

		POLICY AND PROCEDURE MANUAL	
Category: Administrative Services	Number: ADM.40	ASSET MANAGEMENT POLICY	
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<input checked="" type="checkbox"/> Policy <input type="checkbox"/> Procedure	<input checked="" type="checkbox"/> Council <input type="checkbox"/> Administrative	<input checked="" type="checkbox"/> Council <input type="checkbox"/> Chief Administrative Officer <input type="checkbox"/> Department Head	
Office of Primary Responsibility: Asset Management			
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Definitions

“**Asset**” means an item which has a physical nature, is an economic resource, and provides the delivery of programs and/or services.

“**Asset Management**” is an interdisciplinary and systematic process to guide how an organization coordinates the full lifecycle management of assets. The 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.

“**Asset Management Framework**” is the term used to describe the early planning document created to guide the development and implementation of an asset management program at the City.

“**Asset Management Leadership Team**” means an asset management committee, containing representation across the City, intended to lead all departments through the asset management best practices, coordinate asset management across departments, and provide advice to council.

“**Asset Risk**” is the product of the likelihood and consequences of hazards related to assets. Consequences may affect the environment, community, services, costs, strategic objectives, or ability to fulfill regulatory requirements.

“**Corporate Asset Management Strategic Plan**” is a document that guides the implementation, ongoing operation, and continual improvement of the corporate Asset Management Program.

“**City**” means the City of Mission.

“**Lifecycle Management**” are the activities that are undertaken over the span of an assets full life in order to maximize service while minimizing lifecycle cost and levels of risk.

“**Levels of Service**” are delivered by systems of assets to customers. These are ultimately set by Council, either directly or through process like setting the annual budget, and may include which services are provided to the public, the standard of the infrastructure in place, or the level to which an asset is maintained. Levels of Service often directly affect utility rates, taxation, and/or user fees.

“**Whole-Life Costs**” are the costs associated with assets from identification of a need until the disposal of the assets, including costs of design, construction, acquisition, operations, maintenance, upgrades, renewals, and disposal. The majority of an asset’s whole-life cost is typically spent in its operational phase (after construction and before disposal or renewal).

BACKGROUND

The City of Mission relies on a large and diverse asset portfolio to deliver many essential services to the community including a diverse transportation network, a safe and economical water distribution system, reliable drainage and sanitary sewage collection systems, accessible parks and recreation/culture facilities, solid waste collection, accessible customer service, and reliable emergency fire response services. The scale and criticality of these services to the community's wellbeing drives the need for a systemic approach to managing this diverse asset portfolio.

Asset Management is a process, based on best practice, shared knowledge, and continuous improvement, to ensure that infrastructure-based services are provided by staff in a way that is consistent, transparent, efficient, and effective. Mission has implemented an Asset Management Program which helps balance the short and long-term impacts of asset services, costs, and risks.

PURPOSE

The City of Mission is committed to maximizing the value derived from its assets. The purpose of this policy is to document the City's commitment to asset management and provide a set of principles that will guide the City's asset management program. Further, this policy:

- Demonstrates to the community that Council is being proactive in exercising good stewardship, and is committed to delivering affordable services, while ensuring sustainability; and
- Ensures the continued development of the City's Asset Management program to meet the needs of the community and support the direction of Mayor and Council.

This policy is intended to guide staff in the continued development and implementation of a formalized program for the responsible and consistent stewardship of assets to ensure reliable, and sustainable service delivery.

This asset management policy supports Council's strategic priorities:

- **Safe Community:** Asset Management centers around sustainable service delivery, including ensuring continuous safe water supply and adequate firefighting response.
- **Secure Finances, Assets and Infrastructure:** Excellence in financial management and planning is supported with a formalized Asset Management program.
- **Bold Economic Development:** Planning for growth and future demand is an important aspect of Asset Management. The Asset Management program is how the City collects and manages the information informing the impacts of growth on services and costs.
- **Livable Complete Community:** As the City continues to experience changes in the community's demographics and needs, the City adapts with changes in services, amenities, and infrastructure. Asset Management ensures that this adaptation is well-informed by both short-term and long-term impacts.
- **Engaged Community:** Asset Management is the process in which information is gathered in order to inform public engagement, to be able to integrate feedback from the public, and to ensure all partners work towards the benefit of the community.
- **Organizational Excellence:** Having the right information available is vital to services being as effective and efficient as possible. Asset Management is dedicated to continuous improvement of the process, the information, and the services.

GUIDING PRINCIPALS

The following guiding principles support the Asset Management program and activities at the City:

- **Stakeholder Requirements:** Asset management is used to manage assets at defined levels of

service to ensure that the infrastructure meets customer expectations, supports Council's goals and objectives, meets legislative requirements, and considers social, technological, and environmental facts.

- **Systematic:** Asset Management informs the decisions and planning of all departments impacted by infrastructure. Asset management is interdisciplinary as a broad strategic framework that involves the entire organization and requires the engagement of all departments, particularly those that rely on infrastructure to deliver their core services.
- **Evidence-based:** Asset management requires the development and ongoing maintenance of an asset inventory. A high-quality inventory has data which includes relevant asset information such as type, a unique identifier, geographical location, age, condition, criticality, and replacement costs. Inventory should be current, accessible, and in a format that can be used in future.
- **Risk-based:** Asset management involves using the information about the probability and consequences of service failures to inform risk-based decision-making within work planning, financial planning, and development planning to minimize the City's risk exposure.
- **Whole-Life Considerations:** Asset management establishes asset lifecycle management strategies which consider how assets will be operated and maintained in ways that meet level of service goals, maintain an acceptable level of risk, maximize the lifespan, and minimize the whole-life cost.
- **Whole-Life Costs:** Asset management informs financial planning for infrastructure, especially focused on the stable and long-term funding for renewal, replacement, and decommissioning of infrastructure assets.

POLICY STATEMENTS / PRINCIPALS

The following policy statements were developed to guide the City of Mission in the continuous development and implementation of the Asset Management Program and related activities.

The City of Mission will endeavor to:

- Report on the Asset Management program regularly.
- Consider the alignment and coordination of current and upcoming corporate plans, strategies, and other guiding or future-planning documents with the City's Asset Management program. The City will consider this policy and integrate it in the development of corporate documents such as:
 - Official Community Plan;
 - City of Mission Strategic Plan;
 - Long Term Financial Plan;
 - Neighborhood Plans; and
 - Master Plans, including transportation, utilities, parks, and facilities.
- Incorporate Asset Management into planning and development decisions.
- Adopt risk-based decision making processes that consider the probability and consequences of asset failure to minimize the City's risk exposure.
- Use asset management to maximize the lifecycle of any given asset, minimize the lifecycle costs, and plan financially for the current and future provision of services.
- Maintain assets to meet operational requirements and maximize the value by ensuring that the lowest whole-life cost of an asset is achieved while maintaining agreed levels of services and an acceptable risk exposure level.
- Create and maintain documents that support the transparency, implementation, or coordination of Asset Management activities including:

- Corporate Strategic Asset Management Plan
- Asset Management Plans for all services and assets.
- Levels of risk, service, and financial sustainability will be set, measured, monitored, and maintained at levels agreed upon by either Council, for assets critical to the community’s health and wellbeing, or the Asset Management Leadership Team for all others.
- Make well-informed decisions about assets, which requires the development and maintenance of:
 - Asset inventories
 - Risk management information
 - Levels of service information
 - Financial asset information
 - Lifecycle management information
- Ensure that adequate resources are provided to achieve Asset Management objectives.
- Prioritize resource allocation based on the desired levels of service and risk. This includes lifecycle management through staff time and maintaining the desired levels of risk through capital investments.
- Utilize a corporate, coordinated, interdisciplinary, and transparent approach to asset management which balances the needs of internal and external stakeholders.
- Ensure that all asset lifecycle management activities, from design to disposal, consider the principles of Asset Management and the needs of current and future customers.
- Create and maintain a Long-Term Financial Plan which demonstrates how the City plans to equitably recover the full costs of infrastructure for current and future residents.
- Continually improve Asset Management processes and performance. Regular care will be taken by the City to ensure that the asset management program is as effective as possible.

The following policy principles will be adhered to by City staff as they practice asset management:

Principles	Descriptions of Municipal Commitment
Value-Based Decision Making	We shall clearly define and measure our Levels of Service for delivering on customer and other stakeholder requirements.
Asset Whole-Life Perspective	We shall take a holistic and comprehensive approach to our service delivery, investment planning and decision-making that considers the combined impact on the entire asset life cycle, with a focus on balancing performance, risk, and cost.
Integrated Approach	We shall implement and sustain Asset Management practices in a structured and coordinated way across all our departments within the organization
Robust, Repeatable & Defensible Decision Making	We shall adopt a formal, yet flexible approach to the management of our assets in a way that ensures informed decisions are made and services are consistently provided in the most effective manner
Risk-Based Decision Making	We shall direct our resources in a way that achieves our agreed levels of service at an acceptable level of risk to our organization.
Forward Looking and Sustainable	We shall assess our decisions about investing in our assets using triple bottom line sustainability criteria with respect to economic, environmental, and social outcomes.

IMPLEMENTATION AND INTEGRATION

This policy shall continue to be implemented by staff under the direction of the Asset Management Leadership Team. The Asset Management Leadership Team will seek opportunities to further integrate asset management into plans, policies, bylaws, procedures, and operations.

All new plans, policies, bylaws and procedures are to include Asset Management principles, as outlined in this policy, and adhere to industry best practices for Asset Management corporate integration and implementation.

RESPONSIBILITIES

Asset management is practiced at all levels of the organization, with specific responsibilities varying by role. The following is a list of asset management responsibilities for key roles within the City:

Council

- Sets strategic direction to be supported by the Asset Management program.
- Approves Asset Management Policy and Plans.
- Contributes to the setting of levels of service and risk tolerances where appropriate.
- Receives updates on the Asset Management program.
- Considers asset management data and principles when allocating resources to infrastructure services.

Asset Management Leadership Team (AMLT)

- Leads the development of corporate asset management strategies and oversees their application across the organization
- Supports the development and application of asset management tools and practices
- Reviews asset data
- Establishes, measures, and reviews levels of service and asset risk information.
- Provides recommendations and assistance to Council in asset management implementation
- Reports to stakeholders on status of the City's infrastructure assets and asset management program.

Finance Department

- Provides financial direction to the Departments and Asset Stewards
- Incorporates Asset Management Plans into the Long-Term Financial Plan
- Informs and reviews Asset Management Plans

Asset Stewards (Engineering, Public Works, Parks, Fire, IT, Forestry)

- Stewards for their services and related assets.
- Integrates asset management principles into asset operations, budgeting, replacement planning, and maintenance.
- Plans and budgets for whole-life costs of assets including acquisition, lifecycle management, and disposal or replacement.
- Develops and maintains Asset Management Plans for the safe, reliable, and financially efficient long-term provision of service.
- Develops and maintains infrastructure strategies including development and service plans, using whole-life costing principles

- Develops and maintains strategic infrastructure information such as development and service plans and lifecycle management plans.
- Assesses infrastructure condition and service levels.
- Assesses asset risk information.
- Develops and maintains the asset registry in their area of responsibility, maintaining the registry in the highest quality possible.
- Coordinates maintenance of assets.

RELATED POLICIES, PROCEDURES, AGREEMENTS AND/OR BYLAWS:

- Subdivision Control Bylaw 5650-2017
- FIN.10 Budget Management Policy
- FIN.46 Capital Asset Accounting Policy
- Asset Management Leadership Team – Terms of Reference (2022)
- ADM.04(C) Asset Management Policy

***** END OF POLICY *****

RECORD OF AMENDMENTS/REVIEW

<u>Date Adopted</u>	<u>Date Reviewed</u>	<u>Amended (Y/N)</u>	<u>Date Reissued</u>	<u>Authority (Resolution #)</u>
January 23, 2023				RC23-020