



Approval Date:	August 22, 2017	Policy Title: ASSET MANAGEMENT POLICY
Next Review Date:		
1. Amendment Date:		
2. Amendment Date:		
Department:	Engineering & Public Works	

PURPOSE

The purposes of this policy are as follows:

- Establish responsible governance for the practice of asset management by the City.
- Document the City’s commitment to asset management and the continuous improvement of asset management practices.
- Define over-arching principles for asset management that are appropriate for the City’s business and are reasonable, logical and necessary for delivery of sustainable, affordable services.
- Define guiding principles for the development of an asset management system, Strategic Asset Management Plan, and asset management objectives.
- Establish a steering committee and governance roles and accountability for asset management.

SUMMARY

This Asset Management Policy describes the City of Revelstoke’s intentions and directions for asset management, as formally expressed by its top management. It confirms the City’s commitment to infrastructure asset management in a short and concise document and sets out the principles that will be adopted in applying asset management to achieve the Council’s strategic objectives.

SCOPE AND APPLICABILITY

1. Scope

The City delivers services to the community through a wide range of City-owned assets as well as some assets managed through co-management agreements. In addition to these existing assets, the City may receive or construct new assets.



This Policy applies to

- a) All infrastructure assets or asset systems (including natural assets) owned by the City and used to deliver services to the community;
- b) Assets owned by others but managed or co-managed by the City to deliver services to the community, subject to the terms of any agreements already in place.

City policies are approved by Council and while staff, public and other agencies may provide input on the nature and content of the policy, Council retains the authority to approve, update, amend or rescind policies.

2. Corporate Context

The asset management system does not replace existing corporate strategy, business planning and budget management systems and processes already in place. The asset management system complements and aligns with these initiatives.

3. Implementation, Review and Reporting

The implementation, review and reporting associated with this policy will be integrated within the City's business processes. Due to the importance of this policy, the progress of the asset management system will be reported annually to the community, and implementation of this policy reviewed by Council at the mid-point of its term.

BENEFITS OF COMPLIANCE

Implementing this policy will

1. Support the City's vision to "be a leader in achieving a sustainable community by balancing environmental, social and economic values within a local, regional and global context" (Vision Statement, 1994, 2009);
2. Be an enabler of the City's mission "to provide optimum quality services and security to our community and our visitors in a fiscally responsible manner" and to "be responsive and adaptive to changing social, political and economic conditions" (2016 Mission Statement); and
3. Support achievement of the goals stated in the Official Community Plan and 2013 Integrated Community Sustainability Plan, in particular the objective of the City and community working together towards a sustainable Revelstoke.



DEFINITIONS, ACRONYMS AND ABBREVIATIONS

Asset Management (AM): coordinated activities that help an organization to realize value from its assets. It encompasses all asset types—tangible and intangible, individual components or complex systems, and all activities involved in the asset’s life cycle. Asset management translates organizational objectives into asset-related decisions, plans and activities while managing risk. (ISO 55000, 2014)

Asset Management Objectives (AM objectives): asset management results to be achieved (IIMM, 2015). Asset management objectives provide a link between organizational objectives and asset management plans. Asset management objectives describe, in general terms, the activities and actions required to achieve required asset outcomes (product or service). These activities and actions are described in greater detail in individual asset management plans. (ISO 55002, 2014)

Asset Management Plan (AMP): a plan developed for the management of infrastructure assets that combines multi-disciplinary management strategies (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to deliver a specified level of service. It specifies the activities, resources and timescales required for individual assets (or asset groups) to achieve the organization’s AM Objectives. A significant component of the AMP is therefore a long-term program of works and cash flow projection for the activities. Examples of AMPs include Pavement Management Plans, Bridge Management Plans, and Fleet Management Plans. Each plan will vary in complexity depending on the asset group it pertains to.

Asset Management Policy (AM policy): a high level statement of an organization’s principles and approach to asset management” (IIMM, 2015).

Asset Management System (AM system): a management system for asset management that establishes an organization’s AM policy and AM objectives (ISO 55000, 2014). An AM system is not necessarily a technological system, but a business model or standard management approach that outlines links between the key elements and practices of an effective AM program. An AM system should be able to accommodate the management of assets at various organizational levels, ranging from the operational level where discrete assets are managed up to the corporate level where integration across asset systems, networks or portfolios is desired.

Lifecycle Costs: refer to the total cost of ownership over the life of an asset. This may include but is not limited to capital costs, operating costs, maintenance costs, renewal costs, replacement costs, environmental costs, and user delay.



Strategic Asset Management Plan (SAMP): “documented information that specifies how organizational objectives are to be converted into AM objectives, the approach for developing AMPs and the role of the AM system in supporting achievement of the AM objectives” (ISO 55000, 2014).

Triple Bottom Line: expands on the traditional view of an organization’s financial bottom line by also measuring an organization’s commitment to socio cultural and environmental factors.

POLICY STATEMENT

1. Commitment and Accountability

- a) The Council is responsible for
 - i. the adoption, periodic review, and updating of this Policy;
 - ii. ensuring a Strategic Asset Management Plan (SAMP) is in place;
 - iii. maintaining the necessary corporate capacity (including, but not limited to resourcing, financial support, staff competencies, business processes, data and integrated information systems) to support the elements and practices of an AM system; and
 - iv. setting priorities and articulating community values to City administration.
- b) The Chief Administrative Officer (CAO) is responsible for
 - i. implementing this AM policy, and
 - ii. implementing the SAMP and supporting the AM system including the provision of appropriate and timely advice regarding its effectiveness in supporting achievement of the City’s objectives.
- c) This policy will be implemented by staff using accepted industry guidelines and good practices as applicable, and in compliance with all applicable legislation and regulations.



2. Policy on Principles to Guide Development and Implementation of the AM system, SAMP and AM objectives

a) Service Delivery Focus - The City will

- i. strive to manage and maintain assets sustainably to meet defined Levels of Service (LOS) that balance customer expectations with risk, affordability and time considerations;
- ii. comply with all relevant legislative, regulatory and statutory requirements; and
- iii. follow the City's Public Participation Policy (A-23) and consult actively, clearly and meaningfully with stakeholders where appropriate and be responsive to stakeholder inputs.

b) Integrated Decision Making - The City will

- i. integrate the decision-making process for assets to include corporate, financial, business, land-use, community, environmental, social, technical and budgetary plans and perspectives; and
- ii. consider assets in a larger service delivery context, not just as an isolated asset.

c) Long-Term Sustainability and Risk Considerations - The City will

- i. strive to manage assets to deliver services that are sustainable for the community and local environment, and that meet the anticipated challenges of the community's expectations, legislative requirements, climate change impacts, and needs of future generations;
- ii. consider financial, social, cultural and environmental sustainability goals and risk in decision-making processes; and
- iii. identify and adequately plan for required levels of operations, maintenance and replacements associated with new infrastructure, and use available resources effectively to minimize total life cycle costs of assets.

d) Change and Resiliency Preparations - The City will

- i. consider climate change impacts and how they may directly affect levels of service; systematically incorporate adaptive methods and technologies to improve infrastructure resilience; and
- ii. consider future growth and demand requirements to ensure assets are adapted to meet demographic changes and the needs of future generations.



- e) **Financial and Investment Decision Making** - The City will
- i. make informed decisions that identify full lifecycle revenues and costs (including operation, maintenance, replacement, and decommissioning), articulate and evaluate tradeoffs and document the basis for the decision;
 - ii. recognize that that there are constantly changing financial constraints and challenges that surround all services and assets delivered by the City and that asset management practices must be proactive and responsive to changing environments; and
 - iii. recognize that sustainable service delivery requires long-term financial planning.
- f) **Commitment to Clear and Transparent Processes** - The City will
- i. operate with a clear structure of organizational accountability and responsibility for service delivery, risk management and the inventory, condition, use and performance of assets;
 - ii. embed asset management principles and practices across all departments and service areas within the organization by adopting a formal, consistent, and repeatable approach to the management of its assets that will ensure services are provided in the most efficient and effective manner;
 - iii. ensure transparency to customers and other stakeholders in regards to service delivery and asset performance by engaging the community and sharing information and knowledge both internally and externally; and
 - iv. measure and report to Council periodically on the performance and effectiveness of the AM System and achievement of service levels, and make adjustments as required.

SUPPORTING DOCUMENTS

This policy is aligned as applicable to the current versions of:

- ISO 55000 series Standards for Asset Management
- International Infrastructure Management Manual
- BC Framework for Sustainable Service Delivery
- City of Revelstoke TCA Policy



- City of Revelstoke Public Participation Policy

Other reference documents relevant to content in this AM Policy include:

- Official Community Plan
- Integrated Community Sustainability Plan

Certified Correct:

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