

Asset Management Policy	Policy No. 1.5.1
<u>Date of Policy:</u> May 28, 2018	<u>Review:</u> September 14, 2020 February 8, 2021
<u>Motion Number:</u> 10.2.9 2021-075	

1. Policy objectives and scope

The Town of Nipawin Council and Administration is committed to the principles of sustainable asset management and to provide a framework to achieve asset management objectives in line with Council and community expectations for infrastructure assets.

The aim of this policy is to:

- Establish an asset management framework to allow informed decision making by Council and Administration;
- Establish the stewardship of asset management by assigning responsibilities relating to asset management functions;
- Allow the development of levels of service for the Town’s infrastructure assets in line with community expectations and Council approval;
- Seek review and adopt best practice in the undertaking of asset management functions;
- Ensure resources and funding are allocated for the sustainable planning and delivery of infrastructure assets;
- Ensure compliance with legislative requirements, such as PS 3150.

This policy applies to the Town of Nipawin’s infrastructure assets as named in the Tangible Capital Asset Policy, No. 1.5.2.

2. Definitions

Term	Meaning
Asset Management	The systematic and coordinated activities and practices of an organization to deliver on its objectives optimally and sustainably through the cost-effective lifecycle management of assets.
Asset Management Framework	The overarching asset management hierarchy including the Asset Management Policy, Asset Management Strategy and the Asset Management Plans.
Asset Management Plan	Long term plan (over 10 years) that outlines the asset activities and programs for each service area and the resources applied to provide defined level of service in the most cost-effective way.
Asset Management Strategy	A high-level action plan that gives effect to an organization’s Asset Management Policy. Can also be in the form of a Strategic Asset Management Plan (SAMP)
Capital Expenditure	Expenditure used to create new assets, renew assets, expand, or upgrade assets or to increase the capacity of existing assets beyond their original design capacity or service potential. Capital expenditure increases the value of asset stock.
Condition	The physical state of the asset.

Term	Meaning
Infrastructure Assets	Stationary systems forming a network or a portfolio of assets serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components.
Level of Service	The parameters or combination of parameters that reflect the social, political, economic, and environmental outcomes that the organization delivers.
Lifecycle Cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation, and disposal costs.
Maintenance	All actions necessary for retaining an asset as near as practicable to its original condition but excluding rehabilitation or renewal. Maintenance does not increase the service potential of the asset or keep it in its original condition. Maintenance slows down the deterioration and delays when rehabilitation, renewal or replacement is necessary.
Rehabilitation	Works to rebuild or replace parts or components of an asset to restore it to a required functional condition and extend its life which may incorporate some modification. This involves repairing the asset to deliver its original level of service without resorting to significant upgrade or renewal, using available techniques and standards.
Renewal	Works to replace existing assets or facilities with assets or facilities of equivalent capacity or performance capability.
Replacement	The complete replacement of an asset that has reached the end of its useful life so as to provide a similar or agreed alternative level of service.
Risk	The effect of uncertainty on objectives. Risk events are events which may compromise the delivery of the organization's strategic objectives.
Useful Life	The period over which an asset or component is expected to be available for use by an entity.
Asset Owner	This position takes ownership responsibility for the management of assets and is usually responsible for policy and overall asset strategy.
Asset Custodian	This role is normally the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies, etc.

Source: *International Infrastructure Management Manual*

3. Policy Content

The Town of Nipawin Council and Administration is committed to implementing a systematic asset management methodology to the infrastructure assets that are managed by the Town. This includes ensuring that assets are planned, created, operated, maintained, renewed, and disposed of in accordance with PS 3150, Tangible Capital Asset Policy No. 1.5.2, Purchasing Policy No. 1.3.4, and best practice.

The asset management function will ensure that the Town of Nipawin meets strategic and sustainable delivery objectives while delivering the highest appropriate level of service through its assets.

To ensure the objectives of this policy are met, Town Administration will undertake to:

- Consult with the community and key stakeholders to establish levels of service and appropriate intervention;
- Implement an inspection regime to monitor asset condition and service delivery;
- Use asset information to inform renewal priorities in line with agreed levels of service;
- Ensure that risk to the municipality is a key consideration in decision making;
- Develop and commit to long term capital work plans and programs that support the needs of the community in accordance with Council's Strategic Plans;
- Allocate adequate resources for development and delivery of asset management functions in accordance with the asset management strategy, asset management plans, service level documents (all need to be developed), and Council strategies;
- Develop systems for the management of assets that are integrated across all areas of Town operations;
- Ensure that asset management practice reviews are undertaken to achieve best practice in asset accounting, lifecycle costing and alternative delivery modes to ensure sustainability, value for money and social equity in asset service delivery;
- Ensure that asset management practices conform to legislative requirements and best practice.

4. Responsibilities

To achieve the intent of this policy, Town Council and Administration must embrace the asset management philosophy and support its implementation by assigning responsibilities across the organization.

Town Elected Officials

- To adopt strategic direction for Council in relation to asset management;
- To support the implementation of advanced asset management practices across the organization;
- To ensure appropriate resources and funding for asset management activities.

Senior Management

- Provide professional advice to Council to enable informed asset management decisions;
- Promotion of asset management across the organization;
- Ensure consultation occurs between staff, Council, and the community;
- Monitor progress and performance in the implementation of asset management plans;
- Allocate appropriate resources to achieve asset management objectives;
- Ensure outcomes support Council's Strategic Plan.

Asset & Risk Management (A.R.M) Working Group

- Implement asset management policies and strategies;
- Develop and implement asset management plans;
- Establish current levels of service for infrastructure assets, compare to benchmarks, assess against community needs, and identify gaps or challenges;

- Manage asset systems and develop procedures to ensure compliance with standards, legislation, and ensure consistent decision making;
- Ensure communication between staff and Senior Management Team;
- Effectively and efficiently manage funds allocated for capital upgrades, renewal, and maintenance;
- Develop forward operational programs in accordance with the long-term financial plan;
- Promote and raise awareness of asset management in the organization and community.

Financial Accounting Team

- To report accurately on the status of the Town’s infrastructure assets in line with standards and requirements;
- Assist with establishing best practice procedures for the delivery and reporting on asset service delivery.

Operational Teams

- Consider the impacts to the life of the asset and delivery of service when considering procedural changes and when planning operational activities;
- Communicate with senior management team to ensure that operational procedures and administration align and support asset management objectives.

5. Related Internal Policies and Procedures

Document Number	Document Name
	Council Strategic Plan
	Asset Management Plans (need to be developed)
	Risk Management Policy
	Risk Management Strategy
1.5.2	Tangible Capital Asset Policy
1.3.4	Purchasing Policy
1.3.11	Internal Controls Policy

6. Review of policy

This policy will be reviewed every year as per current policy review matrix. The policy may also be changed as a result of other amendments that are to the advantage of the Town and in the spirit of this policy. Any amendment to the policy must be by way of a Council Resolution.