



Did you know?

An Asset Management Plan is a Living Document

An asset management plan is a living document that must be updated on a regular basis. However, throughout the life of an asset management plan a municipality will face many challenges which include:

1. New technologies and techniques may impact the timing of repair/rehabilitation/replacement strategies included in the plan;
2. A need to overcome resistance to increasing taxes to pay the cost for repair/rehabilitation/replacement of infrastructure assets;
3. Responding to changing customer expectations and/or increased demands for services; and
4. Changing regulatory requirements from senior levels of government.

To address these challenges municipalities must be willing to ask of themselves a number of questions and be willing to follow up on these questions.


Below is the 3rd of 5 questions that will be asked over the next several weeks to determine if you are ready to implement your asset management plan.

Question 3 of 5 – Which assets are critical?


Infrastructure assets deteriorate over time and there are consequences should assets fail. Not every asset presents the same failure risk, or is equally critical to your infrastructure. Critical assets are those assets that have a high risk of failing (old, poor condition, etc.) or have major consequences if they do fail (a high risk of contamination, accident or danger exists, etc.) or are essential for the functioning of society and/or the economy. A municipality must decide how critical each asset is and rank them accordingly.

To answer this question you need to know:


a. How assets fail?

-  Knowing the condition of an asset is essential to an asset management plan. Knowing what caused the defect will provide the information necessary for the repair and/or rehabilitation of the asset.

b. What are the probabilities and consequences of asset failure?

-  Probability is the likelihood an asset will fail. Consequence is the impact that failure will have on the community, property, environment, other infrastructure, etc .

c. What are the risks involved?

-  In order to assess risk it is important to identify and understand the threats to an infrastructure asset and understand how those threats impact the level of service set for the quality, quantity and reliability of your infrastructure assets.

d. What does it cost to repair the asset?

e. What are the other costs (social, environmental, etc.) that are associated with asset failure?

Best Practices include:

- ④ Listing assets according to how critical they are to system operations.
- ④ Identify any redundancy that may be built into the asset.
[http://en.wikipedia.org/wiki/Redundancy_\(engineering\)](http://en.wikipedia.org/wiki/Redundancy_(engineering))
- ④ Conducting a failure analysis (root cause analysis, failure mode analysis)
[http://en.wikipedia.org/wiki/Failure_mode_and_effects_analysis#Risk level .28P.2AS.29 and .28D.29](http://en.wikipedia.org/wiki/Failure_mode_and_effects_analysis#Risk_level_.28P.2AS.29_and_.28D.29) .
- ④ Determining the probability of failure and listing assets by failure type.
- ④ Determining failure risk and the consequences of asset failure.

Watch your email for question 4 of 5 in this **Did You Know** series.