

## COUNCIL POLICY

<b>NAME:</b> Asset Management	
<b>ISSUED:</b> November 25, 2019	<b>INDEX REFERENCE:</b>
<b>AMENDED:</b>	<b>COUNCIL REFERENCE:</b> 19/CNCL

### PURPOSE

This policy outlines the fundamental asset management principles that will be developed and implemented across the District and the Council's commitment to applying asset management to achieve their strategic objectives.

### SCOPE

Asset management is a broad strategic framework that encompasses many disciplines and involves the entire organization. The District of Saanich owns a multitude of infrastructure assets which support the delivery of services and require responsible acquisition, operation, maintenance, rehabilitation, and eventual replacement and/or disposal. In some cases, our assets are interdependent with other municipalities' assets. This policy applies to all existing and new physical assets and also all District of Saanich departments, officers, employees and contractors.

### DEFINITIONS

**Council Official:** the Mayor and Council members.

**Staff:** an employee or contract employee of the District of Saanich, and includes staff that supports Advisory Bodies.

**Municipal Officer:** a member of staff designated as an officer under section 146 of the *Community Charter* or a bylaw under that section.

**Asset Management:** an integrated, lifecycle approach to effective stewardship of assets to maximize benefits, manage risk and provide satisfactory Levels of Service to the public in a sustainable manner.

**Engineered Assets:** assets that have been constructed and are owned by the District of Saanich (e.g., watermains, roads, streetlights, and buildings), land that is owned by the District of Saanich and support assets (e.g., land under roads or buildings), or land that is undeveloped and owned by the District of Saanich. These assets must be operated, maintained, managed, and, with the exception of land, ultimately replaced as they wear out.

**Municipal Natural Assets:** the stocks of natural resources or ecosystems that contribute to the provision of one or more services required for the health, well-being and long-term sustainability of a community and its residents.

**Level of Service:** the service level delivered to the public by the District. This can take the form of the selection of services that are provided (e.g., bike lanes, doggie bags, or recreation centres), the standard of infrastructure in place (e.g., concrete sidewalks versus gravel paths), or the standard to which an asset is maintained (e.g., the frequency of scheduled curb

sweeping). The desire of Council or the public for a particular Level of Service will directly affect utility fees or taxation.

**Risk:** analysis of the 'likelihood' and the 'consequences' of a given event. Establishing the risk associated with lower infrastructure performance due to Levels of Service or postponement of asset replacement will identify system vulnerabilities and assist in prioritizing work. For example, puddles on a gravel walkway may have a high likelihood of occurring but the consequences are not significant. In comparison, an ageing sanitary main may have a high likelihood of failure and the consequences of a break may be significant.

**Sustainable:** meeting the needs of the present without compromising the ability of future generations to meet their own needs. In relation to Asset Management a sustainable approach takes into consideration the current and future benefits and costs of existing and new assets or services.

## KEY PRINCIPLES

The following principles are considered forward looking, define the high-level approach to Asset Management implementation and guide decision making for all levels of the organization.

### 1. Service Delivery to Customers

The District of Saanich will prioritize and direct resources and expenditures in order to deliver levels of service and other community benefits at an acceptable level of risk and will do the following:

- Maintain and manage infrastructure assets at defined levels to support the themes from the Official Community Plan and goals included in the Strategic Plan;
- Plan financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets;
- Report to Council and citizens regularly on the status and performance of work related to the implementation of this asset management policy;
- Demonstrate transparent and responsible asset management processes that align with demonstrable best practice;
- Consult with stakeholders when appropriate;
- Consider the criticality of the services provided and minimize the risks of disruption and failure.

### 2. Long-Term Sustainability and Resilience

The District of Saanich will consider socio-cultural, environmental and economic factors and implications when making and implementing asset management decisions, and will do the following:

- Ensure capacity and operational capabilities are identified and responsibility for asset management is allocated;
- Define and articulate asset performance, maintenance and replacement standards and outcomes;
- Manage assets sustainably considering the life cycle costs of assets;
- Consider the effects of climate change in the design, renewal, maintenance and replacement of assets;

- Determine and maintain the replacement value of assets;
- Establish optimum asset renewal and replacement strategies that are informed through the use of life cycle costing and risk analysis.

### **3. Holistic Approach**

The District of Saanich will ensure that decisions are made collaboratively and consider all life-cycle stages and the interrelationships between asset performance, operational performance and overall performance, and will do the following:

- Where appropriate, consider and incorporate asset management in other corporate plans;
- Establish and maintain organizational accountability and responsibility for asset inventory condition, use and performance;
- Create a corporate environment where all employees take an integral part in overall management of District assets by creating and sustaining asset management awareness throughout the organization;
- Implement and sustain asset management principles and practices across all departments and service areas by adopting a formal, consistent, repeatable approach to the management of its assets;
- Consider the planning and coordination with other governments within the region.

### **4. Fiscal Responsibility and Asset Management Decision-Making**

The District of Saanich will develop prioritized capital investment plans that reflect established levels of service and other strategic objectives, and will do the following:

- Establish infrastructure replacement strategies through the use of full life cycle costing principles;
- Plan for and provide stable long term funding to replace and/or renew and/or decommission infrastructure assets;
- Make informed decisions, identifying all revenues and expenses (including operations, maintenance, renewal, replacement, and decommissioning) associated with asset decisions, including additions and deletions;
- Integrate corporate, financial, business, and technical planning for assets;
- Optimize the use of available resources;
- Determine and maintain the condition of assets and their expected service life;
- Meet legislative and regulatory requirements for asset management.
- Ensure consideration of equity between current and future rate and tax payers.

### **5. Continual Improvement**

The District of Saanich views continual improvement as a key part of our asset management approach, and will do the following:

- Monitor and periodically review the effectiveness of the asset management processes and systems in supporting the delivery of strategic objectives, and will make adjustments as required;
- Assess the asset management competencies required and provide the necessary support, education and training to staff;
- Periodically review this asset management policy.

**KEY ROLES****1. Council**

- Exercise stewardship of assets
- Adopt policy, annual budgets and long term financial plans

**2. Chief Administrative Officer**

- Develop guidelines and practices
- Implement policy

**3. Staff**

- Review policies regularly
- Provide policy updates
- Implement policy

**KEY RELATED DOCUMENTS**

The context and integration of asset management throughout the organization's lines of business is typically formalized through references and linkages between corporate documents. Where possible and appropriate, Council and staff will consider this policy and integrate it in the development of corporate documents.