



BIG LAKES COUNTY POLICY

TITLE: Asset Management	
POLICY NUMBER: ADMIN- 56	
LEGAL AUTHORITY:	
APPROVED BY COUNCIL: May 9, 2018	
EFFECTIVE DATE: May 9, 2018	REVISED DATE:

Policy Statement

Big Lakes County recognizes that responsible long-term financial & capital planning requires management of assets to demonstrate good stewardship and the total cost of delivering programs and services.

Big Lakes County owns, operates and maintains a wide array of physical assets. These assets include, but are not limited to roads, buildings, sidewalks, vehicles, equipment, land, computer systems and software, water mains, sewer mains, storm water ponds, pumping and lift stations, treatment plants, reservoirs, parks and bridges. All of these assets have a defined service life. As these assets age and deteriorate, the county will manage its assets in such a way to ensure that full service life is reached and to have a mechanism in place to enable their replacement or removal.

As the county's municipal infrastructure ages, funds must be committed for proper management, maintenance and refurbishment throughout the lifecycle of the municipal infrastructure. The goal of asset management is to meet a desired level of service for present and future citizens in an optimized way. This is achieved through the deliberate planning, creation, acquisition, maintenance, operation, rehabilitation and disposal of assets.

Successful implementation and operation of an asset management program requires the continual improvement of an asset management system, including a multi-faceted approach across the disciplines of finance, economics, engineering and business management which includes any future options.



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Policy

Purpose and Scope

1. This policy has been established with the purpose of governing the practice of asset management within Big Lakes County in a manner that is consistent and aligns with the approved principles and values of the county.
2. This policy applies to all Tangible Capital Assets owned, managed and operated by Big Lakes County. Departments within Big Lakes County that manage tangible capital assets or asset systems in the ultimate delivery of services to residents, businesses and other stakeholders are subject to the asset management policy.
3. The Asset Management system does not replace existing corporate strategy, business planning and budget management systems and processes already in place. Instead, the asset management system complements and aligns with these initiatives to support business strategies, objectives and plans.

Definitions

4. This section provides definitions to some of the terminology within and surrounding asset management. For the purposes of this policy:
 - a. **Asset or Capital Asset** – an object that is a significant economic resource and provides the delivery of a program or service. Assets are those items that are owned, managed or controlled by the County, and are generally tangible or have a physical form.
 - b. **Asset Management** - an integrated business approach involving 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.
 - c. **Asset Maintenance** - the regular activities conducted to keep an asset functioning in its intended state. Maintenance activities are not capital.
 - d. **Asset Renewal or Asset Betterment** - the refurbishment or major maintenance of an asset that represents a capital investment and substantially extends the life of an asset or improves its service potential. Asset renewal activities are capital.



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- e. **Asset Replacement** - the replacement of an asset that represents a capital investment.
- f. **Life-cycle** - means the time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset.
- g. **Long-term Financial Plan** - a plan that documents the process of aligning financial capacity with long-term service objectives.

Policy

- 5. Asset management is a broad strategic framework that encompasses many disciplines and involves the entire organization. To guide the organization, the following policy statements have been developed. Big Lakes County will:
 - a. Create and maintain an asset management governance structure to lead the development of asset management tools and practices and to oversee their application across the organization.
 - b. Adopt a comprehensive asset management strategy to:
 - i. Establish, document and continually adhere to industry recognized asset management protocols;
 - ii. Define levels of service that balance customer expectations with risk, affordability and timing constraints;
 - iii. 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;
 - iv. Develop asset management knowledge and competencies aligned with recognized competency frameworks;
 - v. Entrench lifecycle costing when evaluating competing asset investment needs across county assets; and
 - vi. Monitor the performance of the assets and track the effectiveness of asset management practices with a view to continuous improvement.
 - c. Where practical, strive to go beyond minimum legislative solutions as an enabler to make county assets more resilient to changing social, environmental and economic conditions.



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- d. Seek funding and service delivery opportunities to address infrastructure investment pressures.
 - e. Provide regular updates to council on the state of the county's assets and forecasted trends (typically aligned with tabling of the annual multi-year budget).
- 6. In order to attain the objectives of asset management, administration shall ensure the following principles are applied within any implemented Asset Management system and are incorporated into the county's strategic plan:
 - a. **Holistic:** asset management must be cross-disciplinary.
 - b. **Systematic:** the approach must be rigorously applied in a structured management system.
 - c. **Systemic:** looking at assets in their systems context, again for net, total value.
 - d. **Risk Management:** assessing risk appropriately regarding all decisions made.
 - e. **Optimal:** seeking the best compromise between conflicting objectives: such as, costs versus performance versus risks.
 - f. **Sustainable:** plans must deliver optimal asset life cycles, ongoing systems performance, environmental and other long term consequences.
 - g. **Integrated:** coordinate the above principles to ensure the delivery of justified services and well-defined outcomes.

Key Principles

- 7. This policy is intended to allow Big Lakes County to:
 - a. Make informed decisions, identifying all revenues and costs (including operation, maintenance, renewal, replacement and decommission) associated with infrastructure asset decisions. Tradeoffs should be articulated and evaluated, and the basis for the decision recorded.
 - b. Integrate corporate, financial, business, technical and budgetary planning for infrastructure assets.
 - c. Establish organizational accountability and responsibility for asset inventory, condition, use and performance.
 - d. Consult with stakeholders where appropriate.



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- e. Define and articulate service, maintenance and replacement levels and outcomes.
- f. Manage assets to be sustainable.
- g. Minimize total life cycle costs of assets.
- h. Consider environmental goals.
- i. Consider social and sustainability goals.
- j. Minimize risks to users and risks associated with failure.
- k. Pursue best practices where available.
- l. Report the performance of its asset management program.

Reeve

Chief Administrative Officer

Date of Final Signature