



RURAL MUNICIPALITY OF ST. ANDREWS

POLICY AND PROCEDURES MANUAL

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ASSET MANAGEMENT POLICY

1. POLICY STATEMENT

The Rural Municipality of St. Andrews (RM) shall adopt and apply Asset Management principles and practices in support of delivering a consistent and coordinated approach for the management of our assets ensuring they provide services to our residents, ratepayers, stakeholders and customers.

2. PURPOSE

The purpose of the Policy is to align the actions of the Administration in meeting the Municipality's Asset Management Program (AMP) principals with the goal of:

- Improve decision-making, accountability and transparency;
- Ensure stakeholders are aware of the true cost of managing the RM's assets while meeting Council's defined level of service (LOS);
- Link Infrastructure investment decisions to service outcomes;
- Strive to deliver services at approved LOS while minimizing life cycle costs.
- Capture relevant asset information and manage this information to enable decision-making.
- Provide staff with the necessary knowledge and skills to manage assets effectively.
- Allocate limited resources based on lifecycle modeling, multi-criteria prioritization (triple bottom line concept) and risk management.

The Asset Management Policy will lay the foundation for the Asset Management Program which will encompass all aspects of the management of each asset through its life cycle by:

- Integrating with St. Andrew's strategic plan to align with the strategic goals of the RM as well as with other key business systems, legislation and regulations;
- Creating a framework to establish a clear line of sight between the Asset Management program and Council's objectives and strategies; and
- Providing appropriate levels of service to current and future customers in the most effective and efficient way, through the planning, design, construction, acquisition, operation and maintenance, renewal and disposal of assets.

3. ASSET MANAGEMENT POLICY

3.1. VISION

Consistently deliver established customer service levels at an acceptable level of risk while minimizing an asset's lifecycle costs.

3.2. POLICY STATEMENT

The Administration will adopt a comprehensive approach to managing the Municipality's assets to meet established levels of service at the lowest overall cost of ownership at an acceptable level of risk.

3.3. SCOPE

The Asset Management Policy applies to all physical assets of the Municipality, such as (but not limited to): roads, trails, bridges, culverts, drainage system, buildings, Municipality lots, wastewater collection system, lagoon, waste disposal grounds, and all fleet equipment.

3.4. PRINCIPLES

To achieve the AMP objectives, the following principles will be incorporated into departmental business plans and asset management plans:

Customer Focused

The Municipality will have clearly defined Levels of Customer Service focused on customer outcomes or front-line service delivery.

Strategic

The Municipality will make appropriate provisions and decisions to better enable its assets to meet future challenges, including changing demographics and populations, customer expectations, legislative requirements and technological and environmental factors.

Service Focused

The Municipality will consider all the assets in a service context, considering their inter-relationship, as opposed to optimizing individual assets in isolation.

Risk-based

The Municipality will manage the risks associated with attaining agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit recognizing that public safety is the priority.

Value-Based / Affordable

The Municipality will develop business case solutions that aim to minimize the life cycle cost of asset ownership, while satisfying agreed upon levels of service. Decisions are based on balancing service, risk, and whole-life cost.

Holistic

The Municipality will take a comprehensive approach to investment planning and decision making that looks at the “big picture” and considers the combined impact of the entire asset life cycle.

Systematic

The Municipality will adopt a formal, consistent, and repeatable approach to the management of its assets that will ensure services are provided in the most effective manner.

Innovative

The Municipality will continually improve its asset management approach by driving innovation in the development of tools, practices, and solutions.

Triple bottom line (TBL)

The Municipality will assess investment decisions using TBL sustainability criteria with respect to: economic, environmental and social outcomes.

Documentation and Knowledge Sharing

The Municipality will share information and knowledge both internally and externally throughout the asset life cycle.

Clarity of Roles

The Municipality will define roles and responsibilities and assign the authority necessary for effective delivery of services.

Resources

The Municipality will maintain, within reason, the necessary organizational capacity (including, but not limited to, resourcing, financial support, staff competencies, business processes, data, and integrated information systems) to support the asset management framework.

4. RESPONSIBILITIES**4.1. ROLES****Council**

- Adopt Asset Management Policy;
- Approve the strategies and plans as proposed by the Asset Management Implementation Team;
- Serve as representatives of stakeholder and community needs;
- Approve funding for both capital and operating budgets associated with Asset Management through the annual budget; and
- Approve Level of Service standards by Asset Class.

Chief Administrative Officer and Senior Management Team

- Endorse Asset Management Policy;
- Review and approve documents and strategies proposed by the Asset Management Implementation Team, where the implications are organization wide or external;
- Participate in the process of aligning asset management strategies and plans with organizational strategies and objectives; and
- Communicate the vision of asset management, encourage engagement with the processes, and provide the guidance necessary to ensure alignment and integration across the organization.

Asset Management Implementation Team

- Provide support for asset management;
- Coordinate financial, strategic planning, information technology and asset management activity;
- Establish policies and practices that ensure uniformity of approach across the organization;
- Encourage information sharing and collaboration across departments;
- Provide a pool of asset management expertise that can build capability in areas of lower experience;
- Provide input and direction to Asset Management work plans to ensure consistency with other initiatives;
- Establish and peer review asset management policies, practices, plans, and other related documents;
- Disseminate Implementation Committee information within each department where necessary;
- Champion the asset management process within their respective department;
- Ensure organization-wide accountability for achieving and reviewing Municipal asset management goals and objectives;
- Coordinate with other related steering committees where required; and
- Lead the effective implementation of asset management initiatives.

Asset Management Coordinator

- Liaise with other departments in service areas relating to asset management, including convening asset management teams (specific to each service area), and ensuring project work is consistent with asset management objectives;
- Liaise with external stakeholders in relation to asset management matters;
- Develop an overall asset management policy, strategy, and confirm the implementation plan/resource requirements;
- Coordinate the development of asset management plans and facilitate peer reviews;
- Coordinate asset management improvement programs including writing reports for asset management improvement projects and preparing, monitoring and reporting on the overall asset management planning budgets;
- Carry out selected asset management improvement tasks as appropriate;
- Lead the development of asset inventories, condition assessments, risk assessments and related asset management initiatives in line with industry best practices;
- Work with information systems contractors to ensure systems development and functionality meets asset management needs;
- Continuous improvement of the RM's Asset Management capabilities.

Asset Management Working Groups (Asset Management Coordinator, Department Manager and Department staff)

- Provide input on needs of department, current status of assets, and current levels of service;
- Support and comply with data collection requirements related to their areas of expertise;
- Participate in the development of the Asset Management Work Plans pertaining to their areas of expertise; and
- Participate in the regular review of all documentation, data, and asset measurement tools to ensure continued relevance and applicability of existing policies and practices as pertains to their area of expertise.

Residents, Ratepayers, Stakeholders and Customers

- Participate in public information sessions, and stakeholder engagement initiatives, where possible;
- Provide feedback related to levels of service, service experience, and service expectations; and
- Notify the Municipality, via Service Tracker or appropriate means, when service deficiencies or failures are observed.

4.2. ASSET MANAGEMENT FRAMEWORK

In order to support the consistent application of Asset Management practices, the RM will adopt and implement an Asset Management Framework as shown in Appendix 1.

The AM Framework represents how all the elements of an asset management system come together to clearly link day-to-day decisions to corporate goals.

These elements are divided in 4 key groupings:

- **Visionary:** Defines stakeholder expectations and how these are embedded into longer term municipal strategies and plans that guide decisions through the lifecycle of the assets.
- **Strategic:** Defines how physical assets are to be managed and establishes senior management commitment to achieving the policy objectives.
- **Tactical:** Provides guidance and consistency in documenting and implementing asset management practices across service areas.
- **Operational:** Applies the asset management practices across all Departments.

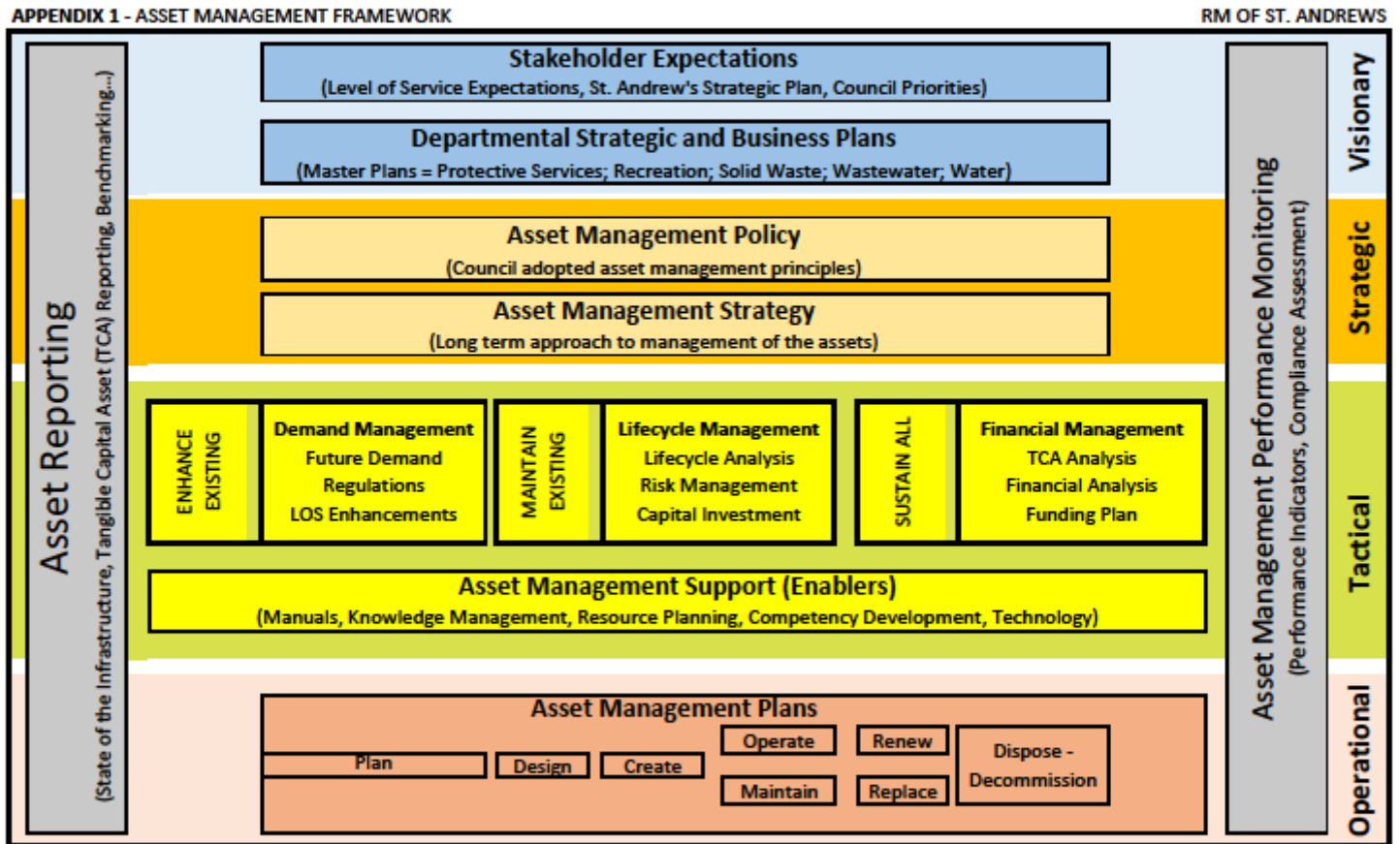
4.3. KEY ASSET MANAGEMENT DOCUMENTS

The following key strategic Asset Management documents, in additions to the long-range Financial Plans, form part of the RM's overall approach to Asset Management.

- **Asset Management Strategy:** defines Senior Management's commitment and approach to achieving the Council approved policy.
- **Customer Levels of Service:** defines the level to which assets are maintained to achieve defined levels of service. These levels of service are approved by Council.
- **Asset Management Plan:** defines how assets are being managed through their lifecycle in support of the delivery of services.
- **State of the Asset Report:** provides information on the state of the RM's physical assets for use in external reporting, and in the annual budget and the long-range financial planning process.

5. APPENDIX

5.1. APPENDIX 1 – ASSET MANAGEMENT FRAMEWORK



5.2. APPENDIX 2 – ASSET MANAGEMENT TERMS AND DEFINITIONS

5.2.1. ASSET MANAGEMENT

An integrated set of business processes to minimize the lifecycle costs of owning, operating, and maintaining assets, at an acceptable level of risk, while continuously delivering established levels of service.

Asset Management relies on four key organizational components being integrated together to achieve the desired service outcomes:

- well-planned strategies,
- good physical assets,
- highly trained professionals with respect to practices and procedures, and
- integrated business processes.

These components, supported by appropriate technologies, provide a robust foundation for efficient service delivery.

5.2.2. ASSET MANAGEMENT PROGRAM

The Program encompasses all aspects of the management of each asset through its lifecycle by:

- Integrating with the RM's strategic plan to align with the strategic objectives of the Municipality as well as with other key business systems, legislation and regulations;
- Creating a framework to establish a clear line of sight between the AM program and Council objectives and strategies; and
- Providing appropriate levels of service to present and future customers in the most effective and efficient way, through the planning, design, construction, acquisition, operation and maintenance, renewal, and disposal of assets.

The program's decisions are based on:

- The triple bottom line (TBL) pillars of sustainability; economic, environmental and social outcomes that support the Municipality's long-term goals as approved by Council;
- Applying "the right intervention, to the right asset, at the right time" recognizing risk and the Municipality's fiscal constraints; and
- A whole-life approach ensuring that increases or enhancements to the Municipality's asset base considers impacts on the Municipality's ability to fund an asset's future maintenance and renewal.

Source of following definitions: Institute of Asset Management.

Institute of Asset Management (IAM): is a globally recognized authority in Asset Management. IAM is a not-for-profit membership organization that exists to advance Asset Management for the public benefit.

ISO 55000 (includes 55001 and 55002): International Standards Organization on Asset Management

Asset: Is an item, thing or entity that has potential or actual value to an organization.

Asset Management: is a coordinated activity of an organization to realize value from assets. Assets value in the RM context is to provide a level of service to our stakeholders (customers, legislative, regulatory and commercial partners). Values can be tangible, intangible, positive or negative.

As per ISO 55000, Asset Management involves the balancing of costs, opportunities and risks against the desired performance of assets, to achieve the organizational objectives.

Asset Management Plan: documented information regarding a specific Asset Class that specifies the activities, resources and timescales required for an asset to achieve the organization's asset management objectives. It is derived from the Strategic Asset Management Plan.

Asset Management System: is not an IT system. It is a framework of coordination and control that documents the way we do the business of Asset Management. It is a system for asset management whose function is to establish the asset management policy and asset management objectives.

Asset Management Policy: document embodies the key principles by which asset management will be applied to achieve organizational objectives. It articulates what asset management means for the organization. In the RM setting, the document must be established and endorsed by senior management and approved by Council.

As per ISO 55000, the intentions and direction of an organization as formally expressed by its top management.

Strategic Asset Management Plan (SAMP): documented information that specifies how organizational objectives are to be converted into asset management objectives, the approach for developing asset management plans and the role of the asset management system in supporting achievement of the asset management objectives.

Life cycle (aka Whole Life): the time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any associated liabilities. Lifecycle delivery activities include technical standards and legislation, asset creation and acquisition, systems engineering, configuration management, maintenance delivery, reliability engineering, asset operations, resource management, shutdown and outage management, fault and incident reporting and asset decommissioning and disposal.

5.3. APPENDIX 3 – ASSET MANAGEMENT PROJECT TEAM

The Asset Management Project Team will oversee the implementation of the Asset Management Program.

Team Members:

- Chief Administrative Officer - Sponsor
- Environment/Utilities Manager - Lead
- Chief Financial Officer
- Public Works Superintendent
- Economic Development Officer