



# ASSET MANAGEMENT BC POSITION STATEMENT: Levels of Service

## LEVELS OF SERVICE POSITION STATEMENT

**Levels of Service (LOS) is a foundational element of asset management and must be clearly defined, documented, monitored, and adjusted through the asset management framework to ensure service delivery is affordable, sustainable, risk-informed, and aligned with community priorities over the long term.**

### Background

Every day local governments are making decisions and taking actions that influence the levels of service being delivered, the risks to those services, and the costs of delivering those levels of service – today and into the future.

Level of Service (LoS) standards identify what community members are intended to receive. Establishing customer levels of service, and acknowledging and following technical levels of service, ideally begins with decisions made in the up-front planning stage and continues throughout the lifecycle of the assets.

Levels of service should consider both engineered and natural assets and levels of service targets should be informed by affordability and public willingness to pay. Setting optimal levels of service requires understanding both the assets and finances needed to sustain service levels over the long-term. Clearly defining levels of service ensures efforts and expectations are aligned.<sup>1</sup>

Currently, the challenge for communities lies in quantifying LoS in measurable terms, linking it to costs, and aligning it with customer expectations and community capacities. Without a structured approach, there is a risk of overspending, under-delivering, or failing to address community needs, wants, and affordability constraints effectively.

Levels of Service as a concept focuses on desired outcomes rather than prescribing specific methodologies, which allows organizations to develop and implement an approach that they can adapt to their unique local conditions. The concepts are complemented by the AMBC Framework<sup>2</sup> and training material, asset management and Levels of Service, along with tools and resources made available through AMBC<sup>3</sup> and other organizations.

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<sup>1</sup> *Municipal LGDE Help Manual*, Local Government Infrastructure and Finance Branch – BC Ministry of Housing and Municipal Affairs, 2025, p. 97 [https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/finance/municipal\\_lgde\\_help\\_manual.pdf](https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/finance/municipal_lgde_help_manual.pdf)

<sup>2</sup> *Asset Management for Sustainable Service Delivery – A BC Framework*, Asset Management BC, 2019, <https://www.assetmanagementbc.ca/wp-content/uploads/Asset-Management-for-Sustainable-Service-Delivery-A-BC-Framework-.pdf>

<sup>3</sup> *Working With Levels of Service Training*, Asset Management BC, November 2025, <https://www.assetmanagementbc.ca/training/levels-of-service-training/>



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## Principles for Levels of Service

### Integrate with Asset Management Plans (AMPs) for Core Services

**A well structured and complete set of Asset Management Plans include the necessary asset information for documenting, implementing, monitoring, and, if necessary, adjusting Levels of Service.**

#### *Identify and Classify Levels of Service*

Levels of service are specific parameters that describe the extent and quality of services that the municipality provides to users. Understanding both community and technical LoS is crucial for effective asset management. AMBC has two perspectives on levels of service:

#### **Community (customer) Levels of Service<sup>4</sup>**

Community levels of service may be difficult to measure and are often described in subjective terms, such as "water is safe to drink" or "every lot is serviced".

#### **Technical (Operational/Asset) Levels of Service<sup>5</sup>**

Technical levels of service should be specific, measurable targets for physical assets (like water pipes, roads) and may include things like: design flow and pressure, reservoir capacity, and chlorine residuals. Technical Levels of Service can also include legal requirements such as: statutory, regulatory, and contractual requirements as the minimum levels of service that must be provided.

A process for documenting levels of service is provided later in this document.

By aligning these perspectives, municipalities can ensure they are not only delivering services that meet customer expectations but also managing their infrastructure in a permissible, sustainable, and cost-effective manner. This alignment helps in making informed decisions about investment, maintenance, and service delivery strategies.

#### *Monitor and Adjust*

Tracking performance against the established levels of service can be accomplished manually or with automated software tools. This data collection helps an organization determine if their current services are meeting the set targets or if gaps exist.

Use the insights gained to make informed adjustments to things like operations, staffing levels, or to the overall service strategy. This ensures that the services remain aligned with customer needs and community commitments.

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<sup>4</sup> See Appendix B - Definitions

<sup>5</sup> See Appendix B - Definitions



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## *Understand Equity and Reconciliation in Service Delivery*

Applying a Reconciliation & Anti Racism, Equity and Inclusion (Reconciliation & AREI) when evaluating LoS will allow local governments to consider how they can meet needs across all groups in the community. There are three key aspects of the LoS process where we can most effectively apply this lens:

- 1) in undertaking an analysis of how the services being provided are distributed spatially across the local government;
- 2) in reconsidering how we approach improvements to service delivery into the future; and,
- 3) in how we understand and interact with interested parties.<sup>6</sup>

## *Make Strategic Decisions*

Carrying out the duty of stewardship of public assets should include establishing sustainable Levels of Service. With measurable and repeatable services, based on current and desired Levels of Service, communities can make evidence-based decisions and prioritize budgets, balancing service levels with customer needs, and align resources with long-term strategic goals. Elected decision-makers serve a limited term and having reliable Level of Service targets ensures continuity and that all new officials are aware of the sustainable service goals, financial condition, and direction of the organization.

## **Establish Sustainable Annual Funding For Your Service Levels**

**Spread costs fairly across generations by funding services and reliant assets as they are consumed, incorporating intergenerational equity.**

### *Optimize Resource Allocation*

A measurable LoS framework allows communities to better understand the relationship between service levels and associated costs of service. Through review and optimization, communities can reduce unnecessary expenditures and ensure resources are allocated where they will have the greatest impact, leading to cost-effective service delivery.

### *Establish sustainable annual funding*

To achieve sustainable service delivery, services need to be financially viable over the long term.

Sustainable funding ensures that collective costs to replace and sustain infrastructure and service levels will be supported by a mix of funding strategies, including planning for changes to revenue rates or fees, reserves, and debt.

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<sup>6</sup> *How to document levels of service*, Federation of Canadian Municipalities, 2024, [https://greenmunicipalfund.ca/sites/default/files/2024-10/how-to-set-levels-of-service-infographic\\_0.pdf](https://greenmunicipalfund.ca/sites/default/files/2024-10/how-to-set-levels-of-service-infographic_0.pdf)



# ASSET MANAGEMENT BC POSITION STATEMENT: Levels of Service

Balancing costs and funding strategies is an iterative and ongoing process that begins with ensuring that the levels of service provided can be financially sustained. This information should be integrated in a financial plan.<sup>7</sup>

## *Implement Lifecycle Costing*

Lifecycle costing can help local governments estimate the entire lifecycle costs of infrastructure and the cost to deliver services with that infrastructure. It enables communities to determine the following:

- The true costs involved in delivering a service
- The cost of owning and utilizing a community asset over its whole useful life
- The cost to decommission, renew, or replace the assets for the service
- Fact-based decisions regarding a best value approach for providing services
- An understanding of project comparisons, even when they may have markedly different initial capital costs

## **Communicate the Plan**

### **Ensure Transparency and Effective Communication within the organization, with elected officials, and with the community**

By linking service levels to measurable outcomes, organizations can demonstrate the value delivered to the community and build trust and confidence in how resources are managed. Communication connects financial planning with the services people rely on, showing how funding decisions support sustainable service delivery over time.

Use a communication plan to ensure transparency and consistency within the organization and with the public. Start from the inside out - work with staff and elected officials to develop shared understanding and clear key messages in plain language so they can communicate them confidently and consistently. The plan should identify the most effective ways to reach different audiences through internal updates, public reports, community engagement, and digital and media channels that make information accessible and relatable.

Communicate early and often to keep the community informed and engaged. Include service levels with your policies and post the service levels on your organization's website to avoid confusion, demonstrate accountability, and build long-term trust. Celebrate milestones to reinforce confidence that resources are managed responsibly and that the organization is working toward sustainable service delivery.

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<sup>7</sup> *Municipal LGDE Help Manual*, Local Government Infrastructure and Finance Branch – BC Ministry of Housing and Municipal Affairs, 2025, p. 96 [https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/finance/municipal\\_lgde\\_help\\_manual.pdf](https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/finance/municipal_lgde_help_manual.pdf)



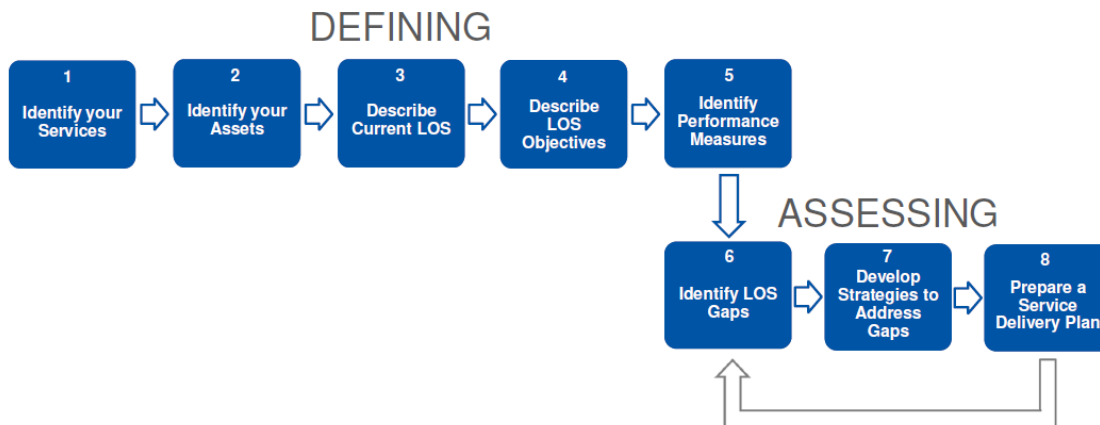
# ASSET MANAGEMENT BC POSITION STATEMENT: Levels of Service

## Policy and Procedure Recommendations

Establishing Levels of Service should provide a roadmap for your organization to achieve financial sustainability in asset management and the community should review, adopt, and adjust policies and procedures that align their levels of service with community needs and a willingness to pay for those services. Ultimately, a council or board should formally adopt LoS to align with community priorities, budget constraints, and long-term financial plans.

## Document Your LoS

The general approach for documenting levels of service is described elsewhere using varying terminology and the number of steps but the concepts are consistent and should follow a process. While documenting Levels of Service, the organization should have a clear understanding of their strategic objectives and community needs and wants. Considerations should include climate change, equity and risk.



### *Decide on Content*

Levels of Service support the strategic goals of the organization and should do the following:

- At a minimum, communities should meet statutory, regulatory, and contractual requirements in their Levels of Service.
- Protect public safety and the environment
- Consider the potential risks associated with service interruptions and ensuring long-term sustainability
- Achieve strategic plan objectives
- Align with community plans, growth strategies or sustainability strategies, and infrastructure master plans
- Understand what services are most important to residents and how they should be delivered
- Balance service expectations with available funding, staffing, and infrastructure.



# ASSET MANAGEMENT BC POSITION STATEMENT: Levels of Service

## *Incorporate Standard Operating Procedures (SOPs)*

SoPs outline how equipment operates or steps to deliver a service. They are maintained by the organization and are useful guidelines to establish consistency when delivering a service. SoPs may also include Operations and Maintenance procedures and data like service contracts and warranties.

## **Define Annual Funding Levels**

Require budgets and financial plans to integrate AMPs so finances are built upon lifecycle costs, inventory valuation, costs for maintaining or altering levels of service, and contributions to reserves. Review/assess an effective revenue balance across taxation, fees, reserves, and debt.

## **Evaluate the Use and Protection of Natural Assets**

Natural assets should be integrated into comprehensive AMPs grey infrastructure. This ensures that decisions consider the benefits of nature-based solutions and that natural assets are accounted for when looking for efficiencies in service delivery.

Develop and implement strategies to manage and protect natural assets to ensure they continue to function and deliver services. Strategies can include monitoring, rehabilitation and restoration, or restrictions on the natural areas, such as zoning regulations or limitations on public access.

## **Mandate Risk Integration**

A structured LoS framework helps identify and assess risks related to service delivery, including organizational risks, reputations risks, customer risks, asset risks, and event-level risks. By understanding these risks, communities can implement measures to mitigate potential disruptions or failures or implement tools to transfer risk.

## **Integrate Climate Resilience**

Integrating climate resilience into levels of service by defining how climate change impacts will affect service delivery. This process may require future adjustments to service levels and alter conclusions of risk assessments.



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## Additional Resources

- **AMBC Framework and Roadmaps:** Step-by-step guidance on linking asset management and sustainable service delivery.  
<https://www.assetmanagementbc.ca/framework/>
- **Training Modules:** Online and in-person sessions on establishing Levels of Service  
Working with Levels of Service:  
<https://www.assetmanagementbc.ca/training/levels-of-service-training/>  
Leveraging Asset Data:  
<https://www.assetmanagementbc.ca/training/leveraging-your-asset-data/>
- **Communicating Asset Management**  
<https://www.assetmanagementbc.ca/communicatingam/>
- **Municipal LGDE Help Manual:** Ministry of Housing and Municipal Affairs  
[https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/finance/municipal\\_lgde\\_help\\_manual.pdf](https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/finance/municipal_lgde_help_manual.pdf)
- **Resources: How to document and maintain municipal levels of service:** FCM Green Municipal Fund  
<https://greenmunicipalfund.ca/resources/resources-how-document-and-maintain-municipal-levels-service>
- **Practice Note 8: Levels of Service & Community Engagement:** Institute of Public Works Engineering Australasia  
<https://www.ipwea.org/resourcesnew/bookshop/pn8>