

# MUNICIPALITY OF BIFROST-RIVERTON

## POLICY & PROCEDURES MANUAL ASSET MANAGEMENT POLICY

Reference/Title:	Asset Management Policy
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### **INTENT**

The Municipality of Bifrost-Riverton provides a wide range of services to the community that require the ownership and responsible operation, maintenance and rehabilitation of physical assets including land, buildings, equipment, transportation, drainage, sewer and water infrastructure.

Asset Management (AM) is an integrated approach, involving all of the Municipality of Bifrost-Riverton departments, to delivering value to the community through the effective management of existing and new infrastructure assets. The intent is to maximize benefits, reduce risk and provide satisfactory levels of service to the community in a sustainable manner. Good Asset Management Programs are fundamental to achieving sustainable and resilient communities. This policy outlines the fundamental asset management principles to be implemented across the Municipality of Bifrost-Riverton.

The municipality recognizes that it does not currently meet all of the commitments and goals in this policy, and therefore views the policy as a guideline that it will follow to improve its Asset Management Program over time.

### **SCOPE**

The Municipality of Bifrost-Riverton owns a wide range of asset types that deliver services to the people of the Municipality of Bifrost-Riverton. Each year the municipality may receive or construct new assets. In addition, the Municipality of Bifrost-Riverton may rely on natural assets or other assets that it does not own, in order to deliver services. This asset management policy applies to the assets owned by the municipality. Where service provision is supported by other assets not owned by the Municipality of Bifrost-Riverton, we will work collaboratively with those asset owners and promote the principles outlined in this policy. The Municipality of Bifrost-Riverton recognizes the importance of natural assets and will include these in its inventories and Asset Management Programs. Examples include water bodies, wetlands and wildlife corridors.

### **ROLE OF THE ASSET MANAGEMENT POLICY**

Asset Management is an integrated approach involving all aspects of a municipality's strategy and operations. The role of the Asset Management Policy is to define the fundamental principles that the Municipality is trying to achieve with the adoption of Asset Management.

Other key components of Asset Management project controls include:

- Asset Management Policy – defines the principles of Asset Management
- Asset Management Strategy – defines how the Municipality plans to achieve the Asset Management Policy
- Asset Management Plans – defines the specific operational actions required to achieve the Asset Management Strategy

## **PRINCIPLES**

### **Service Delivery to Customers**

The Municipality of Bifrost-Riverton will clearly define level of service objectives that balance community expectations and regulatory requirements with risk, affordability and available resources, and will do the following:

- Manage assets appropriately in order to efficiently and effectively deliver the defined levels of service.
- Monitor and periodically review level of service objectives to ensure that they meet or support community and council expectations and other strategic objectives.

The municipality will ensure transparency and accountability to the community on service delivery. This will include regular communications to council to share information on service performance as well as technical information such as asset condition.

The municipality will comply with all relevant legislative, regulatory and statutory requirements. The municipality will implement an AM system that incorporates risk-based and information driven decision-making frameworks that appropriately consider the potential impacts of asset failure on ongoing service delivery.

The municipality will ensure that decisions regarding the need for new assets are made with appropriate due diligence; and that these needs are evaluated with a focus on service delivery to the community and supported with a valid business case that articulates costs and benefits.

The municipality will prioritize and direct resources and expenditure in order to deliver levels of service and other community benefits at an acceptable level of risk.

### **Long-term sustainability and resilience**

The municipality's asset management decision-making will consider the needs of both current and future generations and the potential challenges associated with changing community demographics and expectations related to service delivery, as well as potential modifications to legislative requirements.

The municipality's asset management decision-making will consider the potential effects of climate change and other environmental changes, and how the increased severity and frequency of climatic events may directly affect levels of service. Where appropriate, the

municipality will adopt a proactive approach to mitigating the potential impacts of climate change.

The municipality will consider sociocultural, environmental and economic factors and implications when making and implementing asset management decisions.

### **Holistic Approach**

To support asset management decision making, the municipality will take steps to connect the appropriate departments, functions and support activities in order to build effective working relationships and encourage information-sharing. These departments and functions include planning, engineering, operations, maintenance, finance and other strategic planning functions such as sustainability.

Asset management decision-making will drive optimum value for the community by focusing on the “big picture.” The municipality will therefore ensure that decisions are made collaboratively and consider all life-cycle stages and the interrelationships between asset performance, operational performance and overall service performance. Decision-making will also recognize the interconnected nature of asset systems and how decisions about one set of assets may potentially interact with or affect assets controlled by other departments or functions.

### **Fiscal Responsibility**

The municipality will develop and maintain appropriate plans for infrastructure renewal, for the purchase or construction of new infrastructure and for the decommissioning of redundant infrastructure. This includes:

- Developing long-term projections of investment needs;
- Applying rigorous analysis, including consideration of risk, to identify short term investment needs;
- Implementing processes to ensure that proposed investment plans address needs efficiently and effectively;
- Implementing processes to address the operational budget implications of capital investments;
- Exploring efficiency opportunities where appropriate, including new technologies; and
- Analyzing investment plans and associated funding requirements and putting in place mechanisms to ensure long-term financial sustainability.

The municipality will evaluate relevant asset investment decisions based on consideration of the whole-life costs associated with managing those assets through their entire life cycle.

The municipality will develop prioritized capital investment plans that reflect community and stakeholder expectations with regard to level of service and other strategic objectives. The municipality will evaluate the magnitude, nature and overall balance of investment plans considering the aggregate value derived for the community, affordability, willingness to pay and intergenerational equity.

### **Innovation & continuous improvement**

The municipality views continual improvement as a key part of our asset management approach and will focus on driving innovation in the development of tools, techniques and solutions.

The municipality will monitor and periodically review the effectiveness of Asset Management Programs and the wider Asset Management Program in supporting the delivery of strategic objectives and will adjust as required.

The municipality will assess the Asset Management competencies required to implement the AM system and provide the necessary support, education and training to AM staff.

The municipality will review the asset management policy in conjunction with its review of the asset management strategy, on a continuous basis.

The municipality recognizes that it does not currently meet all the commitments and goals in this policy, and therefore views the policy as a guideline that it will follow to improve its Asset Management Program over time.

## **RESPONSIBILITIES**

Council's role and responsibilities:

- Approve asset management policy
- Articulate community values and define priorities
- Approve funding and resources to implement the AM policy and associated requirements
- Approve asset funding through multi-year and long-range financial plans
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The chief administration officer (CAO) is responsible for leading the implementation of the AM policy across the municipality.

Departmental managers are responsible for leading the adoption of the AM policy within their departments and for allocating appropriate resources to its implementation and associated requirements.

All staff involved in the application of asset management are responsible for observing the requirements of the AM policy.