



POLICY: Asset Management Policy  
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SECTION: Reports – CAO's Office  
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**SUBJECT:**

**1.0 POLICY STATEMENT**

1.1 Asset Management (AM) is a broad strategic framework that encompasses many disciplines and involves the entire organization. The term asset management, as used in this document, is defined as “the ***application of sound technical, social and economic principles that considers present and future needs of rate payers, and service from the asset***”. To guide the organization, the following policy statements have been developed:

- a) Administration will maintain and manage infrastructure assets at defined levels to support public safety, community well-being and community goals.
- b) Administration will monitor standards and service levels to ensure that they meet / support community and council goals and objectives.
- c) Administration will develop and maintain asset inventories of all its infrastructure and fleet.
- d) Administration will establish infrastructure replacement strategies through the use of full life cycle costing principals.
- e) Council and Administration will plan financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets.

- f) Council and Administration will plan for and provide stable long term funding to replace and / or renew and / or decommission infrastructure assets.
- g) Administration will report to rate payers regularly on the status and performance of work related to the implementation of the asset management policy.
- h) Where appropriate Council & Administration will consider and incorporate asset management in the Town of Amherstburg corporate plans.

## 2.0 PURPOSE

- 2.1 The basis for our asset related decisions are anchored on the four pillars of sustainability. They are economic, environmental, social and cultural. They support the Town of Amherstburg long-term sustainability goals approved by council.
- 2.2 The objective of this policy is to detail the Asset Management program principals with the purpose of:
  - ❖ Reducing the life cycle costs while maintaining acceptable levels of service
  - ❖ Linking infrastructure investment decisions to service levels
  - ❖ Striving to deliver services at approved levels of service
  - ❖ Improving decision making accountability and transparency
  - ❖ Provides policy statements to guide staff in carrying out the organizations strategic plans and activities.
  - ❖ Better demonstrating the long term consideration of short term decisions

- 2.3 Asset Management is an integrated business approach involving planning, finance, engineering, maintenance and operations geared towards effectively managing existing and new infrastructure to maximize benefits, reduce risk and provide safe and reliable levels of service to community users. This is accomplished in a socially, culturally, environmentally and economically conscious manner.
- 2.4 Asset Management relies on four key organizational components integrating together to achieve the desired service outcomes: well-planned strategies, good physical assets, well trained staff with respects to practices and procedures and integrated business processes. These components supported by appropriate technologies, provide a strong foundation for efficient service delivery.
- 2.5 Where possible and appropriate, Council and Staff will consider this policy and integrate it in the development of corporate documents such as:
- ❖ Business Plan
  - ❖ Corporate Strategic Plan
  - ❖ Corporate Financial Plan
  - ❖ Capital Budget Plan
  - ❖ Operational plans and budgets ( including vehicle and fleet plans and budgets)
  - ❖ Annual Reports
  - ❖ Infrastructure Servicing, management and replacement plans
  - ❖ Parks and Recreation Plans
  - ❖ Facility Plans

### **3.0 SCOPE**

- 3.1 The Asset Management Policy applies to all physical assets of the town including but not limited to roads, sidewalks, bridges, water mains, sewers, storm water ponds, pumping stations, reservoirs, treatment plants, landfills, fleet, IT Systems, buildings, parks and trees.
- 3.2 The Asset Management Program encompasses all aspects of the management of each asset through its lifecycle.
- 3.3 Integrates with the corporate planning framework to complement the strategic plan and objectives of the town, business systems, legislation and regulations.
- 3.4 Creates a framework that establishes the mechanism for collaboration and consistency in developing Asset Management Program while keeping corporate objectives and strategies priority.
- 3.5 Commits to providing levels of service for present and future rate payers and communities in the most effective and efficient manner, through the planning, design, construction, acquisition, operation and maintenance, renewal and disposal of assets.

### **4.0 POLICY DIRECTION**

To meet the goals and objectives of this policy, Senior Management will:

- 4.1 Create and maintain a Comprehensive Asset Management (CAM) governance structure to lead the development of AM tools and practices and to oversee their application across the organization.
- 4.2 Make informed decisions, identifying all revenues and costs (including operation, maintenance, replacement and decommission) associated with infrastructure asset decisions, including additions and deletions.
- 4.3 Establish organizational accountability and responsibility for asset inventory, condition, use and performance.
- 4.4 Define levels of service that balance customer expectations with risk, affordability and timing constraints.

- 4.5 Monitor the performance of the assets and track the effectiveness of AM practices with a view to continuous improvement
- 4.6 Consult with stakeholders where appropriate
- 4.7 Define and articulate service, maintenance and replacement levels and outcomes
- 4.8 Manage assets to be sustainable
- 4.9 Minimize total life cycle costs of assets
- 4.10 Pursue best practices where available
- 4.11 Consider social and sustainability goals
- 4.12 Seek funding and service delivery opportunities to address infrastructure investment pressures.

**5.0 PROCEDURE**

- 5.1 Key roles in managing the Asset Management Policy
- 5.2 All policies are approved by Council. While staff and public may provide input on the nature of the policy, Council retains the authority to approve, update, amend or rescind policies.

Roles	Responsibility
Identification of issues and development of policy updates	Council & Administration
Establish levels of service	Council & Administration
Exercise stewardship of assets, adopt policy and budgets	Council & Administration
Implementation of policy	Administration
Development of guidelines and practices	Administration
On-going review of policies	Council & Administration

Actions	Responsibility
Adopt Asset Management Policy	Council & Administration
Monitor and review infrastructure standards and service levels at established intervals	Council & Administration
Develop and maintain infrastructure strategies including development and service plans	Council & Administration
Develop and maintain asset inventories	Administration
Assess infrastructure condition and service levels	Administration
Establish and monitor infrastructure replacement levels through the use of full life cycle costing principle	Administration
Develop and maintain financial plans for the appropriate level of maintenance, rehabilitation, extension and decommission of assets	Administration
Report to citizens on status of the community's infrastructure Asset Management Program. The channel may include citizen reports, business plans etc.	Administration

## 6.0 ASSET MANAGEMENT DEFINITIONS

The following key strategic CAM documents will be developed, in addition to the long range financial plans that will form part of the town's overall approach to asset management:

- 6.1 ***Comprehensive Asset Management Policy***: This document establishes Council's expectations around the management of the town's physical assets. It is to be approved by Council.
- 6.2 ***Comprehensive Asset Management Strategy***: This document defines Senior Management's commitment and approach to achieving the Council approved policy.
- 6.3 ***Customer Levels of Service***: This document defines the level to which assets are to be maintained to achieve defined levels of service. These are to be approved by Council.
- 6.4 ***Asset Management Plans***: These documents identify how assets are being managed through their lifecycle in support of the delivery of services. These are to be approved at the Departmental Management level for all service areas.
- 6.5 ***State of the Asset Report***: This document provides information on the state of the Town's physical assets which can then be referenced when making infrastructure asset investment decisions as part of the annual budget and long range financial planning processes. This is to be submitted to Council for information.