City of Peterborough

DRAFT POLICY

ASSET MANAGEMENT POLICY

Department:	Utility Services	**Effective Date:**	2016-10-03
Division:	Infrastructure Planning	**Approval Level:**	Corporate
Section/Facility:	Asset Management	**Policy #:**	
		Revision #:	N/A

1.0 PURPOSE

1.1 Provide City-wide Asset Management workflows that enable a coordinated, cost-effective, and sustainable approach to the management of City's Assets in order to:

.1 Facilitate effective decision-making and risk assessments;
.2 Meet legislative and regulatory requirements;
.3 Establish Levels of Service (LOS) and adjust accordingly;
.4 Improve Asset efficiency, effectiveness, and sustainability;
.5 Prepare for Climate Change;
.6 Accommodate growth and city demographics.

2.0 POLICY STATEMENT(S)

2.1 The City shall adopt ISO 55000 series of standards, and its amendments, as the guiding standards for Asset Management.

2.2 The City's Asset Management workflows shall comply with all applicable laws and regulations as well as account for provincial mandates such as Infrastructure for Jobs and Prosperity Act and Climate Change Action Plans.

2.0 POLICY STATEMENT(S)

2.3 The City commits to:

.1 Establish and maintain an asset management plan that accounts for infrastructure risk, LOS and optimized life cycle management.

.2 Align the Asset Management Plan with key City plans and strategies including but not limited to those listed in 5.1.

.3 Collaborate with internal and external stakeholders related to Asset Management planning and decision-making.

.4 Develop and demonstrate effective use of Stakeholder funds through the evaluation of Asset investment needs.

.5 Continuously improve its Asset Management practices and long-term capital budget vision through internal and external audits.

.6 Educate all staff about their role in the delivery of Asset Management.

.7 Review this Policy every five years or in response to any significant changes.

2.4 The City shall report Capital assets as defined by the financial threshold in Policy - 0009 Tangible Capital Asset Accounting.

3.0 APPLICATION

3.1 This Policy applies to all City-owned tangible capital assets and activities including those managed by Peterborough Housing Corporation;

.1 Excludes assets owned by organizations funded by the City however all organizations are encouraged align to the City Policy where feasible.

3.2 This Policy applies to all those responsible or involved in delivering services through the City's assets.

4.0 DEFINITIONS/ACRONYMS (As Required)

Activities - Actions taken to manage assets including operations, maintenance, rehabilitation, renewal and planning for purchasing or constructing.

Asset - As defined by the ISO is an item, thing, or entity that has potential or actual value to the City. Value can be tangible or intangible.

Asset Management - The coordinated activity of an organization to realize value from assets.

Workflow - A sequence of repeatable processes or activities that transform an asset, service, or information.

4.0 DEFINITIONS/ACRONYMS (As Required)

Asset Management Plan - Documented information that specifies the activities to be undertaken, resources required and time lines necessary to realize value for an individual asset, or a grouping of assets, to achieve the organization's asset management objectives as per the Asset Management Procedure

City - The Corporation of the City of Peterborough.

Green Infrastructure - Infrastructure assets consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.

Intangible Asset - Assets or Elements, that may be non-physical, that will be considered to the extent that they influence the City's decision making with respect to Tangible Capital Assets. (For example: Green Infrastructure, Urban Forests, Operations, Maintenance Activities, Lifecycle Activities, Studies, Agreements, Leases, etc)

ISO 55000 - The internationally recognized standard in Asset Management.

Levels of Service (LOS) - A measurable result used to assess the quality of a particular activity or service.

Risk - The chance an event will have an adverse impact on the City's liability, exposure and delivery of the organization objectives. It includes both the probability and consequence as well as disasters and planning for such events.

Service - The benefits gained by the stakeholders through our assets.

Stakeholder - People or organizations that can affect or be affected by a service or asset.

Tangible Capital Assets - Non-Financial assets having physical substance that:
a) Are held for use in the production or supply of goods and service, for rental to others, for administrative purposes or the development, construction, maintenance or repair of other tangible capital assets;
b) Have useful economic lives extending beyond an accounting period;
c) Are to be used on a continuing basis; and
d) Are not for resale in the ordinary course of operations.

5.0 APPENDIX, RELATED POLICIES, PROCEDURES & LINKS

(Note: All references refer to the current version, as may be amended from time to time)

5.1 Pertinent Resources

Infrastructure for Jobs and Prosperity Act (2015) - Ministry of Infrastructure
Planning Act (1990) - Ministry of Municipal Affairs
Places to Grow Act (2005) - Ministry of Municipal Affairs
Airport Master Plan (2009)
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Planning Area-Specific Development Charges Background Study (2012)
City-wide Development Charges Background Study (2014)

5.2 Related Policies

0009- Tangible Capital Asset Accounting 2013

5.3 Related Procedures

- Asset Management Procedure (in draft)
0009-P01 Tangible Capital Assets Inventory Management

5.4 Related Forms

ISO 55000 Audit tool

5.5 Miscellaneous

ISO 55000 Standard for Asset Management
ISO 55001 - Asset Management - Management System Requirements
ISO 55002 - Guidelines for Application of ISO 55001

6.0 AMENDMENTS/ REVIEWS

Next Review Date	

Date (yyyy-mm-dd)	Section(s) Amended	Comments

DRAFT
POLICY

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6.0 AMENDMENTS/ REVIEWS

Next Review Date	

Date (yyyy-mm-dd)	Section(s) Amended	Comments

City of Peterborough

Asset Management Procedure

Department:	Utility Services
Division:	Infrastructure Planning
Section/Function:	Asset Management
Approval Level:	
Effective Date:	
Revision #:	1

1.0 Purpose

1.1. This Procedure provides direction for implementing the City's Asset Management Policy #0038.

1.2. This Procedure will provide guidance for capital budget planning through asset management principles.

2.0 Application

2.1. This Procedure applies to all City owned tangible capital assets and activities associated with them.

2.2. This procedure will support the provisions of core services as set out in the City's Corporate Vision, "A City that is: Healthy and Connected, Prosperous, Vibrant, and Sustainable."

2.3. This procedure applies to:
Council members,

a) City Council,

b) City appointed Advisory Committees and boards,

c) All City Staff,

d) All Steering Committees or working groups.

3.0 Asset Management Objectives

Asset Management as defined by ISO 55000 is "coordinated activity of an organisation to realize value from assets". Asset Management involves the balancing of costs, opportunities and risks against the desired performance of assets, to achieve the organisational objectives. This balancing might need to be considered over different timeframes. Asset Management is making the right decisions and optimising the delivery of value. The following objectives will be considered when making decisions around the City assets.

3.1. Delivering Structure

3.2. Delivering Transparency Through Audits

3.3. Delivering a Report Card

3.4. Delivering Stakeholder Engagement

3.5. Delivering Improved Decision Making

3.1. Delivering Structure

To deliver a constant and reliable Asset Management Plan and effective annual budget, City staff will utilize the Asset Management Workflow shown in Figure 3-1. Many documents will work together to deliver services via the City assets to the community in a sustainable and transparent manner.

City of Peterborough

Asset Management Procedure

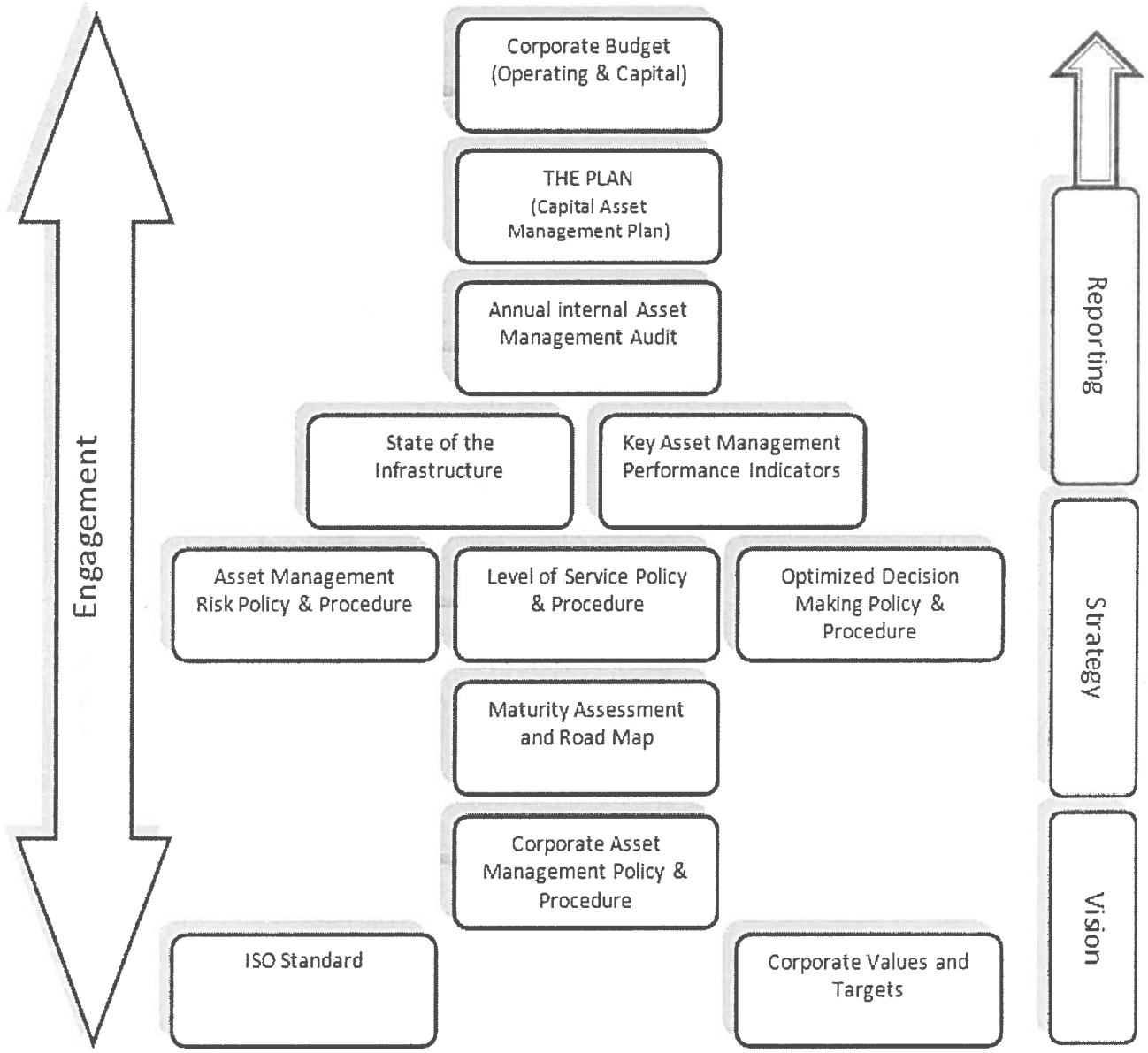

Figure 3-1: Asset Management Workflow

To effectively deliver this work flow, the City will use team structure shown in Figure 3-2. With fluid priorities and changing provincial mandates, a support structure becomes a key part in the delivery of effective Asset Management.

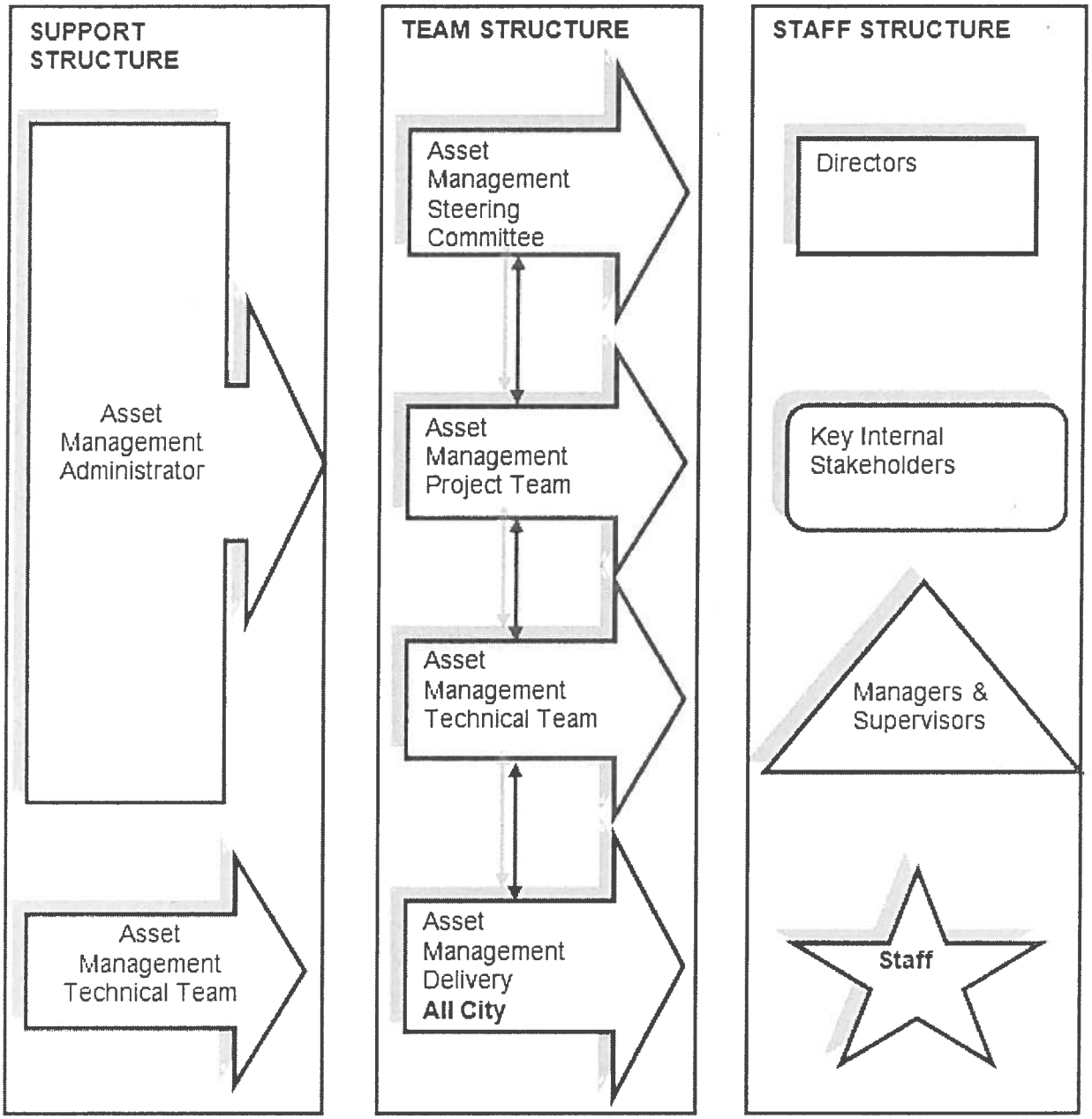

Figure 3-2: Asset Management Team

3.2. Delivering Transparency through Audits

Balancing the needs of assets is continuously changing over different timeframes. To map progress and identify opportunities for improvement, internal and external audits will be undertaken to provide a "self check" while also giving confidence to the community that the City is conducting business in a responsible way.

3.3. Delivering a Report Card

Asset Management plans report on the health of the City's assets and services from both technical and financial standpoints. These documents help the City and the stakeholders understand short-term and long-term investment needs as well as the state of the City infrastructure. The quality of Asset Management plans improve as the decision making procedures improve and the quantity of asset information included improves.

3.4. Delivering Stakeholder Engagement

Asset Management requires an understanding of how assets deliver services. These services are provided to, and by, a variety of different stakeholders. Stakeholders can include;

Internal Stakeholders:
- City Council
- City Departments and their Employees

External Stakeholders:
- Citizens
- Businesses
- Employee Representatives (Unions etc)
- Utility Companies
- City funded or owned organizations
- Visitors / Guests
- Contractors / Consultants
- Non-government organizations
- Federal Government Agencies
- Provincial Government Agencies
- First Nations
- Community groups
- Conservation Authorities
- Higher Education Institutions
- Surrounding Communities / County
- Financial Institutions, Rating Agencies, Insurers
- School boards
- City appointed Boards and advisory committees

When developing asset strategies, the City will ensure that internal and external stakeholder needs are considered to produce a final outcome that is in the best interest of the City and the community.

3.5. Delivering Improved Decision Making

Whether public or private, and whether the assets are physical, financial, human or intangible, good Asset Management maximises value-for-money and stakeholder expectations. Improved

decision making involves coordinated and optimized planning, purchasing, utilization, maintenance and ultimate disposal or renewal of the assets and asset services delivered.

The results of risk-based, whole life cycle Asset Management includes:

- Alignment of processes, resources and functional contributions (instead of departmental silos and competing priorities).
- Creating a transparent audit trail for what is done, when, why and where.
- Better understanding and manipulation of data and information to provide informed and consistent decisions.
- Improved planning; especially capital expenditure.
- Consistent, prioritised and auditable risk management.
- Alignment and coordination of existing initiatives, including competency development.
- Greater engagement of the workforce, including leadership, communications and cross-disciplinary teamwork.

The following Figure 3-3 depicts the interaction of City staff at all levels in delivering improved decision making.

City of Peterborough

Asset Management Procedure

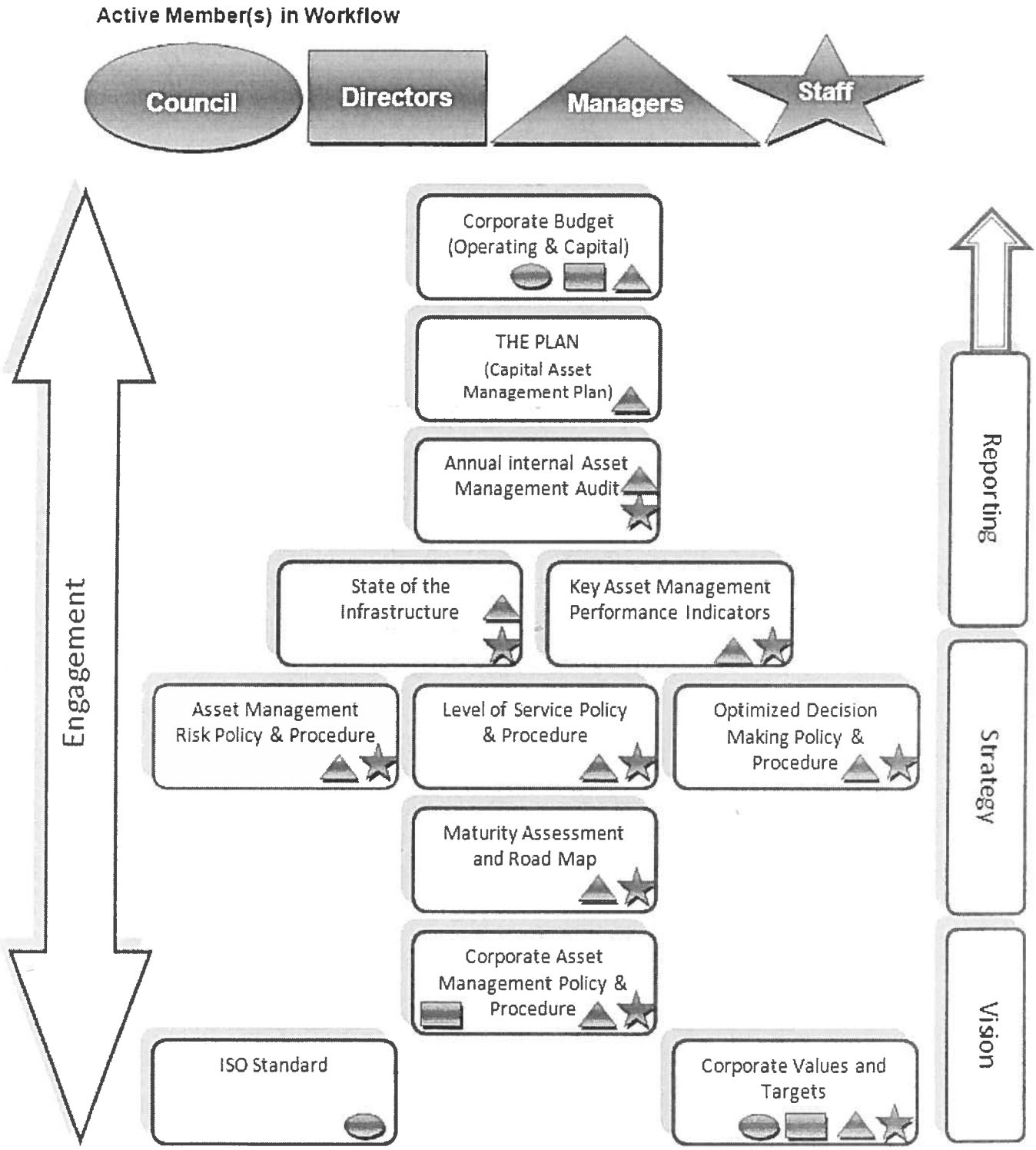

Figure 3-3: Employee Involvement in Workflow Stages

4.0 Procedure

To deliver confidence to Internal and External Stakeholders and the community at large, a series of actions conducted in a certain order or manner are required.

4.1. City Council will:

a) Ensure the city will Comply with all applicable legislation.
b) Approve appropriate levels of service targets for City services.
c) Approve policies as required.
d) Approve budget
e) Receive and/or approve any asset management related plans, policies, audits and roadmaps.

4.2. Directors will:

a) Ensure that the management and operation of the City's assets comply with all applicable legislation.
b) Develop key City values that align with Asset Management Objectives (Section 3.0).
c) Contribute, approve, apply and encourage the use of the Workflow (Figure 3-1).
d) Recognize corporate priorities and challenges through budget discussion.
e) Create a stakeholder communication plan to help determine which individuals are included in Asset Management decisions to serve the needs of different stakeholders for different reasons.
f) Recommend policy for council approval and approve procedures.
g) Ensure the annual Budgets include the Asset Management Plans priorities for each respective Department.
h) Publish the Wastewater Financial Plan within the annual Budget.

4.3. Managers will:

a) Ensure that the management and operation of the City's assets comply with all applicable legislation.
b) Align all new key City plans, strategies and assessments with the Asset Management Objectives (Section 3.0).
c) Develop and implement procedures for infrastructure risk management, levels of service assessment and optimized life cycle management strategies.
d) Apply Workflow to make decisions regarding the operation, maintenance, rehabilitation, replacement and retirement of assets for meeting level of service delivery targets while managing asset risk.
e) Educate non-supervisory staff of their role in administering the Asset Management objectives and assist in delivering Asset Management messages while answering day to day questions around the application of the Asset Management Policy and Procedure.

f) Function as a multidisciplinary team with other divisions and departments when making decisions on assets within their responsibilities. A single asset may be tied to several departmental and divisional responsibilities.
g) Work with internal and external stakeholders through consultation, workshops and meetings when developing plans, assessments, and service levels. Document the relationships between stakeholders and the City assets.
h) Create and recommend policy and procedures for approval.
i) Will factor growth in planning activities
j) Consider climate change when planning asset related activities.
k) Provide prioritization to respective budget items proposed to Directors

4.4. All City Employees will:

a) Contribute their expertise to the development of City plans, strategies, assessments, and workflows.
b) Collect and track asset information and other data related to the asset reporting within their portfolio. This includes but is not limited to condition, risk, rehabilitation, performance results and decision making processes.
c) Apply operation, maintenance, rehabilitation, replacement and retirement practices to meet expected level of service and mitigate risk.
d) Work with internal and external stakeholders through consultation and reporting in the course of their day-to-day functions.

4.5. Asset Management Administrator will:

a) Commission a detailed audit using external consultants and develop a functional road map through the process report on the State of Asset Management at the City every 5 years.
b) Work with all asset managers to deliver the Asset Management Roadmap.
c) Work with senior management and operators to develop individual Asset Management plans.
d) Align the Asset Management Workflow with the currently approved City plans, strategies and assessments.
e) Perform yearly internal audits of the Asset Management Workflow and road map and report to council.
f) Educate directors, managers and supervisors about the Asset Management Roadmap and the Asset Management Objectives.
g) Develop policy and procedures related to the City's Asset Management Workflow.
h) Consolidate all Divisional and Departmental Asset Management plans into a Corporate Asset Management Plan. The Corporate Asset Management Plan will guide the City's annual capital and operating budget creation, discussion and decision making through optimized decision making and risk assessment reporting.
i) Provide explanation of the City's capitalization threshold and where the asset management plan does not meet this threshold.

5.0 Measure of Success

5.1. The success of the City's ability to manage assets will be measured by;

a) The external audit completed every five years indicating the state of Asset Management at the City.
b) The Corporate Asset Management Plan indicating the state of the City assets and priorities.
c) The internal audit used to track the City progress on the Roadmap.

6.0 Definitions/Acronyms

Activities – Actions taken to manage assets including operations, maintenance, rehabilitation, renewal and planning for purchasing or constructing.

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Asset Management - The coordinated activity of an organization to realize value from assets.

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Risk - The chance an event will have an adverse impact on the City's liability, exposure and delivery of the organization objectives. It includes both the probability and consequence as well as disasters and planning for such events.

Road Map – A detailed plan to guide progress toward a goal.

Stakeholder – People or organizations that can affect or be affected by a service or asset.

Service – The benefits gained by the stakeholders through City's assets.

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Whole Lifecycle Costing – A process used to describe all costs over the total life of an asset. These costs include planning, construction/purchasing, maintenance/operation, rehabilitation activities and decommissioning.

7.0 Appendix, Related Documents & Links

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- Policy 0038, Asset Management, 2016
- Policy 0009, Tangible Capital Asset Accounting, 0009

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Asset Management Procedure

8.0 Amendments/Reviews

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