



2020 Corporate Strategic Asset Management Plan

Appendix B Asset Management Policy



ASSET MANAGEMENT POLICY

Applicability: All CVRD

Effective Date: February 27, 2019

PURPOSE:

1. To set out the overall objectives and direction of the Corporate Strategic Asset Management Plan and the application of continuous improvement in the management of its assets to:
 - a. Complete and maintain a structured asset management inventory of current infrastructure assets including condition and replacement costs;
 - b. Identify the appropriate level of service to meet the community's current and future needs;
 - c. Review asset risk and tolerance to a range of hazards;
 - d. Develop structured financial policies to support ongoing asset management and end of life replacement;
 - e. Ensure that the policy and supporting strategy are adopted across the whole of the organization in an integrated fashion;
 - f. Manage and regularly update the necessary data as a part of ongoing operational activities; and
 - g. Ensure that assets are managed in a way that supports regional priorities.
2. This will:
 - a. Improve decision-making accountability and transparency;
 - b. Demonstrate the long-term consequences of short-term decisions;
 - c. Reduce life cycle costs while maintaining appropriate acceptable levels of service;
 - d. Link infrastructure investment decisions to service outcomes; and
 - e. Improve customer service.

DEFINITIONS:

Asset Management

3. Asset Management is an integrated approach, involving all departments and service areas, to deliver value to the community through the effective management of existing and new infrastructure assets. The intent is to maximize benefits, reduce risk and provide

appropriate levels of service to community users. This is accomplished in a socially, culturally, environmentally and economically conscious manner.

Infrastructure Assets

4. Infrastructure assets can be anything from water systems to parks picnic shelters to fire halls, where the key components provide a community service such as clean air, water and waste management, or social benefits such as recreation.

Asset Management Program

5. The Asset Management Program encompasses all aspects of the management of each asset through its life cycle in such a way that it:
 - a. Integrates with CVRD's Strategic Plan framework to complement the strategic objectives of the CVRD, other key business systems, legislation and regulations;
 - b. Creates a framework that establishes the mechanism for a clear line of sight between the asset and CVRD corporate objectives and strategies; and
 - c. Commits to providing appropriate levels of service for present and future customers and communities, in the most effective way through the planning, design, construction, acquisition, operation, maintenance, renewal and disposal of assets.
6. The Asset Management Program relies on three key organizational components integrated to achieve the desired service outcomes:
 - a. Up-to-date information regarding the inventory, condition and capacity of infrastructure assets;
 - b. Well-planned and integrated strategies, focused on the purpose of the asset systems and ongoing maintenance to meet service level needs; and
 - c. Adequate staff resources with the appropriate training and capacity (integrated business processes).
7. These components, supported by appropriate technologies and tools, will provide a robust foundation for the necessary management and maintenance of assets required for appropriate service delivery.
8. The basis for our asset related decisions are:
 - a. Anchored on the three pillars of sustainability – economic, environmental and social;
 - b. Based on applying the right intervention, on the right asset at the right time, recognizing risk and the CVRD's fiscal constraints; and
 - c. Founded on a sustainable economic approach to ensure that increases or enhancements to the asset systems consider the ability of the CVRD to fund future maintenance and rehabilitation.

Key Strategic Comprehensive Asset Management Documents

9. The following key strategic Asset Management documents, in addition to the CVRD's five-year financial plans, form part of the CVRD's overall approach to asset management. These documents are to be approved by the Board and reviewed on a four-year rolling basis:
 - a. Asset Management Policy:
 - i. Establishes the Board's expectations around the management of the CVRD's assets and infrastructure.
 - b. Corporate Strategic Asset Management Plan:
 - i. Defines the organization's commitment and approach to achieving the Board's approved policy.
 - c. Levels of Service:
 - i. Defines the levels to which assets are to be maintained to achieve defined levels of service.
 - d. Departmental Asset Management Plans:
 - i. Documents how assets are to be managed through their life cycle in support of the delivery of services.
 - e. State of the Infrastructure Report:
 - i. Provides information on the state of the CVRD's physical assets, which can be referenced when making infrastructure asset investment decisions as part of the annual budget and long-range financial planning processes.

POLICY:

Policy Statement

10. The CVRD shall adopt and apply recognized holistic Asset Management practices in its strategic planning, operations and financial management systems to deliver sustainable services to its communities and direct customers.

Scope

11. The policy currently applies to all infrastructure assets of the CVRD. These assets are grouped into asset systems that provide common services with similar financial requirements. Each asset system may contain individual systems and/or components, which may have independent budgets, unique operation and maintenance requirements, and distinct management structures.

12. Infrastructure with clear definitions of ownership and operational requirements will be prioritized, recognizing that it will take time and resources to develop the asset inventories required for a mature asset management plan for each asset system.
13. The CVRD's infrastructure has been categorized into the following asset systems/service areas:
 - a. Recreations Centres;
 - b. Community Centres;
 - c. Community Halls;
 - d. Administration;
 - e. Public Safety;
 - f. Parks and Trails;
 - g. Waste Management;
 - h. Water Systems;
 - i. Sewer Systems;
 - j. Ornamental Street Lights;
 - k. Transit;
 - l. Drainage Systems;
 - m. Fleet;
 - n. IT Infrastructure;
 - o. Flood Management; and
 - p. Natural Capital.
14. It should be noted that the following asset systems have been excluded from the scope of the first iteration of the Corporate Strategic Asset Management Plan: l. Drainage Systems; m. Fleet; n. IT Infrastructure; o. Flood Management; and p. Natural Capital.

Guiding Principles

15. The Asset Management objectives will be achieved through the application of the following guiding principles:
 - a. Customer Focused:
 - i. The CVRD will have clearly defined appropriate levels of service and apply asset management practices to maintain the confidence of customers in how CVRD assets are managed.

- b. Forward Looking:**
 - i. The CVRD will make the appropriate decisions to ensure assets will meet future challenges, including changing demographics/population, customer expectations, legislative requirements, technology, fuel sources and environmental factors.
- c. Service Focused:**
 - i. The CVRD will consider all the assets in a service context and consider their interrelationships as opposed to optimizing individual assets in isolation.
- d. Risk-Based:**
 - i. The CVRD will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures and priorities based upon risk assessments and the corresponding cost-benefit analysis, recognizing that the public safety is the priority.
- e. Value-Based/Affordable:**
 - i. The CVRD will choose practices, interventions and operations that aim at reducing the life cycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks and cost.
- f. Holistic:**
 - i. The CVRD will take a comprehensive approach that looks at the big picture and consider the combined impact of managing all aspects of the asset life cycle.
- g. Sustainability:**
 - i. The CVRD will consider social, environmental and economic factors, and implications when making and implementing asset management decisions.
 - ii. The needs of current and future community members will be balanced with the functionality, capacity and quality of the physical and natural assets required to provide the expected level of service over the whole of life of the asset.
- h. Climate Change:**
 - i. The impacts of climate change and other environmental changes are understood, and adaptation, mitigation and compensation strategies will form part of the approach to evaluating actions and alternatives.

- i. Systematic:
 - i. The CVRD will adopt a formal, consistent and repeatable approach to the management of its assets that will ensure services are provided in the most effective manner.
- j. Innovative:
 - i. The CVRD will continually improve its asset management approach by driving innovation in the development of tools, practices and solutions.

Responsibilities

16. The CVRD has identified the following responsibilities for establishing and implementing asset management policies, objectives and practices:

a. Board of Directors:

- i. Approve the Key Strategic Asset Management Documents;
- ii. Articulate community values and define priorities;
- iii. Approve funding and resources to implement the Asset Management Policy, Strategic Corporate Asset Management Plan and associated requirements through annual budgets and long-range financial plans; and
- iv. Review the Key Strategic Asset Management documents on a four-year rolling basis.

b. Chief Administrative Officer and Senior Managers:

- i. Establish an Asset Management Steering Committee and appoint representatives from relevant departments to serve on this committee, including appointing a senior leader to chair the committee;
- ii. Create and maintain a detailed asset management planning roadmap to lead the development of asset management tools/practices and ensuring their application across the organization;
- iii. Adopt a Corporate Strategic Asset Management Plan to:
 - 1. Establish, document and continually adhere to industry recognized asset management protocols;
 - 2. Define levels of service that balance customer expectations with risk, affordability and timing constraints;
 - 3. 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;

