

POLICY STATEMENT AND REGULATIONS

NUMBER 100.18 ASSET MANAGEMENT POLICY

1. PURPOSE

To establish the basic direction, philosophies, and values for the management of the District of Summerland's (the District's) services through existing and new assets, in order to support achievement of the District's vision and goals as stated in the Official Community Plan.

2. SCOPE

2.1. Application:

- 2.1.1 This Asset Management Policy applies to all departments that manage or influence service-providing assets or asset systems.
- 2.1.2 This policy's scope includes but is not limited to the following asset categories: water distribution, wastewater and stormwater management, parks, recreation, roads, buildings, fleet, solid waste, and electrical.
- 2.1.3 The District recognizes the value of natural assets in supporting service delivery and reducing the need for engineered assets, and will strive to make advances in integrating natural assets into asset management practices.

2.2 Alignment:

- 2.2.1 The District's Asset Management System should inform corporate policies, strategies, business planning, budget management systems, and processes.
- 2.2.2 The Asset Management System does not replace any existing corporate strategies, but rather works to compliment and align these initiatives.

2.3 Implementation and Review:

- 2.3.1 The District will strive for all related business processes to follow the direction and principles outlined in this Asset Management Policy.
- 2.3.2 The progress of the District's asset management efforts and implementation of the policy principles will be reviewed by council on an annual basis to ensure the viability of the policy.

3 RELATED POLICIES AND DOCUMENTS

- District of Summerland's Official Community Plan
- District of Summerland's Council Strategic Plan
- District of Summerland's Asset Management Strategy

When implementing principles from this Policy, the District will ensure their efforts align with other relevant District policies, particularly those that relate to finance, service, and risk management.

4 PRINCIPLE STATEMENTS

In each of the following areas, the District will:

4.1 Responsible Decision-Making

- 4.1.1 Make decisions on services and assets based on balancing level of service; risk; and whole-life cost – in alignment with the District's vision, mission, values and objectives.
- 4.1.2 Integrate corporate, financial, risk, business, land-use, community, environmental, social, technical, and budgetary plans and perspectives, working across the organization's departments.
- 4.1.3 Consider assets in their service-delivery context and interrelationships across the network and system to avoid isolated decisions.
- 4.1.4 Ensure that project business cases clearly identify the service need, considers options with appropriate whole-life costs and revenues (creation, operation, maintenance, replacement, decommissioning), and provides documented evidence for the final decision.
- 4.1.5 Enable business processes and decision making by using service and asset data with supporting information systems.
- 4.1.6 Continually review and increase data quality to improve data-based decision making.

4.2 Service Delivery

- 4.2.1 Strive to establish levels of service that balance the desires of stakeholders, risk, time/resource allocation, and cost-effective asset management processes.
- 4.2.2 Implement consultations to carry out transparent and realistic discussions with internal and external stakeholders regarding the state of the infrastructure, level of service, and the cost to provide the service.
- 4.2.3 Integrate feedback and data from consultations into asset management efforts and decision making.

4.3 Long-Term Sustainability

- 4.3.1 Strive to manage assets to deliver services that are sustainable for the community and local environment, meet the anticipated challenges of fulfilling the community's expectations, legislative requirements, climate change impacts, and needs of future generations.
- 4.3.2 Consider sustainability in the context of financial, social, cultural, and environmental in risk and decision-making processes.
- 4.3.3 Develop long-term financial plans that identify and adequately plan for required levels of operations, maintenance, and replacements associated with new and existing infrastructure, and use available resources effectively to minimize whole-life costs of assets.

4.4 Risk Considerations

- 4.4.1 Develop a good understanding of its corporate, asset, and operational risks in order to adequately invest in risk-mitigation activities needed to effectively manage service levels.
- 4.4.2 Manage the risk(s) associated with attaining agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost / benefit.
- 4.4.3 Assess risks by quantifying the probability and consequence of failure, including financial, social, environmental, and personal safety factors.

4.5 Change and Resiliency Preparations

- 4.5.1 Consider climate change impacts and forecast how they may impact service levels.
- 4.5.2 Systematically incorporate climate adaptation methods and tools into its plans and operations to bolster the District's infrastructure resiliency.
- 4.5.3 Forecast future growth and demand expectations to ensure the District can meet the service level needs of future generations.

4.6 Systematic Improvement

- 4.6.1 Operate with a clear structure of organizational accountability.
- 4.6.2 Have clear roles and responsibilities for the collection and maintenance of data and information related to service delivery, risk management, and the inventory, use, and performance of assets.
- 4.6.3 Measure and report to council periodically on the opportunities, effectiveness, and challenges of the District's Asset Management System.

5 ROLES AND RESPONSIBILITIES

- 5.1 The council is responsible for representing the electorate and approving the Asset Management Policy.
- 5.2 The CAO is responsible for adoption and oversight of the implementation of the Asset Management System.
- 5.3 The Steering Committee is responsible for managing the development and execution of the Asset Management System.
- 5.4 Department heads are responsible for their department implementing and adhering to the Asset Management System.

6 TERMS AND DEFINITIONS

Asset is an item, thing or entity that has potential or actual value to an organization. The value can be tangible or intangible, and financial or non-financial. An organization may choose to manage its assets as a group, rather than individually, to accommodate its needs and achieve additional benefits. Such groupings of assets may be organized by asset type, asset system, or asset portfolio.

Asset management (AM) is an integrated approach, involving all municipal departments, to choosing and managing existing and new assets. The intent is to maximize benefits, reduce risks, and provide satisfactory levels of service to the community in a sustainable manner. Good AM practices are fundamental to achieving sustainable and resilient communities.

Asset management (AM) system (the management system for asset management) is a set of interrelated and interacting elements of an organization, whose elements include the AM policy and AM objectives, and the processes needed to achieve those objectives. In this context, the elements of the AM system should be viewed as a set of tools, including policies, plans, business processes, and information systems, which are integrated to ensure that the AM activities will be delivered.

Asset management (AM) policy articulates the intentions and direction of an organization as formally expressed by its top management. The principles by which the organization intends to apply AM to achieve its organizational objectives should be set out in an AM policy.

Asset management (AM) strategy, also referred to as a strategic asset management plan (SAMP), is documentation that specifies: how organizational objectives are to be translated into AM objectives; the approach for developing

AM plans; and the role of the AM system in supporting achievement of the AM objectives. The approach to implementing the principles from the AM policy should be documented in the AM strategy. An organization's AM strategy should be used to guide the setting of its AM objectives, and to describe the role of the AM system in meeting these objectives. This includes identifying the structures, roles and responsibilities necessary to establish the AM system and to operate it effectively.

Asset management (AM) framework is a basic structure underlying a system, concept or text. Many municipalities used the term "AM framework" to refer to a high-level overview of their AM system, often in the form of a graphic illustration, showing how the different components connected to each other.

Asset management (AM) governance, in the context of a municipality, refers to how the municipality organizes itself to make decisions about its AM objectives, AM system, and application of AM practices. Governance in general refers to how society, or groups within it, organize to make decisions.

Asset management plan (AMP) is documentation that specifies the activities, Resources, and time scales required for an individual asset, or a grouping of assets, to achieve the organization's asset management objectives. An AMP should define the activities to be undertaken with regard to assets, and should have specific and measurable objectives (e.g., time frames and the resources to be used). The asset management system provides information to support the development of AMPs and the evaluation of their effectiveness.

Levels of service are the parameters, or combination of parameters, that reflect the social, political, environmental, and economic outcomes that the organization delivers. The parameters can include safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.

Maintenance is the process of preserving a condition or situation or the state of being preserved. Maintenance can be planned/scheduled or reactive.

Municipal natural assets are the stock of natural resources or ecosystems that are relied upon, managed, or could be managed by a municipality, regional district, or other form of local government for the sustainable provision of one or more municipal services.

Sustainability in the context of asset management means that infrastructure assets shall be managed using a balanced approach to meet the long-term economic, social and cultural, physical, and environmental needs of the community.

Whole-life cost (WLC), also sometimes referred to as life cycle cost, is the total cost of owning an asset over its entire life. Whole-life cost includes all costs such as design and building costs, operating costs, associated financing costs, depreciation, and disposal costs. Whole-life cost also takes into account certain costs that are usually overlooked, such as environmental impact and social costs.

Adopted: _____