



CORPORATE POLICY

Sub Topic:	Asset Management	Policy No.CAO.4-01
Topic:	Corporate Asset Management Policy	Employees Covered:
Section:	Office of the CAO	Council Adoption Date:
Effective Date: February 8, 2016		

Policy Statement & Strategic Plan Linkages

This Corporate Asset Management (AM) Policy applies to assets of the Town, such as roads, sidewalks, bridges, watermains, sewers, stormwater ponds, pumping stations, fleet, IT systems, buildings, parks, art and trees.

The Town of Newmarket is committed to good governance through fiscal responsibility and financial sustainability in striving to meet the program and service needs of the community and its customers, including residents, local businesses and visitors. Town of Newmarket will adopt and apply recognized AM practices in support of delivering services to its residents and customers.

This policy aligns with the Town's Strategic Plan directions in being Well-equipped & managed and Well-planned and connected by implementing policy that reflects sound and accountable governance and is the foundation of the Town's Key Strategic Asset Management Documents outlined in Appendix A.

The Corporate Asset Management Framework (Appendix B) encompasses all aspects of the management of each asset through its lifecycle in that it:

- Integrates the strategic objectives of the Town, with key business systems, legislation, and regulations;
- Creates a framework that establishes the mechanism for a clear line of sight between our AM program and Corporate objectives and strategies; and
- Commits to providing approved levels of service for present and future customers and communities, in the most effective and efficient way, through

the planning, design, construction, acquisition, operation and maintenance, renewal, and disposal of assets.

The basis for our asset related decisions are:

- Anchored on the four pillars of sustainability – economic, environmental, social and cultural - that support the Town’s long-term sustainability goals approved by Council
- Based on applying “the right intervention, on the right asset, at the right time” recognizing risk and the Town’s fiscal constraints; and
- Founded on a sustainable approach to ensure that asset base increases or enhancements consider the impact on the ability of the Town to fund future maintenance and rehabilitation.

Purpose

The purpose of this policy is to detail the guiding principles to be applied to AM:

- **Customer Focused**
The Town will aim to have clearly defined Levels of Service and applying AM practices to maintain the confidence of customers in how Town assets are managed.
- **Forward looking**
The Town will make decisions and provisions that enable our assets to meet future challenges, including changing demographics and populations, customer expectations, legislative requirements, technological and environmental factors.
- **Service Focused**
The Town will consider all the assets in a service context and taking into account their interrelationships as opposed to optimizing individual assets in isolation.
- **Risk-based**
The Town will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit recognizing that public safety is the priority.
- **Value-Based / Affordable**
The Town will choose practices, interventions and operations that aim at reducing the life cycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks, and costs.

- **Holistic**
The Town will take a comprehensive approach that looks at the “big picture” and considers the combined impact of managing all aspects of the asset life cycle.
- **Systematic**
The Town will adopt a formal, consistent, repeatable approach to the management of its assets that will ensure services are provided in the most effective manner.
- **Innovative**
The Town will continually improve its AM approach, by driving innovation in the development of tools, practices, and solutions.

The use of these principles in applying AM will better position the Town to:

- Deliver services at approved levels of service;
- Improve decision-making accountability and transparency;
- Better demonstrate the long term consideration of short term decisions;
- Improve customer service;
- Reduce the life cycle costs while maintaining acceptable levels of service; and
- Link infrastructure investment decisions to service outcomes.

Definitions

AM is 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. AM relies on four key organizational components integrating together to achieve the desired service outcomes: well-planned strategies, good physical assets, highly trained professionals with respect to practices and procedures, and integrated business processes. These components, supported by appropriate technologies, provide a robust foundation for efficient service delivery.

AM Program refers to the collective documents that encompass the AM Policy, AM Strategy and AM Plans.

AM Strategy is a document that articulates the practical implementation of Town’s goals as they pertain to AM.

AM Plan is a document that reports on how assets are being managed through their lifecycle in support of the services being delivered.

Responsibilities

In meeting the goals and objectives of this policy, the **Strategic Leadership Team** will:

- 1) Create and maintain an asset management governance structure that leads the development of asset management tools and practices across the organization;
- 2) Adopt a Asset Management Strategy;
- 3) Seek funding and service delivery opportunities to address infrastructure investment pressures;
- 4) Provide regular updates to Council on the state of the Town's assets and forecasted trends.

In meeting the goals and objectives of this policy, the **Operational Leadership Team** will:

- 1) Oversee the development of asset management tools and practices application across the organization;
- 2) Implement the Asset Management Strategy:
 - a) Establish, document and continually adhere to industry recognized asset management protocols;
 - b) Define levels of service that balance customer expectations with risk, affordability and timing constraints;
 - c) 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;
 - d) Develop asset management knowledge and competencies aligned with recognized competency frameworks;
 - e) Entrench lifecycle costing when evaluating competing asset investment needs across Town assets; and
 - f) Monitor the performance of the assets and track the effectiveness of Asset Management practices with a view to continuous improvement.
- 3) Where practical, strive to go beyond minimum legislative solutions as an enabler to make Town assets more resilient to changing social, environmental and economic conditions.

Appendix A

Key Strategic Asset Management Documents

The following key strategic asset management documents form part of the Town's overall approach to asset management:

Corporate Asset Management Policy: This document establishes Council's expectations around the management of the Town's physical assets. (This document)

Asset Management Strategy: This document defines Senior Management's commitment and approach to achieving the Council approved policy. (Pending approval of the Asset Management Policy staff will be coming forward with a recommendation on the approach to be taken regarding a strategy)

Customer Levels of Service: This document defines the level to which assets are to be maintained to achieve defined levels of service. (To be developed and approved by Council)

Asset Management Plans: These documents show how assets are being managed through their lifecycle in support of the delivery of services. (To be approved at the Departmental Management level for all service areas. The plans will be updated annually and submitted to Council annually for information purposes.)

State of the Asset Report: This document provides information on the state of the Town's physical assets which can then be referenced when making infrastructure asset investment decisions as part of the annual budget planning processes. (To be refined and submitted to Council annually for information purposes)

Appendix B

Corporate Asset Management Framework

