



Title: Asset Management Policy	External/Internal
Department: Administration	Policy Number: TBB-003-AD
Approval Date:	Implementation Date:
Revised Approval Date:	Revised Implementation Date:

BACKGROUND

The Town of Bay Bulls shall adopt and apply asset management practices in support of delivering quality, cost-effective services to its customers. The Town will adopt a sustainable approach to asset management, ensuring that the asset base is not increased without considering the impact on the ability of the Town to fund future maintenance and rehabilitation.

OBJECTIVE/PURPOSE

Municipalities rely heavily on physical assets to function effectively. Managing assets so they can provide products and services presently, and into the future, is a core part of asset management. Successful asset management requires the support and understanding from many disciplines and involves participation at all levels of the organization. This policy outlines the fundamental asset management principles that will be developed and implemented across the organization.

GUIDELINES/PROCEDURE

This Policy applies to all tangible assets owned and/or managed by the Town which are currently supporting provision of services.

The table below provides examples of assets owned by the Municipality.

Service	Asset Type
Water	Treatment Plant, Distribution System
Storm Water	Storm Mains
Transportation	Roads, Bridges, Sidewalks, Street Lighting
Parks & Recreation	Sports fields, playgrounds, community centre
Facilities	Municipal Office
Fleet & Equipment	Vehicles
Information Technology Systems	Hardware, software, communication equipment

RESPONSIBILITY

- Municipal Council shall approve policies, procedures and guidelines as they relate to asset management.
- The Town Clerk shall support staff in ensuring the requirements contained in this policy are consistently applied.
- Staff shall develop and update this policy as necessary and present changes to Council as required.
- Town Clerk shall work with the staff to develop, implement and update the Strategic Asset Management Plan and Asset Management Plans.

DEFINITIONS

The following terms are defined as:

Term	Definition
Asset Management	Co-ordinated activity of an organization to realize value from its assets. AM involves the balancing of costs, opportunities and risks against the desired performance of assets, to achieve organizational objectives (balancing may need to be considered over multiple timeframes). AM enables an organization to examine the need for, and performance of, assets and asset systems at different levels and in conjunction with non-asset solutions. Additionally, it enables the application of analytical approaches towards managing assets over the different stages of their lifecycle.
Asset Management Objectives	Specific outcome or achievement required of the AM System in order to achieve the AM Strategy, structured as Levels of Service to customers.
Asset Management Policy	The AM Policy describes the organization's intentions and directions for AM, as formally expressed by its top management. It describes the principles and framework adopted in applying AM to achieve the organization's strategic objectives.
Asset Management Systems	The complete set of interrelated or interacting elements used to effect the AM Policy and objectives and the processes to achieve those objectives. These elements that make up the AM System can include documents, procedures, tools, data, and the assets.
Strategic Asset Management Plan (SAMP)	Documented information that specifies: how

	organization objectives are converted into AM Objectives; the scope and role of the asset management system in supporting achievement of the AM Objectives; and the approach for developing AM Plans
Asset Management Plan	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.
Lifecycle Cost	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.
Replacement Cost	Used in asset management practices. The total cost of replacing the asset in today's dollar. It is not the same valuation done for accounting practices which uses the historic cost of assets, or the actual cost of acquiring the asset.
Triple Bottom Line	Expands on the traditional view of an organization's financial bottom line by also measuring the organization's commitment to socio cultural and environmental factors.

Key Principles of Asset Management

In order to achieve the asset management objectives, the following principles will be applied to all aspects of the asset management system:

Principle	Description
Customer Focused	The Town will have clearly defined Levels of Service and applying asset management practices to maintain confidence of customers in how Town assets are managed.
Holistic	the Town will take a comprehensive approach that looks at the “big picture” and considers the combined impact of managing all aspects of the asset life cycle.
Sustainable	the Town will make the appropriate decisions and provisions to better enable its’ assets to meet future challenges, including population growth, customer expectations, legislative requirements, technological and environmental factors, without compromising the ability of future generations to meet their own needs.
Systemic	the Town will adopt risk-based decision-making processes that consider the likelihood of asset failure and the consequence of a failure with regards to impacts on safety and levels of service.
Risk-Based	the Town will manage risk associated with attaining target levels of service by ensuring that resources, expenditures and priorities are allocated based on risk and associated cost/benefit.
Optimal	the Town will make asset investment decisions based on trade-offs between the competing factors of balancing service levels, risks, and costs over the long term and full lifecycle of the assets.

Asset Management Practices

In order to adopt effective asset management practices, the Town shall:

- a) Make informed decisions, identifying all revenues and costs (including operation, maintenance, replacement, and decommission) associated with infrastructure asset decisions, including betterments. Trade-offs should be articulated and evaluated, and the basis for the decision recorded;
- b) Define levels of service that balance customer expectations with risk, affordability and timing constraints. Risks to users and risks associated with failure to deliver service levels must be identified and managed;

- c) Integrate the discipline of asset management, by recognizing AM relies on an interdisciplinary approach, needing expertise from many different departments, including but not limited to corporate, financial, engineering, maintenance, and operations;
- d) Establish a clear structure of organizational accountability and responsibility for service delivery, managing risk, and the inventory, condition, use and performance of assets; and
- e) Monitor and report on the performance of the assets and track the effectiveness of AM practices with a view to continuous improvement;

Related Documents

Asset Management is multi-faceted and impacts all areas of the organization. The following policies, frameworks and plans are impacted by, or impact, the Policy:

- Asset Management Strategy (to be developed);
- Tangible Capital Asset Policy (to be developed);
- Reserve and Reserve Fund Policy (to be developed);;
- Strategic Plan (to be developed);
- Long Term Financial Strategy (to be developed);
- 10 Year Financial Plan (to be developed);
- Budget and Financial Control Policy (to be developed);
- Annual Capital and Operating Budgets;