



Asset Management Readiness Assessment Scale

GLOSSARY OF TERMS

Key terms used in the Asset Management Readiness Scale are defined below.

Asset inventory: A list of assets owned and the attributes of the assets. **Basic inventory data** includes attributes such as size, material, location and installation date. **Expanded inventory data** includes additional information such as location (coordinates), criticality, and supplementary information that is relevant for the asset class (such as type, make, model, and design capacity).

Asset management: Asset Management is an integrated approach, involving all organization departments, to effectively manage existing and new assets to deliver services to customers. The intent is to maximize benefits, reduce risks and provide satisfactory levels of service to the community in a sustainable manner – providing an optimum balance. (Source: Federation of Canadian Municipalities, Leadership in Asset Management Program 2018).

Asset management (AM) plan: A detailed plan that outlines how assets will be managed in one or more service areas. An asset management plan identifies how assets will be maintained and renewed, and the cost, level of service and risk considerations in each service area.

Asset management (AM) policy: Outlines an organization’s commitment and mandated requirements for asset management. A policy is linked to the organization’s strategic objectives and is shaped by its values and priorities.

Asset management (AM) program: The set of policies, people, practices and processes that make up an organization’s formal approach to asset management.

Asset management (AM) roadmap: A step-by-step plan outlining the actions, responsibilities, resources and time scales needed to implement and deliver asset management objectives.

Asset management (AM) strategy: A document that lays out the direction, framework and approach for implementing the organization’s asset management policy.

Asset management (AM) steering committee: A group of individuals, including senior leadership, that decides on the priorities or order of business of an organization and manages the general course of its operations. The steering committee provides direction and support to the **asset management team** throughout the delivery of the **asset management roadmap**.

Asset management (AM) team (Cross-functional team): A team that works across departments or disciplines to ensure that decisions integrate all relevant perspectives and priorities. In some organizations, the **asset management steering committee** and asset management team may be the same group.

Capital Improvement plan (CIP): A plan for facility and infrastructure investments, including cost and timing information on asset renewal, decommissioning, disposal and investments in new assets.

Critical assets: 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.

Critical services: Services the organization provides that are extremely important to stakeholders. The consequence of failure of critical services are serious.

ISO: The International Organization for Standardization (ISO) is an international standard-setting body composed of representatives from various national standards organizations. ISO Technical Committee 251 developed ISO 55000, the international standard for management systems supporting asset management that was first published in 2014.

Financial information: Information about the costs of acquiring, operating, maintaining and replacing the asset.

Levels of service: The parameters, or combination of parameters, that reflect the social, political, environmental and economic outcomes that the organization delivers. Levels of service statements describe the outputs or objectives an organization or activity intends to deliver to its customers. The parameters can include safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost and availability. (Source: ISO 55000:2014, International Infrastructure Management Manual (IIMM)).

Long-term financial plan: A plan that balances the required costs and funding sources to meet infrastructure and service needs.

Risk: The product of the likelihood and consequence of an undesirable event or circumstance. Risk includes both asset risks (e.g. a pipe failing) and strategic risks (e.g. insufficient funds for renewal of critical assets).