

Section	Financial Services	
Subsection	Policies, Procedures, Manuals	(policy #)
Title	CORPORATE ASSET MANAGEMENT POLICY	

POLICY:

This policy outlines the Capital Regional District's (CRD) direction on Asset Management practices and responsibilities. See Appendix A for definitions.

PURPOSE:

The purpose of this policy is to promote sustainable service delivery through the following objectives:

- Link Asset Management to the CRD's vision, values, and priorities;
- Establish a consistent, methodical, and integrated approach to Asset Management that incorporate a level of flexibility to recognize the differences between departments, service provided and resources;
- Minimize life-cycle costs while maintaining approved service levels and managing risk within approved boundaries;
- Commit to providing the appropriate workforce and resource funding;
- Balance the level of service, customers' expectations and regulatory requirements with affordability, available resources, risk, climate action, socio-cultural and environmental impacts;
- Improve asset and service resiliency through monitoring and adaptation to meet current needs, foreseeable medium-term needs, and long-term future needs where practical and appropriate;
- Establish a system of education, continuous improvement, reporting, performance measures, and innovation within the organization; and
- Demonstrate responsible governance in asset and service delivery decisions by requiring:
 - A lifecycle approach when estimating asset investment options;
 - Consideration of long-and-short term decision impacts;
 - Evidence-based decision making with transparent and consistent decision processes; and
 - Role and responsibility accountability.

Further information is available in the Corporate Asset Management Strategy.

SCOPE:

This applies to all CRD services and functions including CRD, Capital Region Housing Corporation (CRHC) and Capital Regional Hospital District (CRHD) Boards, Committees, Commissions, Officers, and Employees. It applies to all assets, both natural and engineered, owned or managed by CRD in the region.

Progress will be reported periodically and implementation of this policy reviewed by the Board at the mid-point of its term.

ASSET MANAGEMENT PRINCIPLES:

To achieve the objectives of the policy and alignment with corporate values and priorities, the CRD will apply the following principles in all asset management initiatives:

1. Put community service delivery needs first and foremost;
2. Make well-informed and evidence-based decision making;
3. Deliver services that are environmentally, economically, and socially sustainable for current and future generations;
4. Manage risk and build resilient infrastructure;
5. Evaluate and include full lifecycle costs in financial decisions;
6. Establish a systematic and integrated approach to asset management and require rigorous and transparent processes; and
7. Commit to continual improvement, encouraging innovation of asset management practices and service delivery.

Further information is available in the Corporate Asset Management Strategy.

ASSET MANAGEMENT DOCUMENTS:

The following are guiding documents for Asset Management:

- **Asset Management Policy** – this defines the organization’s commitment to the development, implementation, maintenance, and improvement of Asset management practices; and defines organizational and stakeholder expectations around the administration of CRD’s natural and engineered assets. It will initially be reviewed in three years then on a five-year cycle.
- **Asset Management Strategy** – this defines the organization's commitment and approach to implementing the Asset Management Policy. It will be reviewed on an annual basis. It provides an outline of how asset management practices align with the AM Policy and support achievement of corporate goals and objectives.
- **Asset Management Program Manual** – this provides guidance for the development of sustainable service delivery plans and outlines the standard approaches and methods that need to be applied consistently within Service Areas to enable corporate-level outcomes reporting.
- **Sustainable Service Delivery Plans** – these plans provide information on how assets are managed including, asset valuation, current asset condition, sustainability plans, risks, long-term financial plans (O&M and Capital), and current performance against levels of service.

ROLES AND RESPONSIBILITIES:

CRD Board (including Capital Regional Hospital District Board and Capital Region Housing Corporation)

- Adopt the Corporate Asset Management Policy and Strategy;
- Provide commitment to ensure sufficient organizational resources are available;

Commissions and Committees

- Understand and implement the approach to Asset Management and use the tools provided in the exercise of delegated authority or provision of recommendations;

Chief Administrative Officer and Executive Leadership Team

- Implement the Asset Management Policy across the CRD;
- Approve Asset Management Strategy, Asset Management Steering Group Terms of Reference, and Asset Management priorities;
- Provide oversight to ensure Asset Management goals and objectives are met;
- Report to Board on Asset Management Program;

Chief Financial Officer

- CRD Asset Management sponsor, providing overall leadership for Asset Management;

General Managers, Senior Managers, Managers

- Accountable for delivery of a service or for one or more asset classes required to support service delivery;
- Understand and implement the Corporate AM Policy and AM Strategy;
- Ensure Division's compliance with the Corporate AM Policy, as applicable;
- Manage assets under their oversight, and for the accuracy and maintenance of required asset data in the registry;
- Maintain agreed levels of service throughout the life cycle of assets, for all services (functions) managed by their Division;
- Develop and implement Sustainable Service Delivery Plans for Services in accordance with the Corporate Asset Management Program Manual;

Manager of Asset Management

- Establish and chair the Asset Management Steering Group (AMSG);
- Development and maintain the Asset Management Strategy, Program Manual and other strategic documents, including tools and templates;
- Review and update Corporate Asset Management Policy as appropriate;
- Advise CRD staff on asset management practices which support the principles and purpose of the Corporate Asset Management Policy;
- Report Asset Management outcomes;

Asset Management Steering Group (AMSG)

- Implement the Asset Management Strategy, as a corporate cross-functional team comprised of –
 - Manager of Asset Management (Chair);
 - Senior Managers and Managers representing departments, services, and asset groups as defined in the AMSG Terms of Reference;
- Recommend priorities to ELT and implement approved priorities;
- Provide governance and management for the continuous improvement process and implementation of the Asset Management improvement plan; and
- Provide oversight on implementation of improvement initiatives, and monitoring and reporting on the overall performance of Asset Management.

STANDARDS OF PRACTICE:

The implementation of Asset Management within the CRD is guided by accepted industry practices including:

- Asset Management BC: AM Roadmap and Guide
- BC Capital Asset Management Framework
- A BC Framework for Sustainable Service delivery
- International Standards Organization (ISO) 55001
- FCM: Municipal Asset Management Program Resources (Tools and Guides)
- International Infrastructure Asset Management Manual (IIMM)

The CRD complies with tangible capital asset reporting requirements as set out by the Public Sector Accounting Board and developed a Tangible Capital Asset Accounting Policy in 2008 that defines the requirements for tangible asset accounting and financial reporting.

Approval Date:		Approved By:	
1. Amendment Date:		Approved By:	
Next Review Date:		Reviewed By:	
Supersedes:			

TERMS AND ABBREVIATIONS

Asset Management (AM): AM involves the balancing of costs, opportunities and risks against the desired performance of assets to achieve organizational objectives. It is an integrated approach made up of business practices performed throughout the asset life cycle to maximize the asset's value, while managing risk and life cycle costs, and providing services to the community that are socially, culturally, environmentally, and economically sustainable.

Sustainable Service Delivery Plan (SSD Plan): A plan developed for the management of infrastructure assets that combines multi-disciplinary management strategies (including technical and financial) over the life cycle of the asset in the most cost-effective manner to deliver a specified level of service. It specifies the activities, resources and timescales required for individual assets to achieve the organization's asset management objectives. A significant component of the plan is therefore a long-term program of works and cash flow projection for the activities.

Asset Management Policy (AM Policy): The asset management policy describes the organization's intentions and directions for asset management, as formally expressed by its senior management. It describes the principles and framework adopted in applying asset management to achieve the organization's strategic objectives.

Asset Management Steering Group (AMSG): A group of people with different functional expertise working toward a common goal. It may include people from finance, IT, operations, and human resources departments. Typically, it includes employees from all levels of an organization.

Asset Management Strategy (AM Strategy): Documented information that specifies how organizational objectives are converted into asset management objectives; the scope and role of the asset management system in supporting achievement of the asset management objectives; and the approach for developing sustainable service delivery plans. The AM Strategy provides a clear "line of sight" between high-level objectives and the day-to-day activities carried out to deliver services and manage assets.

CRD Corporate Asset Management Program (CAMP): The people, resources, funding, processes, and activities necessary to manage implementation of the requirements of the CRD Corporate AM Strategy and Action Plan.

CRD Asset Management: The complete set of interrelated elements used to effect the AM Policy and support the development and continuous improvement of appropriate asset management practices that will deliver sustainable, affordable services to required standards. CRD Asset Management elements include documents, procedures, tools, data, and the assets. Together, these elements create the total management system for asset management.

Continuous Improvement: An ongoing effort to improve services or processes. These efforts can seek "incremental" improvement over time or "breakthrough" improvement all at once.

Engineered Assets: Assets that have been constructed and are owned by the Regional District (e.g. water mains, roads, streetlights, buildings), land that is owned by the Regional District and supports assets (e.g., land under roads or buildings), or land that is undeveloped and owned by the Regional District. These assets must be operated, maintained, managed, and, with the exception of land, ultimately replaced as they wear out.

Level of Service: The service level delivered to the public by the Regional District. This can take the form of the selection of services that are provided (e.g., bike lanes, doggie bags, or a new pool), the standard of infrastructure in place (e.g., concrete sidewalks versus gravel paths), or the standard to which an asset is maintained (e.g., the frequency of trail clearing/cleaning). The desire of Board or the public for a particular Level of Service will directly affect utility fees or taxation.

Life Cycle Costs: Life cycle costs refer to the total cost of ownership over the life of an asset. This may include but is not limited to capital costs, operating costs, maintenance costs, renewal costs, replacement costs, environmental costs and decommissioning costs.

Natural Assets: Naturally occurring land or subsurface features which perform or support service delivery to the Regional District (e.g., Regional Trails, watersheds, regional parks etc.). This category also includes artificial features that mimic naturally occurring features (e.g., ditches, ponds and wetlands). If these assets did not exist, Engineered Assets would be required to provide these services. Natural Assets must be operated and maintained but, if managed appropriately, require no replacement.

Sustainability: The pillars of sustainability include ensuring that current socio-cultural, economic and environmental commitments are considered in investment decisions and do not compromise the ability of future generations to meet their own needs.

Triple Bottom Line: Framework that expands on the traditional view of an organization's financial bottom line by also measuring an organization's commitment to socio-cultural and environmental factors.