

Asset Management

References: *Municipal Government Act, RSA 2000, c M-26 (MGA), s. 201 (1)(a)*
MGA s. 203
MGA s. 207 (b)
MGA s. 209
Strathcona County Bylaw 2-95: Chief Commissioner's Bylaw

Cross-reference: GOV-002-021 Mandatory Review of Bylaws and Policies

Policy Statement

Strathcona County will strive to achieve effectiveness and efficiency in service delivery through all County owned assets, at sustainable asset lifecycle costs, and acceptable levels of risk & service. Asset Management at the County, and its continuous improvement, will provide acceptable levels of service at the right level of affordability for citizens and stakeholders.

The County's Asset Management Policy focuses on the noted fundamental objectives:

1. Providing sustainable service to the County's citizens and stakeholders.
2. Optimizing the value derived from assets while minimizing lifecycle costs; and
3. Managing risks to service delivery.

Purpose

The purpose of this policy is to establish consistent standards, guidelines, and expectations governing County-wide practices for managing assets, the services they provide, and the interrelated organizational elements that support effective County Asset Management practice and continuous improvement.

Definitions

ASSET - An item, thing or entity that has potential or actual value to the County. The value can be tangible or in-tangible, financial or non-financial.

ASSET LIFE CYCLE - The time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset (planning, design, construction, operation and maintenance, renewal, and disposal).

ASSET MANAGEMENT - Coordinated activity of an organization to realize value from its assets. The intent of asset management is to maximize benefits, manage risk and provide satisfactory levels of service to the community in a sustainable manner.

ASSET MANAGEMENT SYSTEM – Is a set of interrelated or interacting elements to establish Asset Management policy, Asset Management objectives and processes to achieve those objectives. Recognizing that achieving value from infrastructure assets requires a holistic organizational approach, the Strathcona County Asset Management system includes the coordination of activity across the County and considers organizational elements beyond assets to ensure consideration of people, process, governance, data, and technology to support the County’s Asset Management policy and objectives.

CAPITALIZATION THRESHOLD - the value of the infrastructure asset at or above which an organization will capitalize the asset’s value and below which the organization will expense the asset’s value.

CONDITION – the physical state of an asset.

CONTINUOUS IMPROVEMENT - The process of on-going development of Asset Management planning within the planning

COUNTY - refers to Strathcona County.

ENHANCE LEVEL OF SERVICE – improvement of the service provided beyond the County defined (or currently understood Level of Service)

GROWTH – Increase in asset service capacity through the addition of new or enhanced service offerings within the asset portfolio.

INTEGRATED ACTIVITY - Jointly planned, funded, or interwoven activities across service groups, asset types, organizational structure, and across asset lifecycle.

LIFE CYCLE COST - The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation, and disposal costs.

MAINTAIN LEVEL OF SERVICE - provision of service to meet County defined or in absence of formalized definition, current understood level of service.

MAINTENANCE – All actions necessary, excluding renewal actions, to address deterioration of an asset to preserve its condition and achieve expected useful life. Maintenance does not increase the level of service of the asset or increase its service life, rather it slows down deterioration and delays when renewal actions are necessary.

PUBLIC – Refers to Strathcona County taxpayers, residents, businesses, visitors, and/or users.

RENEWAL – Investment in existing assets to restore its former level of service capacity - often resulting in an improvement in asset condition and extension of service life. Capital investment in renewal extends the period of service potential but does not change its replacement value, and so does not increase the size of the infrastructure asset portfolio.

REPLACEMENT – The action of replacing an existing infrastructure asset with one that provides a similar level of service.

RISK - the effect of uncertainty on objectives. Risk events are events which may compromise the delivery of the organization’s strategic objectives. Asset Risk is evaluated by identifying the severity of an event occurring, the likelihood the severity occurs, and the extent of event.

SERVICE/USEFUL LIFE - the period over which an asset or component is expected to be available to provide defined levels of service.

Guidelines

The County shall adopt the following principles in managing its assets:

- **Customer Focused:** The County will clearly define the customer level of service and will use Asset Management practices to deliver services.
- **Risk Based:** The County will manage the level of asset risk associated with delivering the agreed upon level of service.
- **Forward Looking:** The County will take a long-term view of asset sustainment to ensure inter-generational equity and sustainability across profit, people, and planet.
- **Prioritizing:** The County will clearly and transparently identify asset priorities which will inform & support investment decisions.
- **Innovative:** The County shall create opportunities to make use of innovative technologies, services, and practices to enhance service management and delivery capabilities.

The Asset Value Delivery model is a conceptual framework that structures and introduces enhanced practices, tools, and supports aimed at aligning and strengthening Asset Management within the County to enable value generation from its assets.

Value from assets is created and sustained by managing the trade-offs between level of service delivered, level of risk accepted, and the cost over an asset's lifecycle. To realize on-going value, the County aims to align asset-focused capital and operating investment, practices, tools and supports with the Asset Value Delivery Model and the County's strategic long-term planning documents and policies.



Roles & Responsibilities

Council:

- setting County vision, strategic plan, and service levels
- ensuring commitment to a financial strategy that enables the Asset Management plan to deliver on the service levels, balancing customer expectations with risk, affordability, and time constraints.

Administration:

- periodic review and updating of the Asset Management Policy
- responsible and accountable for Asset Management outputs
- managing Asset Management frameworks, associated tools, and leading associated processes and continuous improvement activities
- report on asset management activities through state of the infrastructure, budget and planning, and periodic reporting.

1. Capitalization Threshold

The service provided by our assets will be the determining factor to identify and prioritize application of Asset Management within the County, including ongoing Asset Management plan development and continuous improvement. The service-focus of this policy differentiates identification and prioritization of assets from Tangible Capital Asset (TCA) Financial Reporting thresholds.

Though the means of identifying differences between Asset Management's qualitative approach to support planning and forecasting and TCA's quantitative approach for financial reporting, these activities and supporting information needs require an integrated approach. This includes ongoing collaboration between Asset Management and Financial reporting to ensure that asset related information requirements are consistently reviewed to ensure collective needs and opportunities.

2. Budgeting

The County will integrate Asset Management, the Asset Management value delivery model and the long-term financial sustainment model into the financial planning and budgeting processes across the whole asset lifecycle to support the long-term financial sustainability of its assets.

3. Community Planning

Asset Management, community and growth planning are complementary activities that require ongoing collaboration and alignment to ensure sustainable growth within the County. Asset Management planning and delivery activities will align with the County's approved plans with the aim of supporting the collective attainment of the County's goals and objectives for sustainable growth and renewal.

4. Climate Change & Sustainability

The County will balance organizational and financial capacity, stakeholder support, and local risks due to climate change in identifying appropriate actions. Asset Management plans and practice will incorporate this sustainable approach to climate change mitigation and adaptation.

5. Stakeholder Engagement

The County recognizes that stakeholder engagement is an important component of a comprehensive Asset Management approach. The County recognizes the value of collaborating with residents, businesses, neighboring municipal bodies, other levels of government, and regulated partners in service delivery. Accordingly, the County will provide opportunity and foster informed dialogue with stakeholders to encourage engagement and input.

6. Data, Information Management and Continuous Improvement

Asset information is a cornerstone for enabling Asset Management's evidence-based decision-making across the County. The County commits to continuous improvement and support of the processes, people, governance, data needs, and tools to support the integrated and on-going collection, processing, and use of its asset information to realize effective and efficient management of its assets. The County further commits to the alignment of technology and data strategic planning and delivery with Asset Management and shared support of open data to enable broad stakeholder evidence-based decision making.

Policy Record

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