



THE CORPORATION OF THE CITY OF VERNON

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Corporate Policy

Section:		
Sub-Section:		
Title:	Asset management	

RELATED POLICIES

Number	Title

APPROVALS

POLICY APPROVAL:	AMENDMENT APPROVAL:	SECTION AMENDED
Approved by: <i>“Wayne Lippert”</i>	Amendment Approved by:	
Mayor:	Mayor:	
Date: September 26, 2011	Date:	

ASSET MANAGEMENT POLICY

1. BACKGROUND AND PURPOSE OF COUNCIL POLICY

One of Council's 2011-2015 Strategic Vision Goals is "achieving a robust financial position that enables the orderly replacement of infrastructure and ensures capacity to address emerging opportunities and challenges". Underlined to this vision is the effective management and maintenance of the City's infrastructure assets. These assets include, but are not limited to, transportation networks, waste water (sanitary and storm) treatment, collection and disposal systems, civic facilities and fleet.

Assets age and deteriorate. However, by using sound asset management practices, Council and the community can be assured that the assets meet defined performance levels and deliver the desired service in the short and long term.

This policy is to articulate Council's commitment to asset management and guide staff using the policy statements. In doing so, the policy also outlines how it is to be integrated within the organization in such a way that it is coordinated, cost effective and organizationally sustainable. This policy also demonstrates to the community that Council is exercising good stewardship and is delivering affordable services while considering its legacy to future residents.

Staff will implement this policy by the development and use of asset management guidelines and practices.

The term asset management, as used in this document, is defined as "the operation and maintenance of existing assets in a sustainable and cost effective manner at a level of service defined by Council for present and future customers".

2. POLICY PRINCIPLES, GUIDELINES AND INTEGRATION

The key principles of the asset management policy are outlined in the following list.

The organization shall:

- a. Make informed decisions, identifying all revenues and costs (including operation, maintenance, replacement and decommission) associated with infrastructure asset decisions, including additions and deletions. 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.
- e. Define and articulate service, maintenance, replacement levels and outcomes.
- f. Use available resources effectively and provide additional resources where necessary.
- g. Manage assets to be sustainable based on levels of service.
- h. Minimize total life cycle costs of assets through preventative maintenance.
- i. Consider environmental goals.
- j. Consider social and sustainability goals.
- k. Minimize risks and liabilities.
- l. Pursue best practices where available.
- m. Report the performance of its asset management program.

Guidelines and practices

This policy shall be implemented by staff using applicable industry guidelines and practices. Staff shall develop and implement asset management strategies and plans where appropriate. The City of Vernon will also comply with required capital

asset reporting requirements, and integrate the asset management program into operational plans throughout the organization.

Asset management strategies and plans may be developed for a specific class of assets, or be generic for all assets, and should outline long term goals, processes and steps toward how they will be achieved. The asset management plans should be based on current inventories and condition (acquired or derived), projected performance and remaining service life and consequences of losses. Operational plans should reflect these details. Replacement strategies and associated financial plans should consider alternative scenarios and risks, as well as include public consultation.

Context and integration of asset management within organization

The context and integration of asset management throughout the organization's lines of business is typically formalized through references and linkages between corporate documents. Where possible and appropriate, Council and staff will consider this policy and integrate it in the development of corporate documents such as:

- a. Bylaws
- b. Official Community Plan
- c. Business plans
- d. Corporate strategic plans
- e. Corporate and capital financial plans and budgets
- f. Operational plans and budgets
- g. Liquid Waste Management Plan
- h. Neighbourhood plans
- i. Annual reports
- j. Design criteria and specifications
- k. Infrastructure servicing, management and replacement plans
- l. Parks and recreation plans

3. KEY ROLES FOR MANAGING THE ASSET MANAGEMENT POLICY

City policies are approved by Council. While staff, public and other agencies may provide input on the nature and text of the policy, Council retains the authority to approve, update, amend or rescind policies.

Role	Responsibility
a. Identification of issues, and development of policy updates	Council and staff
b. Establish levels of service	Council and staff
c. Exercise stewardship of assets, adopt policy and budgets	Council
d. Implementation of policy	Chief Administrative Officer and staff
e. Development of guidelines and practices	Chief Administrative Officer and staff
f. On-going review of policies	Council and staff

Implementation, review and reporting of asset management work

The implementation, review and reporting back regarding this policy shall be integrated within the organization. Due to the importance of this policy, the organization's asset management program shall be reported annually to the community, and implementation of this policy reviewed by Council at the beginning of its term.

The following key actions and responsibilities have been identified with the implementation of the City's asset management policy

Action	Responsibility
a. Review standards and service levels at established intervals.	Council
b. Financial planning, maintenance and management of infrastructure assets in order to maintain the assets at service levels defined by Council	Operation Services
c. Monitor service levels and report performance to Council.	Operation Services
d. Develop and maintain asset inventories of all infrastructures.	Finance
e. Establish infrastructure replacement strategies through the use of full life cycle costing principles and levels of service.	Engineering Services
f. Plan for and provide recommendations for stable long term funding to replace and/or renew and/or decommission infrastructure assets	Finance with support from Engineering Services
g. Where appropriate, incorporate asset management in its other corporate plans.	Operation Services, Engineering, Planning and Finance
h. Report to citizens regularly on the status and performance of work related to the implementation of this asset management policy.	Corporate Services