

## POLICY

**POLICY TITLE: Corporate Asset Management Policy**

**POLICY NUMBER: PLCY-2018-0003**

**ATTACHMENT: Corporate Asset Management Framework**

**DATE: July 2018**

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### REFERENCES AND RELATED DOCUMENTS:

TOHH Corporate Strategic Plan  
Climate Change and Adaptation Plan  
Corporate Energy Plan  
TCA Policy  
Long Range Financial Plan  
Transit Service Strategy  
Corporate Technology Strategy

### 1.0 Terms and Definitions

For the purposes of this document, the following definitions will apply consistent with the ISO 55000:2014(E) - International Standard for Asset Management and the International Infrastructure Management Manual (IIMM).

**Asset** – An item, thing or entity that has potential or actual value to an organization.

**Asset Management (AM)** – is a combination of management, financial, economic, engineering, and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner at an acceptable level of risk. It involves data-driven decision-making and actions throughout the lifecycle of assets.

**Corporate Asset Management (CAM)** – the application of asset management practices at a corporate level to maximize consistency among the diverse asset groups and create efficiency by harmonizing service levels and business process while considering climate adaptation plans and sustainability strategies.

**Strategic Asset Management Plan (SAMP)** – Plan that documents and specifies how the organizational objectives are to be converted into AM objectives, the approach for developing AM plans and the role of the asset management system in supporting the achievement of AM objectives.

**State of Infrastructure Report (SOIR)** – Report presenting information on the asset portfolio including details of the asset inventory, valuation of the asset base (replacement value), condition/performance of the asset base, accompanied by information on supporting data.

**Asset Management Plans (AMPs)** – asset specific plans which are regularly updated to develop data-driven strategies and operational recommendations necessary to achieve objectives and service level expectations.

**Asset Management System** – a set of interrelated and interacting elements of an organization, including the AM policy, AM objectives, AM Strategy, AM Plans and the processes to achieve these objectives.

**Asset Lifecycle** – set of phases through the life of an asset that characterizes the ability of the asset to meet an expected level of service and retain its identity as an asset.

**Lifecycle Cost** – the total cost of ownership of an asset throughout its life. This may include but is not limited to capital costs, operating costs, maintenance costs, renewal costs, replacement or disposal costs, and environmental costs.

**Physical Asset or Tangible Capital Asset (TCA)** – Non-financial assets having physical substance that are acquired or constructed/developed and:

- Are used on a continuing basis in the Town's operations
- Have useful lives extending beyond one accounting period
- Are not held for re-sale in the ordinary course of operations

**Level of Service (LOS)** – The parameters or combination of parameters that reflect social, political, economic and environmental outcomes that the organization delivers. LOS statements describe the outputs or objectives an organization or activity intends to deliver to customers.

**Resilience** – The capacity to function, survive and thrive no matter what changes, stresses or shocks encountered.

**Sustainability** - Meeting the needs of today without compromising the needs of future generations. It is about maintaining or improving the standard of living by protecting human health, conserving the environment, using resources efficiently and advancing long-term economic competitiveness. It requires the integration of environmental, economic and socio-cultural priorities into policies and programs with actions at all levels.

## 2.0 Policy Purpose

This asset management policy expresses the commitment and intentions of Town of Halton Hills staff to plan, design, construct, acquire, operate, maintain, renew, replace and dispose of the Town's infrastructure assets in a way that ensures sound stewardship of public assets while delivering valued customer services and improving the quality of life.

## 3.0 Policy Statement

The Corporation of the Town of Halton Hills will employ a program to manage assets in a strategic, comprehensive, organization-wide manner known as Corporate Asset Management (CAM) program.

The CAM program requires that we treat all assets as essential components in an interrelated system, rather than as isolated parts. Service areas will evaluate, enhance, and maintain assets using a common framework and collaborative processes.

CAM is an integrated business approach that relies on well devised strategies, sustainable assets, trained knowledgeable staff and good communication to achieve desired service results.

The CAM program focuses everyone in our organization on four fundamental goals:

- Providing efficient, effective and sustainable service to meet the needs of our community,
- Optimizing asset value while minimizing lifecycle costs,
- Managing risks to service delivery,
- Committing to continual improvement of the CAM program.

The CAM program is the method by which the Town will ensure sound stewardship of public assets and meet its customer service commitments to present and future citizens in an effective, efficient and sustainable manner

This asset management approach will support delivery of the Town of Halton Hills' strategic objectives for sustainable infrastructure and services. The CAM program will create and maintain clear links between the broader corporate objectives, policies & strategies and the more detailed day-to-day operations / maintenance activities.

Specifically, the CAM program is committed to the following objectives:

- **Customer Focused**

Provide assurance to our customers through clearly defined levels of service and adhere to optimal asset management processes and practices, including investment, that are supported by continually updated asset data and performance measures.

- **Innovative**

Continually improve our asset management approach, rededicating ourselves to innovation as new tools, techniques and solutions are developed.

- **Fact Based Decision Making**

Uses of a formal but flexible, consistent, and repeatable approach to cost effectively manage our infrastructure assets.

- **Optimal**

Make informed decisions between competing factors such as service delivery, asset quality & value, cost and risk by determining which option will deliver the optimal lifecycle value.

- **Whole Lifecycle Perspective**

Consider the full impact of managing assets through their life cycle from acquisition to disposal including level of service, risk, maintenance & operating activities and costs.

- **Integrated System Focused**

Evaluate an asset in terms of its role and value within the context of the greater system, as opposed to examining individual assets in isolation.

- **Forward Looking & Sustainable**

Incorporate social, legislative, environmental and financial considerations into our decisions to adequately address our present and future land use planning framework, customer service commitments, environmental stewardship and regulatory requirements.

- **Regulatory Compliant**

Comply with all relevant legislative, regulatory and statutory requirements.

- **Risk-based**

Direct our resources, expenditures, and priorities in a way that achieves the established levels of service & benefits at an acceptable level of risk.

The Corporation will provide sufficient training and resources to enable this policy to be achieved.

#### **4.0 Definition**

Asset management is a broad strategic framework that encompasses many disciplines and involves all departments of the Town of Halton Hills, from planning, finance, engineering, maintenance to operations. The term asset management as used in this document is defined as the application of sound technical, social and economic principles that consider present and future needs of users and the service/performance of the assets to guide the Town to achieve its strategic objectives.

The TOHH Governance and Corporate Asset Management Frameworks (Appendices 1 & 2) rely on key organizational strategies aligned with each other to deliver the desired outcomes.

- Strategies to manage risk, level of service and communication.
- Asset management strategies for lifecycle and data management for different asset classes.
- Planning based on optimized decision making model to report on capital, maintenance and financial plans.

Staff will implement the Corporate Asset Management Policy through the use of the

Governance and Corporate Asset Management Frameworks together with strategies and practices.

## **5.0 Policy Principles**

The key principles of the Asset Management Policy are outlined as follows:

- Take an optimized approach to asset related decisions, including acquisitions, disposals and trade-offs, which considers all revenues and costs (including operation, maintenance, replacement and decommissioning) and strives to minimize the total life cycle costs of assets
- Establish organizational accountability and responsibility for asset management, including for asset inventory and data management, asset condition monitoring, asset utilization and maintenance of asset performance levels
- Define and articulate asset service, maintenance and replacement levels in relation to service delivery objectives and desired Customer Service outcomes.
- Implement asset management software solutions in alignment with the Corporate Technology Strategy to document and share asset knowledge and information to provide the essential outputs for effective asset management.
- Minimize risks to asset users, and risks associated with failures.
- Integrate corporate, financial, business, technical and budgetary planning for all asset classes.
- Plan for and provide stable long term funding through the utilization of capital reserves while aligned with the long-term financial plan.
- Ensure that the Town's asset management planning process is aligned with the provincial policy statements contained in the Growth Plan for the Greater Golden Horseshoe and Planning Act.
- Ensure coordination with the Region of Halton, area municipalities and other agencies for an integrated asset management system.
- Manage assets to be sustainable through the best user of available resources and the implementation of best practices.
- Integrate stakeholder input, climate change impact, environmental goals and social and sustainability objectives into a comprehensive asset management strategy.
- Utilize the Town's Public Engagement charter to fully involve/engage the public in the CAM process.
- Report on the performance of the CAM program for review and approval by Council.

## **6.0 Guidelines & Practices**

This policy shall be implemented by staff to meet O.Reg.588/17: Asset Management Planning in Municipal Infrastructure regulation, using accepted industry guidelines and practices such as Ontario Building together – Guide for municipal asset management plans, the ISO 55000:2014(E) - International Standard for Asset Management and the International Infrastructure Management Manual (IIMM, 2015). These guidelines shall

form the basis for the Town's SAMP and AMPs.

Asset management plans will be developed for specific asset classes and will outline long term goals, processes and steps toward how they will be achieved. The AMPs will be based on current inventories and condition (acquired or derived), projected asset performance and remaining service life and risk consequences of losses. The plans will reflect details, such as replacement portfolios and associated financial plans while considering alternative scenarios and risks.

## 7.0 Context & Integration

The Town will also comply with the capital asset reporting requirements and integrate the CAM program throughout the Town.

The context and integration of asset management throughout the Town's lines of business will be formalized through references and linkages between corporate documents. Where possible and appropriate, staff will consider this policy and integrate it in the development of corporate documents such as:

- Corporate strategic plan
- Corporate financial plan
- Capital budget plan
- Climate change adaptation plan
- Operational plans and budgets
- Annual reports
- Design criteria and specifications
- Infrastructure servicing, management and replacement plans

## 8.0 Key Roles for Managing the Corporate Asset Management Policy

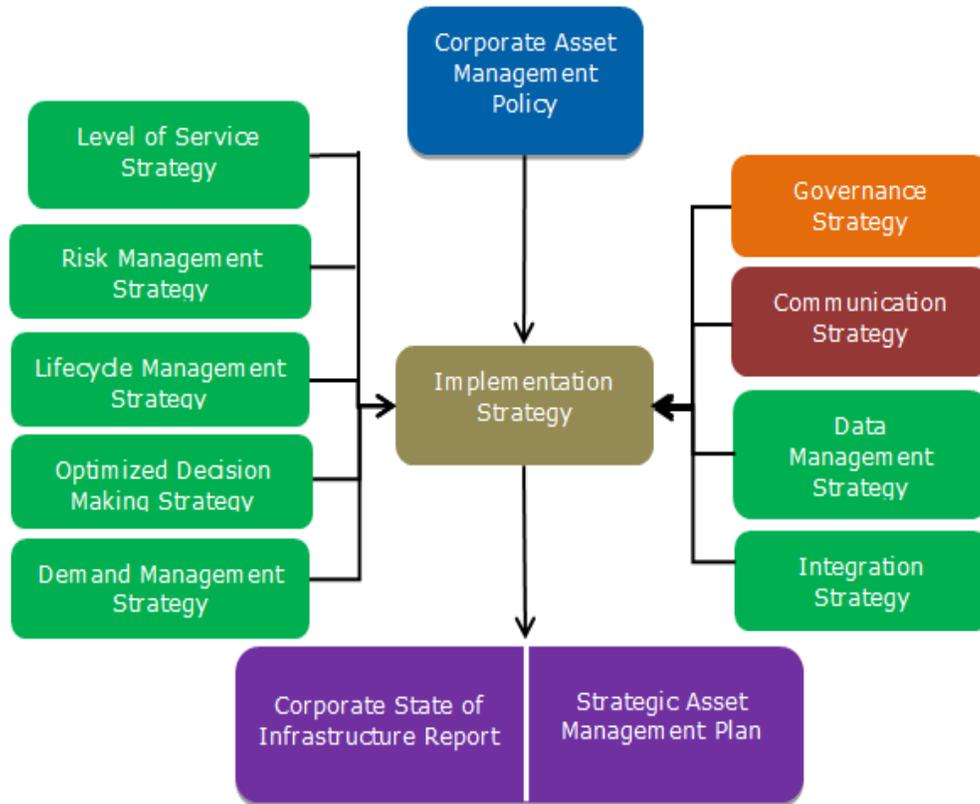
The Corporate Asset Management Policy shall be approved by the Council of Town of Halton Hills and communicated to public through the Town's website.

Responsibility for developing and implementing companion guidelines and practices and for enabling the principles of the Corporate Asset Management Policy will rest with Town Staff, as outlined in the table below.

<b>Role</b>	<b>Responsibility</b>
Identification of issues and development of policy updates	CAM Steering Committee, AM Network Team
Exercise stewardship of assets, adopt policy and budgets	Council, Senior Management Team, CAM Steering Committee
Implementation of policy	Senior Management Team, CAM Steering Committee, AM Network Team, Departments
Development of guidelines and practices	CAM Steering Committee, AM Network Team, Departments
On-going review of policies	CAM Steering Committee, AM Network Team

# Appendix 1

## Governance Framework



Appendix 2

Corporate Asset Management Framework



# Corporate Asset Management Framework

