



Policy/Plan Date: November 2019  
Council Approval: December 16, 2019  
Amended Date: N/A

---

## Township of Adelaide Metcalfe Strategic Asset Management Policy

---

### STRATEGIC ASSET MANAGEMENT POLICY

#### **Purpose:**

The purpose of a Strategic Asset Management Policy is to provide commitment to the development and implementation of the Township's Asset Management Program. It is intended to guide the consistent use of asset management 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 Township 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 Township in focusing on service, rather than budget, driven asset management approaches.

#### **Scope:**

The Strategic Asset Management Policy applies Township-wide to all municipal infrastructure assets.

#### **Objectives:**

This policy will provide a reliable, systematic, and sustainable approach to the management of municipal infrastructure assets.

#### **Definitions:**

Unless otherwise noted, the definitions provided in this policy align with those outlined in Ontario Regulation 588/17 (OREG 588/17), Asset Management Planning for Municipal Infrastructure, under the Infrastructure for Jobs and Prosperity Act, 2015.

"Asset Management" means the coordinated activity of an organization to realize value from assets. 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.

"Asset Management Plan" means 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. Under OReg 588/17, by 2023 asset management plans for core municipal infrastructure assets will be required to include the current levels of service being provided; the current performance of each asset category; a summary of assets in each asset category, their

replacement cost, average age, condition information, and condition assessment protocols; lifecycle activities required to maintain current levels of service; discussion of population and economic forecasts; and documentation of processes to make inventory and condition related background information available to the public.

“Capitalization Threshold” means the value of a municipal infrastructure asset at or above which a municipality will capitalize the value of it and below which it will expense the value of it.

“Green Infrastructure Asset” means 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.

“Level of Service” means 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.

“Lifecycle Activities” means 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.

“Municipal Infrastructure Asset” means an infrastructure asset, including a green infrastructure asset, directly owned by a municipality or included on the consolidated financial statements of a municipality, but does not include an infrastructure asset that is managed by a joint municipal water board.

### **Policy Statement:**

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

1. The Township will implement a Township-wide asset management program through all departments. The program will promote lifecycle 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.
2. The Township will implement continuous improvement protocols and adopt best practices regarding asset management planning, including:
  - i) Complete and Accurate Asset Data
  - ii) Condition Assessment Protocols
  - iii) Risk and Criticality Models
  - iv) Lifecycle Management
  - v) Financial Strategy Development
  - vi) Level of Service Framework
3. The Township will develop and maintain an asset inventory of all municipal infrastructure assets which includes a unique identification, description, location information, value (both historical and replacement), performance characteristics and/or condition, estimated remaining life and estimated repair, rehabilitation or replacement date, and estimated cost repair, rehabilitation or replacement costs.

4. The Township will develop an asset management plan (AMP) that incorporates all infrastructure categories and municipal infrastructure assets that are necessary to the provision of services. This may include assets that fall below their respective capitalization thresholds. The scope of these assets will be determined based on the professional judgement of Township senior staff. The AMP will be reviewed annually to address the Township's progress in implementing its asset management plan and updated at least every five years in accordance with O.Reg. 588/17 requirements, to promote, document and communicate continuous improvement of the asset management program.
5. The Township 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 lifecycle costing.
6. The Township will explore innovating 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.
7. The Township will develop meaning performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community.
8. The Township 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 lifecycle management.
9. The Township will ensure that all asset management planning is aligned with any of the following financial plans:
  - i. Financial plans related to the Township's water assets including financial plans prepared under the Safe Drinking Water Act, 2002.
  - ii. Financial plans related to the Township's wastewater assets.
10. The Township 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.
11. The Township will coordinate planning for interrelated municipal infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighbouring municipalities, the County of Middlesex as our upper tier or any jointly-owned municipal bodies wherever viable and beneficial.
12. The Township will develop processes and provide opportunities for Township residents and other interested parties to offer input into asset management planning whenever and wherever possible.

13. The Strategic Asset Management Policy should be reviewed and, if necessary, updated at least every five years.
14. Council will conduct an annual review of the Township's asset management progress on or before July 1 in each year, starting the year after the Township's asset management plan is completed to meet the requirements outlined in O.Reg. 588/17. The annual review must address:
  - i. The Township's progress in implementing its asset management plan;
  - ii. Any factors impeding the Township's ability to implement its asset management plan;
  - iii. A strategy to address the factors identified as impeding the Township's ability to implement its asset management plan.
15. The Township will post its asset management policy and asset management plan 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.

### **Roles and Responsibilities:**

#### **1. Municipal Council**

The Council for the Township of Adelaide Metcalfe will:

- i. Approve the Asset Management Policy and direction of the Asset Management Program
- ii. Maintain adequate organizational capacity to support the core practices of the asset management program
- iii. Prioritize effective stewardship of assets in adoption and ongoing review of policy and budgets
- iv. Establish and monitor levels of service

#### **2. Senior Management Team**

The senior management team for the Township of Adelaide Metcalfe will:

- i. Develop policy and policy updates for adoption
- ii. Provide corporate oversight to goals and directions and ensure the asset management program aligns with the Township Strategic Plan
- iii. Ensure that adequate resources are available to implement and maintain core asset management practices and provide recommendations to Council
- iv. Provide departmental staff coordination
- v. Develop and monitor levels of service and make recommendations to Council
- vi. Track, analyze and report on asset management progress and results

#### **3. Executive Lead (Treasurer)**

The Executive Lead for asset management planning will be the Treasurer. The Treasurer will:

- i. Manage policy and policy updates
- ii. Provide organization-wide leadership in asset management practices and concepts
- iii. Provide departmental staff coordination
- iv. Monitor levels of service
- v. Coordinate and track asset management program implementation and progress

#### 4. Department Staff

The staff in each department will:

- i. Utilize the new business processes and technology tools developed as part of the Township asset management program
- ii. Participate in implementation task teams to carry out asset management activities
- iii. Implement and maintain levels of service
- iv. Provide support and direction for asset management practices within their department
- v. Track and analyze asset management program progress and results

#### **Key Principles:**

The Township shall consider the following principles as outlined in section 3 of the Infrastructure for Jobs and Prosperity Act, 2015, when making decision regarding asset management:

1. 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.
2. Infrastructure planning and investment should take into account any applicable budgets or fiscal plans.
3. Infrastructure priorities should be clearly identified in order to better inform investment decision respecting infrastructure.
4. Infrastructure planning and investment should ensure the continued provision of core public services.
5. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
6. Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
7. Infrastructure planning and investment should foster innovation by creating opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.
8. 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,
  - i. 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
  - ii. Information with implications for infrastructure planning should be shared between the Township and the broader public sector entities, and should factor into investment decisions respecting infrastructure.

9. 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 Township, as the case may be, the Township 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.
10. Infrastructure planning and investment should promote accessibility for persons with disabilities.
11. 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.
12. Infrastructure planning and investment should endeavour to make use of acceptable recycle aggregates.
13. Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that is 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.