

## CORPORATE SERVICES

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Branch:	Strategy & Administration
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<b>STRATEGIC ASSET MANAGEMENT POLICY</b>	

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### 1. PURPOSE

The purpose of this policy is to provide a framework for the development and implementation of the Town's Corporate Asset Management Program. It is intended to guide the consistent use of asset management practices across the organization, to facilitate logical and evidence-based decision-making for the management of municipal infrastructure assets and to support the delivery of sustainable community services now and in the future.

By using sound asset management practices, the Town will work to ensure that all municipal infrastructure assets meet expected performance levels and continue to provide desired service levels in the most efficient and effective manner. Linking service outcomes to infrastructure investment decisions will assist the Town in focusing on service, rather than budget driven asset management approaches.

This policy demonstrates an organization-wide commitment to the good stewardship of municipal infrastructure assets and to improved accountability and transparency to the community through the adoption of best practices regarding holistic asset management.

## 2. SCOPE

Applies to the employees of the Town of East Gwillimbury.

## 3. DEFINITIONS

Asset	Item, thing or entity which can be physical or intellectual in nature, that has potential or actual value to an organization. Source: ISO 55000 (modified)
Asset Life	Period from asset creation to asset end-of-life. Source: ISO 55000
Asset Management (AM)	The coordinated activity of an organization to realize value from assets and involves balancing costs, risks, opportunities and performance benefits. It considers all asset types and includes all activities involved in the asset's life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation and renewal; to replacement or disposal and any remaining liabilities. Source: ISO 55000 (modified)
Asset Management Plan (AMP)	Documented information that specifies the activities, resources, and timescales required for an individual asset, or a grouping of assets, to achieve the organization's asset management objectives. Source: ISO 55000
Capability	Measure of capacity and the ability of an entity (system, person or organization) to achieve its objectives. Asset management capabilities include people, process, information and technology to enable the effective and efficient development and delivery of asset management plans and asset life activities, and their continuous improvement. Source: ISO 55000 (modified)
Capitalization Threshold	The value of a municipal infrastructure asset at or above which a Town will capitalize the value of it and below which it will expense the value of it. Source: O.Reg. 588/17

Competence	Ability to apply knowledge and skills to achieve intended objective or result. Source: ISO 55000 (modified)
Continuous Improvement	Recurring activity to enhance performance. Source: ISO 55000
Critical Asset	Asset having potential to significantly impact on the achievement of the organization's objectives and can be safety-critical, environment-critical or performance-critical and can relate to legal, regulatory or statutory requirements. Source: ISO 55000 (modified)
Green Infrastructure Asset	An infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs. Source: O.Reg. 588/17
In-Service	Where the asset exists and is brought into working condition, and is being used and/or consumed, regardless of any legally binding status, such as and not limited to "Assumption of Services" through a development agreement. Source: East Gwillimbury
Level of Service	Parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability. Source: ISO 55000 (modified)
Life Cycle	Stages involved in the management of an asset. Source: ISO 55000
Life Cycle Activities	Activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities. Source: O.Reg. 588/17

Municipal Infrastructure Asset	An infrastructure asset, including a green infrastructure asset, directly owned by a Town or included on the consolidated financial statements of a Town, but does not include an infrastructure asset that is managed by a joint municipal water board. Source: O.Reg. 588/17
Objective	An objective can be strategic, tactical or operational and represents a result to be achieved. Source: ISO 55000 (modified)
Objective - Simple	When the solution to an objective involves one or two stakeholders, requires little to no change with People, Process, Information or Technology, and can be implemented at source and/or through a minimal number objectives or results. Source: East Gwillimbury
Objective - Complex	When the solution to an objective involves two or more stakeholders, requires planned and/or structured change with People, Process, Information or Technology, and is implemented through a series of objectives or results. Source: East Gwillimbury
Risk	The potential effect of uncertainty on an objective where the probability and consequence of the uncertainty are considered. Source: ISO 55000 (modified)
Service Request	A recorded mechanism to identify, organize, acknowledge and assess an issue from a stakeholder. Source: East Gwillimbury
Stakeholder	Person, organization or interested party that can affect, be affected by, or perceive themselves to be affected by a decision or activity. Source: ISO 55000 (modified)
Work Order	A recorded mechanism to organize and deploy resources to perform work or actions that meet an objective or result. Source: East Gwillimbury

#### 4. ALIGNMENT WITH THE TOWN'S STRATEGIC DIRECTION

Asset management planning should endeavour to align with the strategic business objectives of the Town and should be reviewed regularly to ensure that it aligns with the changing and emerging strategic goals and priorities of the organization.

The Town's Corporate Asset Management Program and Plan(s) will align with the following municipal goals, policies and plans, as amended from time to time:

- i. Strategic Plans
- ii. Official Plan and Secondary Plans
- iii. Master Infrastructure and Growth Related Plans
- iv. Financial Plans (e.g. Development Charges, Safe Drinking Water Act, 2002 or other)
- v. Annual and Forecast Budgets
- vi. Department Business Plans
- vii. Community Engagement Plans
- viii. Organizational Improvement Plans
- ix. Tangible Capital Asset Policy

## 5. POLICY STATEMENT

To guide the Town, the following policy statements have been developed:

- i. The Town will implement a corporate-wide asset management program through all departments. The program will promote the adoption of industry best practices, continuous improvement protocols and life cycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
- ii. The Town will develop an asset management plan that incorporates all municipal infrastructure assets that meet the capitalization threshold outlined in the organization's Tangible Capital Asset Policy, as amended from time to time, and will update the plan in accordance with Ontario Regulation 588/17 requirements.
- iii. The Town will integrate asset management plans and practices with its long-term financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal infrastructure assets based on full life cycle costing.
- iv. The Town will develop and maintain an asset inventory of all municipal infrastructure assets and integrate asset information with business program activities such as and not limited to accounting, planning, design, budgeting, procurement, customer service requests, work order management and mapping.

- v. The Town will explore innovative funding and service delivery opportunities, including but not limited to grant programs, public-private partnerships (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate.
- vi. The Town will consider the risks and vulnerabilities of municipal infrastructure assets to climate change and the actions that may be required including, but not limited to, anticipated costs that could arise from these impacts, adaptation opportunities, mitigation approaches, disaster planning and contingency funding. Impacts may include matters relating to operations, levels of service and life cycle management.
- vii. The Town will align all asset management planning with the Province of Ontario's land-use planning framework, including any relevant policy statements issued under section 3(1) of the Planning Act; shall conform with the provincial plans that are in effect on that date; and, shall be consistent with all municipal official plans.
- viii. The Town will coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of its neighbouring municipalities or jointly-owned municipal bodies wherever viable and beneficial.
- ix. The Town will develop processes and provide opportunities for municipal residents and other interested parties to offer input into asset management planning wherever and whenever possible.
- x. The Strategic Asset Management Policy should be reviewed and, if necessary, update the policy in accordance with Ontario Regulation 588/17 requirements.
- xi. Council will conduct an annual review of the Town's asset management progress on or before July 1 in each year, starting the year after the Town's asset management plan is completed in accordance with Ontario Regulation 588/17 requirements.

The annual review must address:

- a. The Town's progress in implementing its asset management plan;
  - b. Any factors impeding the Town's ability to implement its asset management plan;
  - c. A strategy to address the factors identified as impeding the Town's ability to implement its asset management plan.
- xii. The Town will post its asset management policy and asset management plan(s) on a website that is available to the public, and will provide a copy of the policy and plan to any person who requests it.

## 6. ROLES AND RESPONSIBILITIES

The development and continuous support of the Town's asset management program requires a wide range of duties and responsibilities. The following outlines the person(s) responsible for the Town's asset management program:

- i. Mayor and Members of Council
  - Approve the asset management policy and plan(s) by resolution;
  - Review program progress report(s) prepared by staff on an annual basis regarding Town's asset management program progress.
- ii. General Manager, Corporate Services  
General Manager, Community Infrastructure and Environmental Services
  - Joint Administrative/Executive Leads;
  - Make any interpretations of and administer the Policy.
- iii. Staff
  - Develop, implement, monitor and report on the asset management program progress and plan results.

## 7. KEY PRINCIPLES

Section 3 of the Infrastructure for Jobs and Prosperity Act, 2015, outlines the key principals that shall be considered when making decisions regarding asset management. The principals are as follows:

- i. Infrastructure planning and investment should take a long-term view, and decision-makers should take into account the needs of citizens by being mindful of, among other things, demographic and economic trends in Ontario.
- ii. Infrastructure planning and investment should take into account any applicable budgets or fiscal plans.
- iii. Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
- iv. Infrastructure planning and investment should ensure the continued provision of core public services.
- v. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
- vi. Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

- vii. Infrastructure planning and investment should foster innovation by creating opportunities to make use of innovative technologies, services and practices.
- viii. Infrastructure planning and investment should be evidence based and transparent, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information,
  - a. investment decisions respecting infrastructure should be made on the basis of information that is either publicly available or is made available to the public, and
  - b. information with implications for infrastructure planning should be shared between the Town and broader public sector entities, and should factor into investment decisions respecting infrastructure.
- ix. Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the Town, as the case may be, the Town should nevertheless be mindful of those plans and strategies and make investment decisions respecting infrastructure that support them, to the extent that they are relevant.
- x. Infrastructure planning and investment should promote accessibility for persons with disabilities.
- xi. Infrastructure planning and investment should minimize the impact of infrastructure on the environment and respect and help maintain ecological and biological diversity, and infrastructure should be designed to be resilient to the effects of climate change.
- xii. Infrastructure planning and investment should endeavour to make use of acceptable recycled aggregates.
- xiii. Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities, improvement of public space within the community, and any specific benefits identified by the community.



## 8. REFERENCES

The following legislation and regulations, as amended from time to time, are relevant to this policy:

- i. Infrastructure for Jobs and Prosperity Act, 2015
- ii. Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure
- iii. Municipal Act, 2001
- iv. Planning Act, R.S.O. 1990
- v. Places to Grow Act, 2005
- vi. Safe Drinking Water Act, 2002
- vii. Development Charges Act, 1997

Town of East Gwillimbury			
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Date Revised:		Prepared By:	Denny S. Boskovski, C.E.T.
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