



Asset Management Policy

July 2019

Local Government Engineering Department

Local Government Division

Ministry of Local Government, Rural Development, & Cooperatives

Government of the People's Republic of Bangladesh



Local Government Engineering Department

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An Organisational Policy

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This Asset Management Policy is cocreated by the Local Government Engineering Department (LGED) and the United Nations Office for Project Services (UNOPS) under the National Resilience Programme (NRP).

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This Asset Management Policy, in line with the ISO 55000, is a key component of the LGED's overarching Asset Management System (AMS) and is the first stage of 'Line of Sight' which states high-level principles and mandated requirements by which LGED will manage its assets.



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1 Introduction

Infrastructure is a central pillar for sustainable and resilient development. Physical infrastructure assets provide a means for delivering essential services and play an important role in enhancing and protecting the lives and livelihoods of people and for the developing economy to thrive in Bangladesh. The Local Government Engineering Department (LGED) under the Ministry of Local Government, Rural Development & Cooperatives is responsible for planning, developing, maintaining and managing rural, urban and small-scale water resources infrastructure at the local level. Being one of the largest implementing arms of the government LGED through its country-wide operation, recognizes that it is essential to manage assets to sustainably deliver appropriate levels of services to the community and to meet the expectations and needs of the present and future generations.

2 Background

LGED's strong commitment to fulfilling these responsibilities in a manner consistent with the Government of Bangladesh's (GoB) development priorities is evidenced by the development of an integrated, interdisciplinary Asset Management System (AMS). When implemented, a consistent and robust AMS will ensure infrastructure assets are managed in a way that contributes to the Government's strategic goals.

The Chief Engineer will oversee the AMS of the organization supported by the Asset Management Committee (AMC). The AMC will be responsible for development, implementation and continuous improvement of all components of the Asset Management System (AMS) in coordination with all functional units.

LGED's AMS aims to guide improved and sustainable management of infrastructure assets through the systematic and coordinated activities to maximize service and resilience potential. The AMS management is aligned with the ISO55000 Asset Management suite of standards and requires a framework hierarchy of policies, strategies and plans.

In the above context LGED adopts this Asset Management Policy. The policy is a formal LGED departmental policy and underpins the new "Asset Management" service delivery mandate.

The AM Policy defines the key principles and mandated requirements applicable to LGED's Asset Management System (AMS). The AM Policy provides the first stage of 'line of sight' between LGED's organisational mission, vision, and objectives and infrastructure asset interventions.

3 Aims of the AMS

LGED's AMS sets the broad framework for undertaking asset management in a structured and coordinated way. This will be achieved by:

- Ensuring a consistent approach to asset management;
- Continuous improvement of asset management through leadership, cross functional integration, effective communication and culture;
- Ensuring that the assets are managed in a sustainable manner, with appropriate levels of service that balance the needs of users, environmental requirements, social obligations, available resources, and operational capabilities;
- Maximizing value-for-money, considering the whole life cycle costs covering planning, designing, creation, operation, maintenance and decommissioning of assets.
- Demonstrating transparent and responsive asset management processes that align with established best practices;
- Developing and continual updating of a Strategic Asset Management Plans the primary framework to maintain asset services for current and future generations;
- Providing resources and support to enable improved asset and infrastructure data attributes and information;
- Sharing of asset data for robust decision making and managing risks associated with assets to meet the needs of the end users/key stakeholders; and
- Promoting continuous professional development on asset management.

4 AM Policy Statement

LGED is committed to sustainable asset management, complying with all legislative and regulatory requirements, to contribute to improved resilience and delivering services to current and future generations by managing risk, optimizing performance and managing expenditure on infrastructure assets throughout the whole of asset lifecycle.

To meet this commitment, the following principles collectively guide LGED's AMS development and approach to the management of infrastructure assets to mirror the Government's strategic goals as outlined below.

Supporting economic and socio-economic activity

- Sustainable infrastructure supports economic opportunity and livelihoods by connecting rural areas and urban centres.
- Livability of rural and urban areas is improved by reliable connections between communities, social institutions, essential services and the supply chain.
- Safe and reliable infrastructure access is available which is inclusive of all users, including the disadvantaged and people with disabilities.
- There is a strong community awareness of the role that sustainable and resilient infrastructure plays in supporting socio-economic activity and economic growth.

Sustainable environmental practice

- Asset planning, construction, operation and maintenance activities are delivered effectively and sustainably with respect to the environment and key resources (human, finance, information, materials).
- Asset Management practices support the realisation of both the national development goals and UN Sustainable Development Goals.
- There is a strong culture and capability of sustainable practice within the LGED, underpinned by innovation, knowledge capture and knowledge sharing to achieve good practice.
- Projects which meet sustainable practice objectives (lowest lifecycle costs) are prioritised.

Enhanced equal empowerment of men and women

- Gender needs are integrated into the planning, design and operation of assets, reducing vulnerabilities realised through increased female participation and engagement.
- Gender equality is promoted in the LGED, supported by inclusive work environments and awareness and education of gender-responsive and risk informed infrastructure planning and delivery.
- The participation of women in roles across the whole asset lifecycle is increased, closing the gap between male and female participation.

Resilient Infrastructure and Disaster Response

- There is strong community awareness of what critical infrastructure is in place and the importance of resilience during disaster events.
- Resilience planning and disaster risk management is undertaken holistically, encouraging collaboration and capacity building for those responsible for critical infrastructure.
- The delivery and maintenance of infrastructure which provide critical services is prioritised to increase resilience and reduce vulnerabilities to shocks and stresses.
- Infrastructure related decision-making is risk-based, using accurate and relevant asset information to enable the robust planning and response to disaster events.

Climate Change

- Asset Management practices support the realisation of the national level policies, strategies and frameworks related to climate change.
- There is strong awareness within the community about climate change and how this may impact infrastructure.
- Climate change is considered within all asset management lifecycle activities as a standard process, including climate change adaptation and mitigation strategies.

5 Scope

The AM Policy defines the key principles and mandated requirements applicable to LGED's Asset Management System (AMS) and which LGED will apply in managing and delivering reliable and resilient local infrastructure assets.

The policy applies to LGED's responsibility remit and asset portfolio of rural and urban infrastructure and small-scale water resources.

The policy also applies to asset-related activities and relevant infrastructure activities such as capacity planning, supply, demand, prioritisation of works, reliability, improved resilience and risk mitigation planning.

The policy applies to all infrastructure related service provision embracing the entire lifecycle including planning, acquisition, operation, maintenance, renewal and disposal. This includes:

- Developing long-term Strategic Asset Management Plan (SAMP) and Asset Management Plans (AMPs) including Risk Management Plans for each asset class;
- Developing long-term budgetary projections of investment needs and applying rigorous analysis, including consideration of risk, to identify short-term needs;
- Implementing processes to ensure investments address needs efficiently and effectively, and address operational budget implications of capital investments;
- Exploring efficiency opportunities where appropriate, including new technologies;
- Analyzing investment plans and associated funding requirements and putting in place mechanisms to ensure long-term financial sustainability;
- Evaluating relevant asset investment decisions based on consideration of the costs associated with managing an asset through its entire lifecycle;
- Developing prioritized capital investment plans that reflect community and stakeholder expectations with regard to the level of service and other strategic objectives.

6 AM Policy review

With the aim of continuous improvement, it is intended that the AM Policy will be reviewed and updated to reflect on policy and significant LGED practices and processes change. The AM Policy will be reviewed every two years at a minimum or when the AMC identifies a need to do so.

References:

- Allocation of Business of Local Government Division (2014 Update)
- Rural Road Maintenance Policy of Bangladesh, 2013
- Strategic Asset Management Plan (SAMP)
- ISO 55000:2014 Asset management — Overview, principles and terminology
- ISO 55001:2014 Asset Management System – Requirement
- ISO 55002:2018 Asset Management Systems – Guidelines for application of ISO 55001