

CORPORATE POLICY



Policy Title: **CORPORATE ASSET MANAGEMENT POLICY**
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POLICY STATEMENT:

The City of Waterloo shall adopt and apply recognized asset management (AM) practices in support of delivering services to its residents and customers.

PURPOSE:

The objective of this policy is to detail the AM program principles with the aim of:

- Striving to deliver services at acceptable levels of service;
- Inform the decision making process and improve decision-making accountability and transparency;
- Better demonstrating the long term consideration of short term decisions;
- Reducing the life cycle costs while maintaining acceptable levels of service; and
- Linking infrastructure investment decisions to service outcomes.

DEFINITIONS:

Corporate Asset Management (CAM) is an integrated business approach. It involves planning, finance, engineering, maintenance and operations geared towards effectively managing existing and new infrastructure to maximize benefits, reduce risk and provide safe and reliable levels of service to community users. This is accomplished in a socially, culturally, environmentally and economically conscious manner.

CAM relies on four key organizational components integrating together to achieve the desired service outcomes: well-planned strategies, good physical assets, highly trained professionals with respect to practices and procedures, and integrated business processes. These components, supported by appropriate technologies,

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provide a robust foundation for efficient service delivery.

SCOPE:

The CAM Policy applies to all physical assets of the city, such as the transportation network, wastewater collection, storm management, forestry, parks, parking, fleet and fire services, facilities, furniture and fixtures, information technology, lands and cemeteries.

POLICY COMMUNICATION:

The policy will be posted to the City of Waterloo's website.

POLICY:**Corporate Asset Management Program**

The CAM Program encompasses all aspects of the management of each asset through its lifecycle in that it:

- Integrates with the City's Strategic Plan, key business systems, legislation, and regulations;
- Creates a framework that establishes the mechanism for a clear line of sight between our AM program and Corporate objectives and strategies; and
- Commits to providing acceptable levels of service for present and future customers and communities, in the most effective and efficient way, through the planning, design, construction, acquisition, operation and maintenance, renewal, and disposal of assets.

The basis for our asset related decisions are:

- Anchored on the four pillars of sustainability – economic, environmental, social and cultural - that support the City's guiding principles of fiscal responsibility and service excellence
- Based on applying "*the right intervention, on the right asset, at the right time*" recognizing risk and the City's fiscal constraints; and
- Founded on a sustainable approach to ensure that asset base increases or enhancements consider the impact on the ability of the City to fund future maintenance and rehabilitation.

Guiding Principles

The CAM objectives are achieved through the application of the following guiding principles:

Customer Focused

The City will apply asset management practices to promote confidence of customers in

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how City assets are managed.

Forward looking

The City will make the appropriate decisions and provisions to better enable its assets to meet future challenges, including changing demographics and populations, customer expectations, legislative requirements, technological and environmental factors.

Service Focused

The City will consider all the assets in a service context and take into account their interrelationships as opposed to optimizing individual assets in isolation.

Risk-based

The City will manage the assets by focusing resources and expenditures on priorities which are based upon risk assessments and the corresponding cost/benefit. Public safety shall always be the top priority.

Value-Based / Affordable

The City will choose practices, interventions and operations that aim at reducing the life cycle cost of asset ownership.

Holistic

The City 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.

Systematic

The City will adopt a formal, consistent, repeatable approach to the management of its assets that will ensure services are provided in the most effective manner.

Innovative

The City will continually improve its asset management approach, by driving innovation in the development of tools, practices, and solutions.

Policy Direction

To meet the goals and objectives of this policy, Senior Management will:

- 1) Create and maintain a Corporate Asset Management (CAM) Governance Structure to lead the development of AM tools and practices and to oversee their application across the organization.
- 2) Adopt a Corporate Asset Management Strategy to:
 - a. Establish, document and continually adhere to industry recognized asset management protocols;
 - b. Define levels of service that balance customer expectations with risk, affordability and timing constraints;
 - c. 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;
 - d. Develop asset management knowledge and competencies aligned with recognized competency frameworks;
 - e. Entrench lifecycle costing when evaluating competing asset investment

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- needs across City assets; and
- f. Monitor the performance of the assets and track the effectiveness of AM practices with a view to continuous improvement.
- 3) Where practical, strive to go beyond minimum legislative solutions as an enabler to make City assets more resilient to changing social, environmental and economic conditions.
 - 4) Seek funding and service delivery opportunities to address infrastructure investment pressures.
 - 5) Provide regular updates to Council on the state of the City's assets and forecasted trends (typically aligned with tabling of the Long Range Financial Plans).

Key Strategic Corporate Asset Management Documents

The following key strategic CAM documents, in addition of the Long Term Financial Plans, form part of the City's overall approach to asset management:

Corporate Asset Management Policy: This document establishes Council's expectations around the management of the City's physical assets. It is to be approved by Council.

Corporate Asset Management Strategy: This document will define Senior Management's commitment and approach to achieving the council approved policy.

Customer Levels of Service: This document will define the level to which assets are to be maintained to achieve defined levels of service. These are to be approved by Council.

Corporate Asset Management Plan: This document provides information on the state of the City's physical assets and how these assets are being managed through their lifecycle in support of the delivery of services. It is to be updated every four years prior to the development of the three year budget such that it can be referenced as part of the budget process. The Asset Management Plan is to be approved by council.

Asset Management Governance Structure: This document will document the governance structure to be used to fully implement and operationalize the Corporate Asset Management Program

COMPLIANCE:

In cases of policy violation, the City may investigate and determine appropriate corrective action.