

INSERT CORPORATE LOGO

TITLE: CORPORATE ASSET MANAGEMENT POLICY	Original Approval Date: Policy Last Updated: Posted on Intranet:
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POLICY STATEMENT:

The Corporate Asset Management Policy details principles for a consistent and coordinated approach for the management of assets to ensure long-term sustainability and to demonstrate fiscal stewardship.

APPLICATION:

This policy applies to the lifecycle management activities of physical assets that are owned or operated by the Municipality, which have a material impact on the capital and / or operating budget. This policy may also be used for third-party assets that the Municipality has a significant interest in.

PURPOSE:

To provide program principles and a framework for asset management practices that enables a coordinated, cost effective and organizationally sustainable approach across all Municipal departments in order to:

- Optimize the life cycle costs while maintaining acceptable levels of service;
- Link infrastructure investment decisions to service outcomes;
- Improve decision-making accountability and transparency;
- Demonstrate the long term consideration of decisions; and
- Improve customer service.

DEFINITIONS:

Asset: Has a physical nature, is a significant economic resource, and provides the delivery of programs and / or services

Third-Party Asset: Any Asset that is owned by a party other than the Municipality

Asset Management: is a systematic process to guide the planning, acquisition, operation and maintenance, rehabilitation and disposal of assets. Its objective is to maximize asset service delivery potential, manage related risks and minimize costs of ownership while delivering acceptable levels of service to the public in a sustainable manner.

Corporate Asset Management: the application of asset management principles and practices on a corporate level to ensure a coordinated, cost effective and organizationally sustainable approach across all Municipality departments.

Life-cycle: the time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset.

Tangible Capital Asset: TCA are non-financial assets having physical substance that are acquired, constructed or developed, including land, land improvements, roads, buildings, vehicles, equipment, watermains, sewer mains and capital assets acquired by capital lease or through donation.

SCOPE:

The Municipality owns, operates, and maintains a number of infrastructure assets. The Corporate Asset Management Policy ensures that as assets age and deteriorate over time, they will continue to meet acceptable levels of service over the long term, and are managed for present and future users.

Asset management principles and practices shall support the Municipality's goal to provide the services required to support the Municipality's residents and business needs, in a sustainable manner, by:

- Maintaining and managing assets at defined levels of service to ensure that they meet customer expectations, compliance and legislative requirements, technological and environmental factors;
- Establishing asset management strategies through the use of full lifecycle costing principles;
- Adopting a risk-based decision making processes that consider the probability and consequences of asset failure to minimize the Municipality's risk exposure;
- Developing and enhancing asset management knowledge and competencies to ensure the availability of skill sets required for the implementation of asset management programs;
- Planning for the optimum level of maintenance to ensure asset reliability while maximizing the asset lifecycle;
- Financial planning for sustainable long term funding to rehabilitate, replace, or dispose of infrastructure assets; and
- Monitoring and evaluating performance of assets and associated programs to track the effectiveness of asset management principles and practices for continuous improvement.

Implementing asset management strategies and plans will also contribute to achieving a number of the Municipality's strategic goals.

Asset Management Framework

To meet the goals and objectives of this Policy, each department will follow the framework identified in Appendix 1, including:

1. Adopt an Asset Management Strategy specific to their department to:
 - a. Adhere to this Asset Management Policy;
 - b. Develop and implement appropriate asset maintenance practices in order to ensure asset reliability and maximize asset lifecycle;
 - c. Define levels of service that balance customer expectations, compliance & legislative requirements, technological and environmental considerations;
 - d. Manage risk, through risk-based decision-making processes, to minimize probability and consequences of failure with regards to safety and levels of service;
 - e. Monitor and evaluate the performance of assets and associated programs and track the effectiveness of asset management principles and practices.
 - f. Use full lifecycle costing principles when evaluating asset investment;
 - g. Develop long term financial plans to ensure sustainable funding for rehabilitation, replacement, or decommissioning of infrastructure assets; and
 - h. Recognizes that periodic review is necessary to ensure the Strategy remains up-to-date in view of evolving best practices and professional experience.
2. Create Departmental Asset Management Plans to meet the objectives detailed in the Asset Management Strategy across the full lifecycle of the infrastructure assets. The Department's Asset Management Plans should:
 - a. Outline long term goals, processes and steps toward how they will be achieved to deliver optimized whole lifecycle cost;
 - b. Be based on current inventories and condition projected performance and remaining service life and consequences of failures; and
 - c. Outline guidelines and processes to developing a sustainable financial plan with understanding of corporate risk and finance requirements and impacts on the levels of service.
3. Establish regular reports to Council (e.g. regular State of Infrastructure Reports) on the status and performance of assets and work related to asset management.

RESPONSIBILITIES:

Council

- Approves Departmental Asset Management strategies and plans, as required
- Approves asset funding through the annual budget

Corporate Asset Management Steering Committee

- Departmentally-led with a representation across Municipal business areas
- Provides a forum for discussion of asset management strategy, integration and best practices
- Leads the development of corporate asset management tools and practices and oversees their application across the organization

Departmental Asset Management Owners

- Responsibility for Asset Management functions
- Create and implement Asset Management Strategies
- Create and implement Asset Management Plans
- Liaises with Corporate Finance on financial matters

Corporate Finance

- Provides financial direction to the Departments
- Responsible for the stewardship of the financial assets and records

REFERENCE:

Adopted by Municipal Council on xxxxx;

CONTACT:

Community Planning Manager

APPROVAL INFORMATION *[complete the details from the approved policy report]*

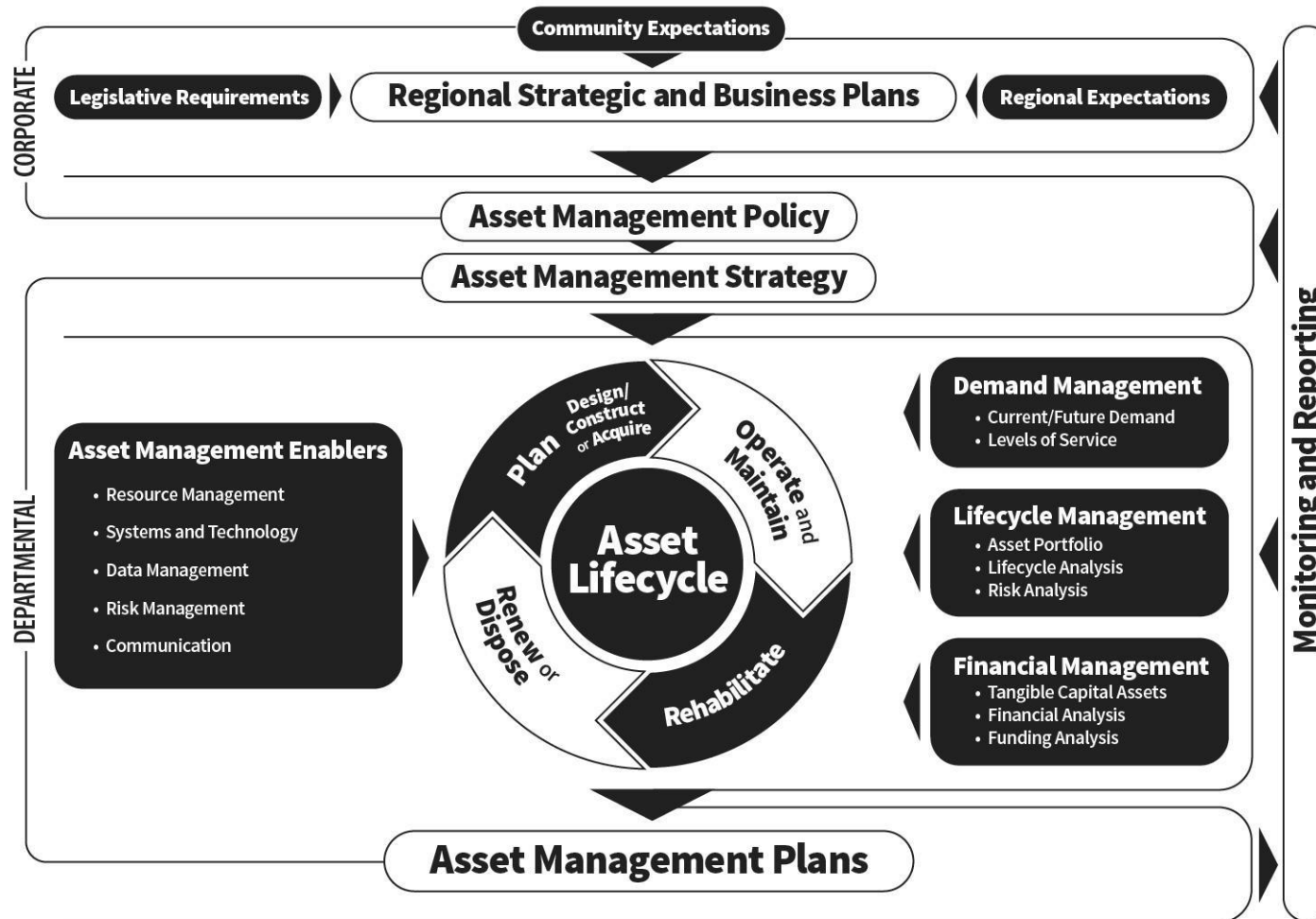
CAO Approval Date: n/a

Committee: Clause No.: Report No.

Council Approval: Minute No. Page: Date:

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APPENDIX 1 – ASSET MANAGEMENT FRAMEWORK



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