



## **Title: Asset Management Plan Policy**

**1. Effective Date:** June 27, 2012

## **2. Cancellation**

This policy supersedes the *Asset Management Plan (AMP) Policy* dated July 12, 2000.

## **3. Authority**

This policy is issued under the authority of the Assistant Deputy Minister, Real Property Branch (RPB), Public Works and Government Services Canada (PWGSC).

## **4. Context**


Treasury Board's *Policy on the Management of Real Property* charges Deputy Heads with ensuring the development of acquisition, operation, maintenance and disposal strategies. In light of this responsibility, the Real Property Branch created the *Real Property Management Framework*, which is intended to guide and support the development of Real Property policies and other tools. The *Asset Management Plan Policy* operates within this framework.

Effective real property management requires decision-making frameworks for investment planning and management that link real property to the delivery of departmental programs. To this end, PWGSC's Real Property Branch has a *National Investment Strategy* (NIS) that guides investment planning and management at various levels. Asset Management Plans (AMP) are an integral component of this national strategic framework. Asset planning allows organizations to make better, more informed business decisions concerning the future of key real property assets. An AMP does this by assessing the condition and performance of the facility, analyzing investment options from a strategic/portfolio perspective and developing a business plan for the future management of the asset.

An AMP must be responsive to government priorities for cost-effective and efficient real property solutions, as well as to the needs of clients in order to provide them with productive work-environment solutions.

This policy should be read in conjunction with the *Asset Management Plan Procedure*.

## **5. Scope**



This policy applies to all Crown-owned, capital lease and leased assets for which PWGSC is the custodian. It may apply to leased assets at the discretion of the Regional Director, Accommodation Portfolio Management, and the Director, Owner-Investor NCA, and should be based on criteria established in Section 6.1 of the *Asset Management Plan Procedure* under “Source Documents and Level of Detail”. Engineering assets and housing are excluded. For engineering assets, please refer to the *RPB Engineering Asset Management Plan Policy*.

## 6. Policy Statement

It is the policy of RPB to develop AMPs for all Crown-owned, capital lease and leased assets for which the Real Property Program of PWGSC is the custodian.

## 7. Policy Details

An AMP must:

- be completed and approved for all Crown-owned, capital lease and leased assets for which the Real Property Program of PWGSC is the custodian, although the level of detail contained in an AMP may vary depending on the nature of the asset;
- establish a linkage between the recommended investment proposal, the *Community-Based Investment Strategy* (CBIS) and the NIS; and
- undergo a comprehensive review every five years.

Consistent with the principles of the NIS, Investment Analysis Reports (IARs) and Treasury Board submissions must reflect and support the AMP. If they do not, it should be determined whether the AMP ought to be revised immediately or when this policy requires it to be updated.

## 8. Responsibilities

- 8.1. The **Director General, Accommodation Portfolio Management and Real Estate Services (APMRES)**, is responsible for ensuring national compliance with this policy.
- 8.2. The **Director General, Professional and Technical Service Management (PTSM)**, is responsible for providing standards, guidelines and training programs in support of the AMP process.
- 8.3. The **Regional Directors General** and the **Director General, NCA Portfolio Management**, are responsible for ensuring AMPs are developed in their respective region in accordance with this policy.
- 8.4. The **Regional Directors, Accommodation Portfolio Management**, and the **Director, Owner/Investor, National Capital Area (NCA)**, are responsible for:
  - overseeing the development of AMPs in their region;
  - ensuring the AMP is consistent with the NIS and/or the CBIS, as applicable; and
  - approving AMPs.

8.5. The **Director, National Portfolio Management, APMRES**, is responsible for:

- this policy and its interpretation; and
- providing functional guidance with respect to the development of AMPs.

## 9. Definitions

**Lease:** A written agreement under which a property is conveyed to another party for a specified or determinable period in consideration for rent or other compensation.

**Asset:** For purposes of this policy, asset refers to all land and immovables contained in a lease or on title in the case of Crown-owned.

**Asset Management Plan (AMP):** A comprehensive business plan that outlines the strategy for managing an asset over its economic life or the planning horizon. It takes into account government-wide and PWGSC policies and standards, sound business practices, the economic value of the asset and the short-term planning and maintenance of the asset. It consolidates detailed asset information, evaluates this information against performance objectives, and establishes, in conjunction with community and national investment strategies, the long-term management direction for the asset.

**Building Management Plan (BMP):** A comprehensive plan that lays out the management of the asset over the next five years. A BMP should reflect the current AMP and support the NIS, which outlines the objectives, guiding principles, and overall strategic direction for the investment activities of the PWGSC Real Property Program.

**Capital Lease:** A lease is considered a capital lease when at least one of the following criteria applies:

- The agreement specifies that ownership of the asset transfers to the lessee.
- The lessee can purchase the real property at a price below fair market value when the lease expires.
- The non-cancellable lease term is equal to 75% or more of the expected economic life of the asset.
- The present value of the minimum lease payments is equal to or greater than 90% of the fair value of the asset.

## 10. References

Treasury Board's [\*Policy on Management of Real Property\*](#)

Treasury Board's [\*Policy on the Management of Projects\*](#)

PWGSC's [\*National Project Management System\*](#)

PWGSC's *Integrated Investment Plan*


RPB's *Real Property Management Framework*

RPB's [\*National Investment Strategy\*](#)

RPB's [\*Investment Analysis Policy\*](#)

RPB's *Asset Integrity Procedure*

RPB's [\*Asset Performance Monitoring Policy\*](#)



RPB's [Engineering Asset Management Plan Policy](#)  
RPB's *Asset Management Plan Procedure*  
RPB's *Policy on the Stewardship of Federal Heritage Buildings*  
*Guide for the Preparation of Asset Management Plans*

## **11. Enquiries**

Please direct enquiries about his policy to the Director, National Portfolio Management, Accommodation and Portfolio Management and Real Estate Services.