



ASSET MANAGEMENT BC POSITION STATEMENT: Appendix A – Key Asset Management Principles

Key Asset Management Principles

The Position Statement ensures that the asset management community in British Columbia follow a standard approach to managing assets in line with the principles identified in this document. The larger community includes: local governments, First Nations, incorporated local bodies, or any organization involved in the delivery of services critical to the well being of the community using physical infrastructure or natural assets.

Holistic Approach

The Asset Management BC Framework recognizes there are many components within the asset management process and provides a circular, continuous pathway to link all components of the process together. The Framework focuses on desired outcomes rather than prescribing specific methodologies that allows organizations to develop and implement an approach that can be both incremental and measured, tailored to the individual needs and capacity of each local government. The BC Framework also points the way to a holistic and integrated approach to asset management. Nature and the natural asset services that it provides, are viewed as a fundamental and integral part of a community's infrastructure system.

Continuous Improvement

Asset management supports practical, evidence-based decision-making and is a continuous quality improvement process. This ongoing Process is incremental and scalable, involving; Assessing capacity, demand and results, Planning what needs to be done, and Implementing the plans. Integral to, and throughout the asset management Process, it is important to include regular reviews and provide effective communication internally and externally with all affected stakeholders. This continually informs how to enhance and expand the Process.

Sustainability

Sustainable Service Delivery ensures that current community service needs, and how those services are delivered (in a socially, economically and environmentally responsible manner), do not compromise the ability of future generations to meet their own needs. Communities build and maintain infrastructure to provide services. These services support our quality of life, protect our health and safety, and promote social, economic and environmental well-being. Failure to care for our infrastructure, manage our natural resources and protect the benefits provided by nature risks degrading, or even losing, the services communities enjoy, and that future generations may rely on.



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Planning

Asset management planning represents the formalization of an organization's commitment to asset management and the documentation of how the four core elements of assets, information, people, and finances come together in asset management practices and improvement goals.

Policy

Having an asset management policy is critical to ensuring effective long-term implementation of asset management. It helps accomplish four main objectives:

1. Establishes the organization's commitment to asset management and stable, long-term funding for the operation, maintenance, renewal, replacement or decommissioning of infrastructure.
2. Sets out clear guidance for council and staff for undertaking the asset management process. This includes corporate goals and objectives and may specify what is to be included in the asset management process and may set up timelines for achieving results.
3. Ensures the approach to asset management is integrated throughout the organization and aligned with high-level objectives.
4. Provides direction for developing the asset management strategy and asset management plans.

Strategy

Having an asset management strategy provides a corporate-level guide for all asset management activities. It identifies how other corporate plans, initiatives, or priorities connect to asset management and serves as a connection point between the principles in an asset management policy and actions in asset management plans. Without alignment of objectives, priorities, and approach, an organization risks missing key organizational connection points, as well as ineffective and inefficient use of assets, staff time, and financial resources.

Finances

Financial planning should include defensible prioritization of limited resources using consistent and repeatable systems.

An understanding of the full lifecycles costs of assets should be used to inform decisions throughout the asset lifecycle. Lifecycle costing examines all costs incurred over the lifecycle of an asset: design, construction, operation, maintenance, capital renewal and disposal. The impacts of climate change are putting significant strain on community infrastructure, increasing the risk of failure and service



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disruption. There are opportunities throughout an asset's entire lifecycle to incorporate climate adaptation measures.

A long-term financial plan should accommodate the organization's cash flow needs to enable it to carry out the asset management activities set out in the asset management plan(s) and be financially sustainable.

Risk

Risk management involves a cycle of assessing risk, identifying risk tolerance, implementing actions to treat risks, and assessing the effectiveness of those actions. Effective risk management is done at a system level and considers potential risks to short-term service and costs, risk appetite boundaries, and ongoing service and financial sustainability (such as changing climate). It applies a variety of actions to manage risks such as proactive maintenance, modified operations, public education programs, defined renewal strategies, appropriate insurance policies, and management of financial reserves.

Properly managed risk can reduce financial losses, improve health and safety, good will and reputation, minimize environmental and social impact, and can result in reduced liabilities such as insurance premiums, fines and penalties.

Levels of Service

Levels of Service (LoS) are specific parameters that describe the extent and quality of services that the organization provides to users and can link an asset's performance to target performance goals. Establishing both customer and technical levels of service ideally begins with decisions made in the up-front planning stage and continues throughout the lifecycle of the asset. Levels of service targets should be informed by affordability and public willingness to pay and consider both engineered and natural assets. Clearly defining levels of service ensures that the reliable delivery of services and public expectations are aligned and assuring the performance of assets can lead to improved services or products that consistently meet or exceed expectations.

Legal Compliance

The organization must comply with legislation and regulatory requirements enacted by federal, provincial, and local governments. It shall consider these requirements as an integral part of the lifecycle strategy while undertaking asset design, procurement, construction, operations,



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maintenance and disposal. The organization will identify and undertake actions to meet all legal and other requirements that apply to physical assets, processes, systems, and AM practices.

This can also be part of Technical Levels of Service as legislative, regulatory, and contractual requirements are typically the minimum levels of service that must be provided.

Communication

Integral to, and throughout the asset management Process, it is important to include regular reviews and provide effective communication internally and externally with all affected stakeholders. Internally, it is critical to develop organizational alignment and build knowledge/understanding prior to external communication and engagement. Educating and building awareness will improve the ability to implement asset management.

Partnerships and Communities of Practice

The Asset Management BC Community of Practice supports the advancement of asset management through learning, collaboration, sharing, education, advocacy, and encouraging the development and implementation of asset management best practices. The community should also endeavour to develop and maintain partnerships with interested and affected parties, advisors, and specialized organizations to support all aspects of AM practices and projects for sustainable service delivery.