

POLICY # AD 035
POLICY TITLE: Asset Management Policy

APPROVAL DATE AND MOTION:	January 1, 2022 (2022-01-00)	CROSS-REFERENCE:	ISO 55000:2024 Asset Management
RESPONSIBILITY:	CAO and Administration		Asset Management Readiness Scale Assessment Tool, FCM
APPROVER:	Council	APPENDICES:	
REVISION DATE(s)/ MOTION #:		EFFECTIVE DATE:	
		NEXT REVIEW DATE:	

1. DEFINITIONS

- 1.a. **County** means the County of Vermilion River.
- 1.b. **Council** means the Council of the County of Vermilion River.
- 1.c. **CAO** means the Chief Administrative Officer of the County of Vermilion River.
- 1.d. **Asset Management** means the set of coordinated activities than an organization uses to realize value from **assets**. Realization of value requires the achievement of a balance of costs, risks and desired performance.

- 1.e. **Asset** means 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.
- 1.f. **Natural Asset** means the stocks of natural resources or ecosystems that contribute to the provisions of one or more services required for the health, well-being and long-term sustainability of a Community and its residents.
- 1.g. **Level(s) of Service** means the parameters or combination of parameters that reflect socio-cultural, financial/economic, and environmental outcomes that the organization delivers. They describe the outputs or objectives that the **County** intends to deliver; including measures at the corporate, stakeholder, and **asset** operator levels of the organization. They are the composite indicators such as quality, quantity, reliability, responsiveness, safety, and cost, for a particular activity or service area against which service performance may be measured.
- 1.h. **Life Cycle Cost** means the sum of all recurring and one-time (non-recurring) costs over the full life span or a specified period of an **asset**. It includes planning, design, construction, acquisition, operation, maintenance, rehabilitation, and disposal costs.

2. POLICY STATEMENT

- 2.a. The County of Vermilion River provides a wide range of services to the community.
- 2.b. The Council of the County of Vermilion River acts in a stewardship role to care for and protect the **assets** that are used to provide these services for present and future generations.
- 2.c. **Asset Management** is an integrated approach involving all County of Vermilion River departments to realize value from existing and new **assets**.
- 2.d. **Asset Management** is a systematic process that guides planning, acquisition, operation and maintenance, renewal, and disposal of **assets** with the objective to achieve a balance of service delivery, risks, and costs over the life of the **assets**.

3. OBJECTIVE

- 3.a. To communicate the Council of the County of Vermilion River's commitment to **Asset Management**.
- 3.b. To guide the development and implementation of **Asset Management** Systems, Strategies and Plans for the County of Vermilion River.

4. BACKGROUND

- 4.a. **Asset management** is an evolving practice. ISO 55000 is the international standard for **asset management**. This document provides an overview of **asset management**, its principles and terminology and the expected benefits from adopting an **asset management** system.
- 4.b. Indicators point towards requiring organizations to demonstrate a commitment to **asset management** to receive provincial and federal funding in the future.

5. GUIDING PRINCIPLES

- 5.a. The County of Vermilion River delivers services to the community through a wide range of **County** owned **assets** as well as some **assets** managed through co-management agreements. In addition to these existing **assets**, the **County** may receive or construct new **assets**.

This policy applies to:

- 5.a.(i) All infrastructure **assets** or **asset** systems (including **natural assets**) owned by the **County** and used to deliver services to the community;
- 5.a.(ii) **Assets** owned by others but managed or co-managed by the **County** to deliver services to the community, subject to the terms of any agreement already in place; and

- 5.a.(iii) **Natural assets** that the **County** does not own, but which currently support the provision of **County** services.
- 5.b. Service Delivery Focus – The **County** will:
- 5.b.(i) Have clearly defined **levels of service** that balance customer expectations and regulatory requirements with risk, affordability, and available resources.
 - 5.b.(ii) Monitor and periodically review **level of service** objectives to ensure that they meet or support community and **Council** expectations and other strategic objectives.
 - 5.b.(iii) Adopt a formal, consistent, and repeatable approach to management of its **assets** that will ensure services are provided in the most efficient and effective manner.
 - 5.b.(iv) Direct its resources, expenditures, and priorities in a way that achieves the agreed service outcomes and benefits at an acceptable level of risk.
 - 5.b.(v) Ensure transparency and accountability to the community on service delivery by actively communicating and consulting, clearly, and meaningfully with stakeholders where appropriate and be responsive to stakeholder inputs.
 - 5.b.(vi) Comply with all relevant legislative, regulatory, and statutory requirements.
- 5.c. Long-Term Sustainability and Risk Considerations – The **County** will:
- 5.c.(i) 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, when evaluating **asset management** decisions.

- 5.c.(ii) Use a risk-based decision-making framework that considers potential impacts to all stakeholders when evaluating **asset management** decisions.
- 5.c.(iii) Ensure new **assets** are evaluated from a service delivery perspective and will be constructed/acquired with consideration for the total **life cycle costs** of the **asset**.
- 5.c.(iv) Consider socio-cultural, environmental, and economic factors and implications during **asset management** planning and investment processes.
- 5.d. Integrated and Systematic Approach – The **County** will:
 - 5.d.(i) Take steps to connect the appropriate departments, functions, and support activities to build effective working relationships and encourage information-sharing.
 - 5.d.(ii) Ensure that **asset** decisions are made collaboratively with consideration for all life-cycle stages and 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.
- 5.e. Holistic Financial and Investment Decision Making – The **County** will:
 - 5.e.(i) Make informed decisions based on whole life costs of **assets** to assess the full impact of managing **assets** through their life cycle from acquisition to renewal or disposal.
 - 5.e.(ii) Develop and maintain appropriate long-term plans for infrastructure renewal, for the purchase/construction of new infrastructure, and for the decommissioning of redundant infrastructure that includes:
 - 5.e.(ii)(1) Implementing and maintaining appropriate planning resources

- 5.e.(ii)(2) Annual operating and investment needs
- 5.e.(ii)(3) **Life cycle costing**
- 5.e.(ii)(4) Providing stable long-term funding
- 5.e.(iii) Evaluate **asset** investment decisions with consideration for value derived for the community, affordability, willingness to pay, and intergenerational equity.
- 5.e.(iv) Recognize that there are constantly changing financial constraints and challenges that surround all services and **assets** delivered by the **County** and that **asset management** practices must be proactive and responsive to changing environments.
- 5.f. Innovation and Continual Improvement – The **County** will:
 - 5.f.(i) Continually measure the effectiveness of its **asset management** processes and procedures and adjust as required.
 - 5.f.(ii) Determine the necessary competencies required to implement the **asset management** system and recruit, train, and retain the appropriate staff in this regard.

6. ROLES & RESPONSIBILITIES

ROLE/TASK	TITLE (s) OF PERSON RESPONSIBLE
HANDLING INQUIRIES	CAO
MONITORING REVIEWS AND REVISIONS	CAO
IMPLEMENTING POLICY	Council

COMMUNICATING POLICY	CAO and Administration
INTERNAL STAKEHOLDERS	Administration, Staff and Council
EXTERNAL STAKEHOLDERS	Ratepayers, County Residents, General Public

7. EXCEPTIONS

7.a. There are no exceptions to this policy.

8. POLICY EVALUATION

- 8.a. To be reviewed every three (3) years.
- 8.b. Process evaluation to measure whether the policy is meeting its intended objective; and
- 8.c. Outcome evaluation to determine whether the policy has met its objectives and whether additional opportunities for improvement in the policy can be identified.