

Appendix A

AM Program Glossary



Glossary

Document History

Version	Summary of Changes	Document Status	Date
1	First-generation document for AM Strategy	Final	June 2023

Sources

AGLG: *Asset Management for Local Governments*, Auditor General for Local Government, British Columbia, Perspective Booklet – Audit Topic 3, July 2015

AMBC: *Asset Management for Sustainable Service Delivery – A BC Framework*, 2019, and *Asset Management Roadmap*, 2011; *Levels of Service Tool*

DOS: District of Saanich, *Asset Management Policy*, November 25, 2019; District of Saanich, *Strategic Facilities Master Plan*, 2018; *AM Strategy*

EGBC: *Local Government Asset Management*, Professional Practice Guidelines, July 29, 2021

FCM: *How to develop an asset management policy, strategy and governance framework*, Federation of Canadian Municipalities, (2018)

Defined Terms

Term	Definition	Source
activity	The work undertaken on an asset or group of assets to achieve a desired outcome.	AMBC
adaptation	Actions taken to help our community cope with or adjust to a changing climate. Contrasted with mitigation.	DOS
asset	A physical component of a facility or network which has value, enables services to be provided, and has an economic life of greater than 12 months (i.e. has a future benefit or capacity to provide net cash flows beyond one fiscal year). Also “physical asset”.	AMBC
asset group	A classification of assets that are similar in nature and useful life; a subset of asset type. (edited version of AMBC definition)	AMBC
asset hierarchy	A systematic organization of assets that creates a line of sight between services, assets and accountabilities that facilitates planning and decision-making.	FCM
asset inventory	A record of assets that includes unique identifying information and key attribute data such as installation or construction date, size, material, location and any other relevant operational and technical information.	AMBC
asset management	An integrated, lifecycle approach to effective stewardship of assets to maximize benefits, manage risk and provide satisfactory Levels of Service to the public in a sustainable manner.	DOS



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Term	Definition	Source
asset management framework	A basic structure underlying a system, concept or text (Oxford Dictionary, 2018). The LAMP municipalities used the term “AM framework” to refer to a high-level overview of their AM systems, often in the form of a graphic illustration, showing how the different components connected to each other.	FCM
asset management governance	Refers to how the municipality organizes itself to make decisions about its AM objectives, AM system and application of AM practices. Governance in general refers to how society, or groups within it, organize to make decisions. (Source: Institute of Governance, Canada, 2018)	FCM
asset management plan	A written document detailing the required management of infrastructure assets over the entire lifecycle of the asset in a manner to cost effectively and efficiently provide an identified level of service.	AMBC
asset management policy	Outlines a municipality’s commitment and mandated requirements for asset management. A policy is linked to the municipality’s strategic objectives and is shaped by its values and priorities.	FCM
asset management practice	A process of integrating management, financial, economic, engineering, operations and other practices applied to assets with the objective of providing the required level of service in the most cost-effective manner.	AMBC
asset management program	The set of policies, people, practices and processes that make up a municipality’s formal approach to asset management.	FCM
asset management roadmap	A step-by-step plan outlining the actions, responsibilities, resources and time scales needed to implement and deliver asset management objectives.	FCM
asset management steering committee	A group of individuals, including senior leadership, that decides on the priorities or order of business or an organization and manages the general course of its operation. The steering committee provides direction and support to the asset management team through the delivery of the asset management road map.	FCM
asset management strategy	Documentation that specifies how organizational objectives are to be translated into AM objectives; the approach for developing AM plans; and the role of the AM system in supporting achievement of the AM objectives. The approach to implementing the principles of from the AM policy should be documented in the AM strategy. An organizations AM strategy should be used to guide the setting of its AM objectives, and to describe the role of the AM system in meeting those objectives. This includes identifying the structures, roles and responsibilities necessary to establish the AM system and to operate it effectively; also referred to as a strategic asset management plan (SAMP)	FCM
asset management system	A set of interrelated and interacting elements of an organization, whose elements include the AM policy and AM objectives, and the processes needed to achieve those	FCM



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Term	Definition	Source
	objectives. In this context, the elements of the AM system should be viewed as a set of tools, including policies, plans, business processes and information systems, which are integrated to ensure that the AM activities will be delivered.	
asset management team	A cross-functional team that works across departments or disciplines to ensure that decisions integrate all relevant perspectives and priorities.	FCM
asset portfolio	All the assets owned by a municipality.	FCM
asset type	A major classification of assets made up of various related asset groups. (edited version of AMBC definition)	AMBC
average annual replacement funding	The replacement value of an asset divided by its useful life. This is the target amount of capital funding to be spent each year, either on a replacement project or to be placed in reserve for a future replacement project.	DOS
backlog	The replacement value of assets that have reached the end of their useful life, but have not yet been replaced or rehabilitated. See also “infrastructure deficit”.	DOS
betterment	A cost incurred that either increases the capacity, extends the useful life, or reduces the operating cost of an asset. See also “upgrade”.	AMBC
built assets	See “engineered assets”.	DOS
capacity building	The process by which people, organizations and society develop their capacities over time to achieve social and economic goals, including through improvement of knowledge, skills, systems and institutions.	FCM
capital asset lifecycle	The life of a capital 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.	AGLG
capital asset reserve fund	An account, or several accounts, that set aside financial resources to meet infrastructure requirements as articulated in an organization’s long term financial plan.	AGLG
components	An asset that forms part of a larger or wider asset. Components are individual (separable) parts of an asset having independent physical or functional identity and specific attributes.	AMBC
community level of service	The level at which the customer is receiving service, from an experiential perspective.	AMBC
condition assessment	The process of continuous or periodic inspection, data collection, measurement, assessment, and interpretation of data to indicate or grade the condition of a specific asset. The Condition Assessment is used to determine remaining useful life and the need for preventive or remedial action for an asset.	EGBC
condition monitoring	A program of periodic or regular inspection, measurement or assessment of the physical condition of an asset to determine any maintenance works required and to estimate the remaining useful life of the asset.	AMBC
critical asset	Assets that provide extremely important functions in service delivery, especially those for which there is no available redundancy or substitution. The consequences of failure of critical assets are serious.	FCM



Asset Management Program



Term	Definition	Source
current levels of service	The level at which services are delivered today (which may be more or less than the level of service commitment). Also “current performance”.	AMBC
current replacement value	The total estimated amount that it would cost to replace the tangible capital asset today. The cost includes administration, survey, design and management costs as well as the construction costs. Same as Current Replacement Cost.	AMBC
depreciation	The expense in an accounting period from application of depreciation accounting; wherein the cost or other recorded value of an asset (less any value at disposal) is distributed over the useful life of the asset. It provides a measure of the rate of consumption of the asset and is typically expressed as a per annum amount.	AMBC
disposal	The activities necessary to dispose of decommissioned assets.	AMBC
ecosystem services	Aspects of ecosystems that provide benefits to people, which may be outcomes of a municipal service that protects the environment. For example, streams are natural assets that provide a stormwater management service of conveyance and flow control. Streams also provide benefits, known as ecosystem services, which may include processes such as climate regulation or nutrient cycling as well as recreational, aesthetic and cultural benefits.	FCM
efficiency	How municipalities use their resources. Efficient is often expressed as cost per unit of service or the volume of output per staff member. For example, the cost of transit per passenger trip or the number of criminal code incidents (non-traffic) per police officer.	AMBC
engineered assets	Assets that have been constructed and are owned by the District of Saanich (e.g., watermains, roads, streetlights, and buildings), land that is owned by the District of Saanich and support assets (e.g., land under roads or buildings), or land that is undeveloped and owned by the District of Saanich. These assets must be operated, maintained, managed, and, with the exception of land, ultimately replaced as they wear out. See also “built assets”.	DOS
exposure	The state of being in a place or situation where there is little to no protection from something harmful or unpleasant.	FCM
facility condition index (FCI)	Ratio of the cost of deficiencies of a facility to the current replacement value of the facility.	DOS
gap assessment	A method of assessing the gap between a business’s current asset management practices and the future desirable asset management practices. Also called needs analysis.	AMBC
governance	Governance determines who has power and accountability, who makes decisions, and how other players make their voices heard.	FCM
green infrastructure	A broad category that includes natural assets and designed and engineered elements that have been created to mimic natural functions and processes in the service of human interests.	DOS
impact	The strong effect on something or someone.	FCM



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Term	Definition	Source
indicator	A specific property of service that can be objectively evaluated.	AMBC
infrastructure	The physical assets developed and used by a municipality to support its social, cultural and economic services.	FCM
infrastructure deficit	A cumulative shortfall of required asset renewal. Also “funding gap”.	AMBC
infrastructure replacement funding strategy	The District of Saanich strategy for financing the cost of replacing physical assets at the end of their useful life.	DOS
inspection	A checking or testing of an individual against established standards.	DOS
integrated	A state of alignment and communication between systems, sectors, and institutional processes that promotes consistency in decision-making and facilitates more rapid responses by enabling systems to function collectively and achieve common outcomes.	FCM
levels of service	The service level delivered to the public by the District. This can take the form of the selection of services that are provided (e.g., bike lanes, doggie bags, or recreation centres), the standard of infrastructure in place (e.g., concrete sidewalks versus gravel paths), or the standard to which an asset is maintained (e.g., the frequency of scheduled curb sweeping). The desire of Council or the public for a particular Level of Service will directly affect utility fees or taxation.	DOS
levels of service commitment	The level at which the municipality has formally agreed to deliver a service. This could be through a contract, legislation, or other written agreement.	AMBC
levels of service objective	The level at which the municipality aims to deliver service to its customers. This is usually subjective or descriptive for community levels of service, and may be quantitative for technical levels of service.	AMBC
life cycle cost	The sum of the acquisition cost and ownership cost of a product over its life cycle – it reflects the evolution of a system, product, service, project or other human-made entity from conception through retirement.	FCM
linear asset	An asset inventoried by length, typically as part of an interconnected system or network such as watermains or roads.	AMBC
long-term financial plan	A plan that balances the required costs and funding sources to meet infrastructure and service needs, over a minimum of 10 years.	FCM
maintenance and repairs	Maintain the predetermined service potential of a tangible capital asset for a given useful life. Such expenditures are charged in the accounting period in which they are made.	AMBC
mitigation	Actions taken to reduce climate change, primarily by reducing greenhouse gas emissions—contrasted with adaptation.	DOS
municipal natural assets	The stocks of natural resources or ecosystems that contribute to the provision of one or more services required for the health, well-being and long-term sustainability of a community and its residents. Also “natural assets”.	DOS
natural assets	See “municipal natural assets”.	DOS



Asset Management Program



Term	Definition	Source
operations	All actions necessary to keep the asset operating and which form part of the annual operating budget, but excluding physical repairs (maintenance), capital improvements.	AMBC
performance gap	The current gap, or difference, between the level of service being delivered (the current level of service) and the expected/intended level of service (the level of service objective).	AMBC
performance measure	The means used by the municipality to assess a level of service. (e.g. O&M data, complaints, expert assessment, service contract, OH&S records, program data, etc.). Also “key performance indicator (KPI)”	AMBC
performance monitoring	Continuous or periodic quantitative and qualitative assessments of the actual performance of an asset compared with specific objectives, targets or standards.	AMBC
rehabilitation	Work to rebuild or replace parts or components of an asset, to restore it to a functional condition and extend its life (may involve some modification).	AMBC
reinvestment rate	The annual renewal budget (for rehabilitation or reconstruction of infrastructure) expressed as a percentage of the asset’s replacement value. The target reinvestment rate is when the annual renewal budget equals the annual replacement funding target.	DOS
renewal	Works to refurbish or replace existing assets with assets of equivalent capacity or performance capability. See also “replacement”.	AMBC
repair	The action required to restore a component or asset to its previous condition after failure or damage. See also Maintenance.	AMBC
replacement	The complete replacement of an asset that has reached the end of its life, so as to provide a similar or agreed alternate level of service. See also “renewal”.	AMBC
replacement value	The current replacement cost of an existing asset based on market research and adjusted for inflation.	AGLG
risk	Analysis of the ‘likelihood’ and the ‘consequences’ of a given event. Establishing the risk associated with lower infrastructure performance due to Levels of Service or postponement of asset replacement will identify system vulnerabilities and assist in prioritizing work. For example, puddles on a gravel walkway may have a high likelihood of occurring but the consequences are not significant. In comparison, an ageing sanitary main may have a high likelihood of failure and the consequences of a break may be significant.	DOS
risk analysis	The process of comparing the likelihood and consequence of asset failure to a community or organization’s risk tolerance, with the goal of identifying unacceptable risks and developing measures to mitigate those risks.	EGBC
risk assessment	A methodology to determine the nature and extent of risk by analyzing potential hazards and evaluating existing conditions of vulnerability that together could potentially harm exposed	FCM



Asset Management Program



Term	Definition	Source
	people, property, services, livelihoods, and the environment on which they depend.	
service	Work done by the municipality to deliver a community need to the public or to the natural environment.	DOS
service area	A major division of municipal service delivery (e.g. waterworks, sanitary sewer, transportation).	AMBC
service characteristic	General property, or characteristic, of service delivered by an asset or group of assets (e.g. regulatory, capacity, safety, reliability, quality, and environmental).	AMBC
service potential	The output or service capacity of a tangible capital asset normally expressed in terms of (or with reference to) various attributes of the asset such as physical output capacity, quality of output or service, associated operating costs and useful life.	AMBC
strategic asset management plan	See “asset management strategy”.	FCM
sustainable	Meeting the needs of the present without compromising the ability of future generations to meet their own needs. In relation to Asset Management a sustainable approach takes into consideration the current and future benefits and costs of existing and new assets or services.	DOS
sustainability gap	The anticipated future gap between current level of service and the level of service objective. For example, there may not be a current capacity gap in a sewer service, however, based on growth projections and the ability of current infrastructure to deliver the service, a future gap is anticipated once a certain demand or growth rate has been achieved.	AMBC
technical levels of service	Specific and quantifiable measures for service targets that are used internally to meet legal requirements and achieve community LOS goals.	AMBC
triple bottom line	Expands on the traditional view of an organization’s financial bottom line by measuring 1) socio-cultural factors, 2) economic impact to the community, and 3) environmental factors, and committing to include all dimensions in decision-making.	FCM
upgrade	Additional physical assets, components or features that enable a higher level of service to be provided by an existing asset or that increase in size or capability the existing asset. See also “betterment”.	AMBC
useful life	Useful Life is the estimate of the period over which the owner expects to use the asset. For a tangible capital asset it is the shortest of the physical, technological, commercial and legal life. The physical life of an asset may extend beyond its useful life.	AMBC
vertical asset	An asset inventoried by item (not by length), such as a treatment plant, community building or traffic light.	AMBC