Corporate Services

Strategic Asset Management Policy

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1.0 Policy Statement

Proper governance of the corporate Asset Management (AM) program ensures consistent policies, procedures, frameworks, templates, and standardized tools across the town.

The following policy statements guide the Asset Management program for the Town:

i. The Town will implement a corporate-wide Asset Management program. The program will promote the adoption of industry best practices, continuous improvement protocols and life cycle and risk management of all municipal assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.

ii. The Town will develop an Asset Management Plan that incorporates all municipal assets that comply with the capitalization thresholds outlined in the organization's Tangible Capital Asset policy, as amended from time to time, and will update the Plan in accordance with Ontario Regulation 588/17 requirements.

iii. The Town will integrate the Asset Management Plan and practices with its long-term financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal assets based on full life cycle costing.

iv. The Town will develop and maintain an asset inventory of all municipal assets and integrate asset information with business program activities such as accounting, planning, design, budgeting, procurement, customer service requests, work order management and mapping.

v. The Town will explore innovative funding and service delivery opportunities, including grants, public-private partnerships (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate.

vi. The Town will consider the risks and vulnerabilities of municipal assets to climate change and the actions that may be required including, anticipated costs that could arise from these impacts, adaptation opportunities, mitigation approaches, partnerships with other municipalities and levels of government, disaster planning and contingency funding. Impacts may include matters relating to operations, levels of service and life cycle management.

vii. The Town will align all Asset Management planning with the Province of Ontario's land-use planning framework, including any relevant policy statements issued under subsection 3 (1) of the *Planning Act,* and shall conform with the provincial plans that are in effect on that date; and shall be consistent with the Town's Municipal Official Plan.

viii. The Town will coordinate planning for Asset Management, where municipal assets connect or are interrelated with those of its neighbouring municipalities or jointly owned municipal bodies wherever viable and beneficial.

ix. The Town will develop processes and provide opportunities for municipal residents and other interested parties to offer input into Asset Management planning wherever and whenever possible.

x. The Strategic Asset Management policy will be reviewed and, if necessary, updated in accordance with Ontario Regulation 588/17 requirements.

xi. Council will conduct an annual review of the progress of the Town's Asset Management program on or before July 1 each year, in accordance with Ontario Regulation 588/17 requirements which states that the annual review must address:

    a. The Town's progress in implementing its Asset Management Plan;
    b. Any factors impeding the Town's ability to implement its Asset Management Plan;
    c. A strategy to address the factors identified as impeding the Town's ability to implement its Asset Management Plan.

xii. The Town will post its Strategic Asset Management Policy and Asset Management Plan(s) on the eastgwillimbury.ca website and will provide a print or alternate format copy to any person who requests the policy and plan.

2.0 Purpose

The purpose of this policy is to provide a framework for the development and implementation of the Town's Corporate Asset Management program. It demonstrates an organization-wide

commitment to good stewardship of municipal assets and to improved accountability and transparency to the community through the adoption of Asset Management best practices.

The Strategic Asset Management policy considers short-term project delivery and longer-term program sustainability. The key objectives are to:

- Provide corporate-wide training on procedures to ensure successful implementation of all phases of the Town's Asset Management program
- Provide an organization design that operationalizes Asset Management across the Town's service areas
- Provide clear roles and responsibilities for staff to enable changes needed for the program to advance
- Ensure consistency in Asset Management concepts and practices at a corporate level
- Allow for strategic planning and understanding of future challenges and business drivers that may require changes to existing Asset Management concepts and practices to ensure effectiveness and sustainability.

3.0 Scope

Applicable to all employees of the Town of East Gwillimbury.

4.0 Definitions

Term	Definition
Asset	Item, thing, or entity which can be physical or intellectual in nature, that has potential or actual value to an organization. Source: ISO 55000 (modified)
Asset Life	Period from asset creation to asset end-of-life. ISO 55000
Asset Management (AM)	The coordinated activity of an organization to realize value from assets and involves balancing costs, risks, opportunities, and performance benefits. It considers all asset types and includes all activities involved in the asset's life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any

Term	Definition
	remaining liabilities. Source: ISO 55000 (modified)
Asset Management Plan (AMP)	Documented information that specifies the activities, resources, and timelines required for an individual asset, or a grouping of assets, to achieve the organization's Asset Management objectives. Source: ISO 55000 (modified)
Asset Management program	The continuous improvement of the asset management system, service performance, data, and processes.
Asset Register	A detailed list of all Town assets. It includes details such as location, original cost, age, condition, depreciation, and current value for each asset.
Capitalization Threshold	The value of a municipal asset at or above which a Town will amortize the cost to match the expense with the useful life of the asset and below which it will immediately recognize the full asset value through an expense. Source: O.Reg. 588/17 (modified)
Continuous Improvement	Recurring activity to enhance performance. Source: ISO 55000
Green Infrastructure	A broad category including natural assets as well as designed and engineered elements that have been created to mimic natural functions and processes in the service of human interests. Enhanced assets include trees, bioswales, biomimicry and stormwater ponds. Engineered assets include permeable pavement, green roofs/walls, rain barrels and cisterns. Source: Municipal Natural Assets Initiative
Levels of Service	Parameters, or combination of parameters, which reflect social, political, environmental, and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability. Source: ISO 55000 (modified)
Life Cycle	Stages involved in the management of an asset. Source: ISO 55000
Life Cycle Activities	Activities undertaken with respect to a municipal infrastructure

Term	Definition
	asset over its service life, including constructing, maintaining, renewing, operating, and decommissioning, and all engineering and design work associated with those activities. Source: O.Reg. 588/17
Life Cycle Costing	An estimate of all the costs an asset will incur over its lifespan, including acquisition, maintenance, rehabilitation, and disposal costs.
Municipal Asset	An asset, including green infrastructure, directly owned by a Town, or included on the consolidated financial statements of a Town, but does not include assets managed by a joint municipal water board. Source: O.Reg. 588/17 (modified)
Natural Assets	Natural resources or ecosystems that are relied upon, managed, or could be managed by a municipality for the sustainable provision of municipal services. Natural assets include wetlands, forests, parks, waterways, fields, soil. Source: Municipal Natural Assets Initiative
Risk	The potential effect of uncertainty on an objective where the probability and consequence of the uncertainty are considered. Source: ISO 55000 (modified)
Service Request	A recorded mechanism to identify, organize, acknowledge, and assess an issue from a person, organization or interested party.
Work Order	A recorded mechanism to organize and deploy resources to perform work or actions that meet an objective or result.

5.0 Responsibilities

The development and continuous support of the Town's Asset Management program requires a wide range of duties and responsibilities. The following outlines the person(s) responsible for the Town's Asset Management program:

Mayor and Members of Council

- Approve the Asset Management policy and plan by resolution

- Maintain adequate financial and staff resources to support core practices of the Asset Management program
- Review the annual progress report prepared by staff related to the Town's Asset Management program
- Prioritize asset stewardship during budget deliberations
- Establish and monitor levels of service

Executive Leads

- Co-sponsors of the Asset Management program
- Comprised of the General Manager of Corporate Services and General Manager of Engineering and Public Works
- Hold overall ownership to ensure compliance with this policy
- Ensure appropriate departmental representation on the Asset Management Steering Committee

Asset Management Steering Committee

- Provide overall governance and direction for AM development and implementation
- Provide corporate-wide leadership in asset management practices
- Endorse the AM program and plan
- Develop and monitor levels of service and make recommendations to Council
- Ensure adequate staff resources are available for the success of the AM program, including assigning Team Leads
- Monitor and manage the AM program milestones
- Provide direction, interpretation, and enforcement of this policy, ensuring alignment with the Town's strategic direction

Asset Management Project Manager

- Provide corporate-wide leadership in Asset Management practices and concepts in accordance with policies and procedures
- Oversee the integration of technology to support the AM program
- Ensure implementation and adherence to procedures surrounding inventory controls
- Review the Strategic Asset Management policy for updates every 5 years
- Coordinate communications to Team Leads and follow up on deliverable deadlines
- Facilitate communication and training as it relates to municipal Asset Management

- Chair Steering Committee meetings
- Track and communicate progress of the Asset Management program, including budget
- Facilitate team meetings at all levels including council presentations and implement task teams to develop processes to advance the Asset Management program.
- Provide skills development to employees in specific Asset Management disciplines

Team Leads

- Support Asset Management practices at the departmental level
- Act as data steward; review and monitor departmental asset inventory
- Leverage data to track performance and drive decision making
- Track and report on Asset Management benefits at the departmental level
- Participate in Asset Management network and coordination planning meetings

Staff

- Embrace new business processes and technological tools to effect Asset Management
- Operationalize Asset Management by capturing quality data during daily operations
- Implement and maintain levels of service
- Seek to be innovative with respect to service delivery and adopt a culture of continuous improvement
- Participate in meetings as part of the Asset Management development process

6.0 Strategic Priorities

Asset Management planning should align with the Town's Strategic Plan and be reviewed regularly so that it continues to align with changing and emerging strategic priorities.

The Town's Corporate Asset Management program and plan(s) will align with the following municipal goals, policies, and plans, as amended from time to time:

i. Strategic Plans
ii. Official Plan and Secondary Plans
iii. Master Infrastructure and Growth-Related Plans
iv. Financial Plans (e.g. Water and Wastewater Master Plans and Development Charge Background Study)
v. Applicable legislation such as the Safe Drinking Water Act, 2002
vi. Annual and Forecast Budgets
vii. Department Business Plans
viii. Community Engagement Plans

ix. Organizational Improvement Plans
x. Tangible Capital Asset policy

7.0 Key Principles

Section 3 of the Infrastructure for Jobs and Prosperity Act, 2015, outlines key principals to be considered when making planning and investment decisions:

i. Decision makers should take a long-term view and consider the needs of citizens by being mindful of, among other things, demographic, and economic trends.
ii. Consider any applicable budgets or fiscal plans.
iii. Priorities should be clearly identified to better inform investment decisions respecting municipal assets.
iv. Ensure the continued provision of public services.
v. Promote economic competitiveness, productivity, job creation and training opportunities.
vi. Ensure that the health and safety of workers involved in the construction and maintenance of municipal assets is protected.
vii. Foster innovation by creating opportunities to make use of innovative technologies, services, and practices.
viii. Be evidence based and transparent, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information,
    a. investment decisions should be made based on information that is either publicly available or is made available to the public, and
    b. information with implications for infrastructure planning should be shared between the Town and broader public sector entities and should factor into investment decisions respecting infrastructure.
ix. Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the Town, the Town should be mindful of those plans and strategies and make investment decisions that support them, to the extent that they are relevant.
x. Promote accessibility for persons with disabilities.
xi. Minimize the impact of infrastructure on the environment, respect and help maintain ecological and biological diversity, and design infrastructure to be resilient to the effects of climate change.
xii. Make use of acceptable recycled aggregates.

xiii. Promote community benefits, being the supplementary social and economic benefits arising from projects intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities, improvement of public space within the community, and any specific benefits identified by the community.

8.0 Asset Management System

8.1 Continuous Improvement

The Town will implement continuous improvement protocols and adopt best practices regarding asset management planning, including developing and managing:

- Internal governance structure
- Comprehensive Asset Management Plans
- Complete, consistent, and accurate asset inventory and data
- Integration of technology
- Condition and performance assessment processes
- Risk management
- Lifecycle management
- Levels of Service framework
- Financial Strategy updates

8.2 Inventory

The Town will develop and maintain an asset inventory of all municipal assets that will be maintained in the Asset Register. Additionally, assets with location coordinates of latitude and longitude will be digitally mapped in a Geographic Information System linked to the Asset Register.

The Asset Register will include:

- Unique identification
- Asset description
- Location
- In-service date
- Historical cost
- Replacement value
- Condition
- Useful life/service life
- Estimated repair, rehabilitation, or replacement date

Note: It can be advantageous to inventory and track assets that fall below the capitalization thresholds noted in the Tangible Capital Asset Policy. The Town will consider tracking assets based on operational significance as well as the cost benefit of managing additional data.

8.3 Technology integration

The Town will integrate asset information with information technology systems which support linking asset information to business activities. Examples include:

- Procurement
- Customer service
- Work order management
- Budgeting
- Management reporting (key performance indicators (KPIs), Financial Statements, Financial Information Return)
- Mapping

9.0 References

The following legislation and regulations, as amended from time to time, are relevant to this policy:

i. Infrastructure for Jobs and Prosperity Act, 2015
ii. Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure
iii. Municipal Act, 2001
iv. Planning Act, R.S.O. 1990
v. Places to Grow Act, 2005
vi. Safe Drinking Water Act, 2002
vii. Development Charges Act, 1997