4</b> <b>Historic Cost</b>	<p>Accurate historic cost data is available for fewer than half of the assets and is in a format or location that is generally inaccessible to those who need it.</p> <input type="checkbox"/>	<p>Accurate historic cost data is available for at least 50% of the assets.</p> <input type="checkbox"/>	<p>Complete and accurate historic cost data is available for most assets, including all critical assets. Data is easily accessible to all who require it.</p> <input type="checkbox"/>	<p>Complete and accurate historic cost data is available for all assets, including new assets. Data is easily accessible to all who require it.</p> <input type="checkbox"/>	
<b>5</b> <b>Natural Assets</b>	<p>No consideration is given to natural assets in planning for sustainable service delivery.</p> <input type="checkbox"/>	<p>There is general awareness of the services provided by natural assets, but natural assets are not included in planning or decision making.</p> <input type="checkbox"/>	<p>Some natural assets have been identified and the value of service is partially understood.</p> <input type="checkbox"/>	<p>All significant natural assets have been identified and the value of service they provide is understood. This value is considered in decision making and planning.</p> <input type="checkbox"/>	



# 6 Policy

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	EVIDENCE / NOTES
	No policies are in place related to sustainable service delivery.	Some policies related to sustainable service delivery are in place, but there are significant gaps or policies are not actionable.	Good policies are in place related to sustainable service delivery, but they are not all referenced for decision making.	Policy(ies) adopted by council that are understood and provide clear direction on how the community will achieve sustainable service delivery. Policies are a regular reference for guiding decisions.	

# 7 Strategy

	No strategy is in place.	Components of a strategy or framework are in place, but there are significant gaps in providing direction for sustainable service delivery and the linkage of plans and initiatives.	A strategy / framework is in place that identifies specific sustainable service delivery goals, the approach to achieving them, and identifies how organizational plans or initiatives fit together to inform decision making and achieving the goals. The strategy is not being widely implemented.	A strategy / framework is in place that identifies specific sustainable service delivery goals, the approach to achieving them, and identifies how organizational plans or initiatives fit together to inform decision making and achieving the goals. The strategy is being implemented.	
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# 8 Level of Service

	The levels of service currently delivered are not consistently understood by the public or documented.	In some of the core service areas, the current level of service is understood and documented, and the desired level of service has been defined.	In all service areas, the current level of service is understood and documented, and service targets have been set.	Current and desired levels of service, and trade offs between costs and services are well understood by both staff and the public.	
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# 9 Risk

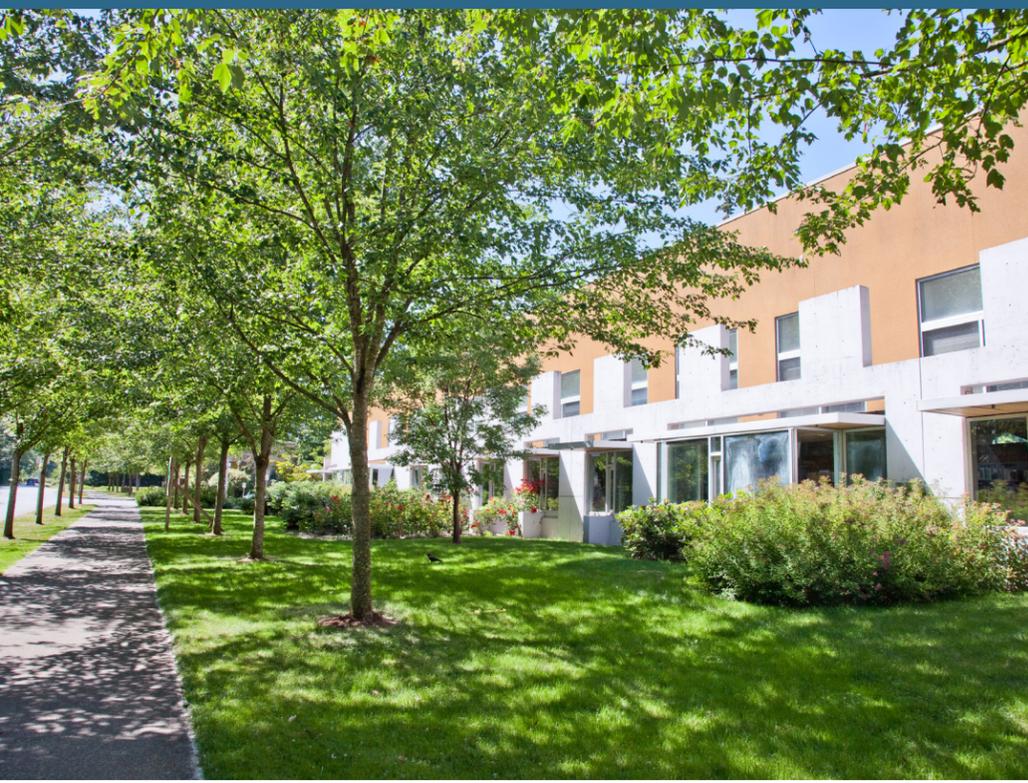
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	EVIDENCE / NOTES
	Risks to assets and service levels are not understood or documented	Asset risk is estimated according to asset remaining life only, condition assessment information is not available. Broader service delivery risks have not been considered.	Estimated remaining life is known for all assets and is supported by a condition assessment for critical assets or assets nearing replacement. Risk assessments consider the consequence of failure. Some 'big-picture' risks to service delivery for the organization are understood at a corporate level.	Asset risks are well understood and documented based on evidence of the probability and the consequence of failure. High-level organizational risks to service delivery are well understood throughout the corporation.	
	No Asset Replacement Plan exists to show the theoretical timing for asset replacement.	Parts of an Asset Replacement Plan exist (e.g. for some asset categories, for a duration <20 years, etc.) but it is not consolidated into an organizational long term view.	An Asset Replacement Plan has been developed, but it is either <20 years in scope or does not include all assets.	A long term (75+ year) plan is in place that illustrates the timing of expenditure to replace all existing assets, the current infrastructure deficit, and the average annual sustainable funding level.	
	No long term (10 year) capital plan is in place.	A ten year capital plan is in place but it is limited to new projects and it does not reflect anticipated asset renewal.	A ten year capital plan is in place that reflects new capital projects for growth or regulatory compliance, and the replacement of existing assets to manage risk and deliver an appropriate level of service.	A ten year capital plan is in place that is current, informed by level of service targets, risk to service delivery. The capital plan is integrated with the long term financial plan, and is being followed and tracked.	

# 10 AMP - Asset Replacement Plans

# 11 AMP - Long Term Capital Plan

# 12 Climate Change

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	EVIDENCE / NOTES
<p>Climate change is not considered in service delivery risk or long term asset replacements.</p>	<p>Probable local impacts of climate change have been identified and are considered in some organizational plans.</p>	<p>An assessment of risk to some critical existing infrastructure has been conducted. Design and construction of new assets consider climate change.</p>	<p>An assessment of risk to existing infrastructure has been conducted, and plans are in place to manage this risk. Design and construction of new assets consider climate change.</p>	





## 13 Long Term Financial Plan

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	EVIDENCE / NOTES
No long term financial plan is in place.	A financial plan is in place but it covers <10 years or does not reflect the future costs of replacing existing assets.	A long term (10+ years) financial plan is in place that reflects the revenue required and funding sources to fund new assets and asset replacements, but the plan is not being followed or updated.	A comprehensive long term financial plan exists and is based on up to date information. The plan looks forward 10 years or more and is integrated with long term capital plan. The plan is being tracked and followed.	

## 14 Revenue

Revenue is year to year and there is no linkage between revenues and long term requirements. Revenues are not sufficient to meet needs without reliance on grants or subsidies.	Revenue is sufficient and reliable to fund the requirements for the next 5 years, but there is a significant gap between revenues and sustainable funding levels for later years.	Revenue is sufficient and reliable to fund the requirements in the 10 year capital plan, but there is still a gap between revenues and sustainable funding levels for the long term.	Revenues are sufficient, predictable, and stable to fund long term sustainable service delivery in alignment with the long term financial plan and the asset replacement plan.	
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## 15 Reserves

No reserves are in place.	Minimal reserves are in place that can buffer short term fluctuations in revenue (e.g. 6 weeks operating expenses).	Reserves are in place to buffer short term revenue fluctuations. There are dedicated reserves for future capital renewal, but do not meet the levels required as identified in the financial plan.	Reserves are held at levels established in accordance with the financial plan in order to meet long term requirements.	
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## 16 Debt

Debt levels are high (at or very near the maximum), limiting capacity for additional borrowing and no plan is in place to reduce debt.	Debt levels higher than desired and debt management strategy is being considered.	Debt levels are reasonable but is trending upward and are not aligned with the long term financial plan.	Debt levels are prudent and reasonable. Debt levels are in line with the long term financial plan and relatively stable.	
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17  
People  
Capacity

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	EVIDENCE / NOTES
Staff have no time for asset management.	Some staff time could be made available for asset management, but staff have limited or no knowledge of the tasks and processes required to meet asset management outcomes.	Staff are investing some time in asset management and are working to build the capacities, knowledge, and systems needed.	Staff have the necessary time, knowledge, skills, and capacities to achieve asset management outcomes and are implementing asset management as part of their jobs.	

18  
Awareness

There is no awareness of the needs to manage assets and sustainably deliver services among staff, elected officials, or members of the public.	Staff are generally aware of the major issues related to Asset Management and service sustainability in the community, and what is needed to address these issues.	Staff members and elected officials are aware of community issues and future risks related to sustainable service delivery.	Members of the public are aware of the issues related to sustainable service delivery, and there is evidence these issues are considered in public decision making.	
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19  
Teamwork

No cross functional team is in place to manage assets. There are significant siloes in the organization that prevent information from being shared and used in decision making.	A cross functional team is in place, but siloes among departments or staff positions (e.g. between operations and management) still prevent information from being shared.	A cross functional team is in place that is effectively bridging siloes in the organization.	There is no perception of siloes across departments at all levels of the organization. There is a strong culture of teamwork and information is readily and consistently shared through formal and informal channels.	
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20  
Role

People do not understand their role in asset management or sustainable service delivery which hinders the ability to manage assets.	A small group of people understand their role as it relates to sustainable service delivery, but there are some significant gaps causing things to fall through the cracks.	Most people in the organization understand their role as it relates to sustainable service delivery.	Roles are clearly understood by everyone, including council, resulting in nothing 'falling through the cracks'.	
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# 21 Decision Making

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	EVIDENCE / NOTES
<p>Decisions are made based on a short term frame or reactive in nature and in isolation of appropriate information.</p>	<p>Decision making based on a long term frame, but are informed only by incomplete or anecdotal information.</p>	<p>Decision making is based on the long term and incorporates appropriate information.</p>	<p>Decision making about assets and service delivery is informed with appropriate and timely information, is transparent, and is aligned with community priorities and long-term sustainable service delivery.</p>	

