**CITY OF WINNIPEG POLICY NO. XXX-XXX**

| POLICY TITLE<br>*Asset Management Policy* | ADOPTED BY<br>*City Council* | EFFECTIVE DATE |
|---|---|---|
| ORIGIN / AUTHORITY<br>*City Council* | CITY POLICY NO | MOST RECENT CONSOLIDATION |

# 1.0 PURPOSE:

The purpose of the Policy is to align the actions of the Public Service in meeting the City's Asset Management Program (AMP) objectives:

- Link Infrastructure investment decisions to service outcomes.
- Make Stakeholders aware of the true cost of managing the City's assets necessary to meet agreed Levels of Service (LOS).
- Strive to deliver services at approved LOS while minimizing life cycle costs.
- Allocate limited resources based on lifecycle modeling, multi-criteria prioritization (triple bottom line concept) and risk management.
- Capture relevant asset information and manage this information to enable decision-making.
- Provide staff with the necessary knowledge and skills to manage assets effectively.

# 2.0 DEFINITIONS:

## 2.1 ASSET MANAGEMENT

An integrated set of business processes to minimize the lifecycle costs of owning, operating and maintaining assets, at an acceptable level of risk, while continuously delivering established levels of service.




Asset Management relies on four key organizational components being integrated 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.

## 2.2 ASSET MANAGEMENT PROGRAM

The Program encompasses all aspects of the management of each asset through its lifecycle by:

- Integrating with the Our Winnipeg plan to align with the strategic objectives of the City as well as with other key business systems, legislation and regulations;
- Creating a framework to establish a clear line of sight between the AM program and Corporate objectives and strategies; and
- Providing appropriate levels of service to present and future customers in the most effective and efficient way, through the planning, design, construction, acquisition, operation and maintenance, renewal, and disposal of assets.

The program's decisions are based on:

- The triple bottom line (TBL) pillars of sustainability; economic, environmental and social outcomes that support the City's long-term goals as approved by Council;
- Applying "the right intervention, to the right asset, at the right time" recognizing risk and the City's fiscal constraints; and
- A whole-life approach ensuring that increases or enhancements to the City's asset base consider impacts on the City's ability to fund an asset's future maintenance and renewal.

# 3.0 ASSET MANAGEMENT POLICY

## 3.1 VISION

Consistently deliver established customer service levels at an acceptable level of risk while minimizing an asset's lifecycle costs.

## 3.2 POLICY STATEMENT

The Public Service will adopt a comprehensive approach to managing the City's assets to meet established levels of service at the lowest overall cost of ownership at an acceptable level of risk.

## 3.3 SCOPE

The Asset Management Policy applies to all physical assets of the City, such as (but not limited to): roads, sidewalks, bridges, watermains, sewers, retention ponds, pumping stations, treatment plants, landfills, fleet, IT systems, buildings, parking lots, parks, and trees.

## 3.4 PRINCIPLES

To achieve the AMP objectives, the following principles will be incorporated into departmental business plans and asset management plans:

### Customer Focused

The City will have clearly defined Levels of Customer Service focused on customer outcomes or front-line service delivery.

## Strategic

The City will make appropriate provisions and decisions to better enable its assets to meet future challenges, including changing demographics and populations, customer expectations, legislative requirements and technological and environmental factors.

## Service Focused

The City will consider all the assets in a service context, taking into account their inter-relationship, as opposed to optimizing individual assets in isolation.

## Risk-based

The City will manage the risks associated with attaining 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 City will develop business case solutions that aim to minimize the life cycle cost of asset ownership, while satisfying agreed upon levels of service. Decisions are based on balancing service, risk, and whole-life cost.

## Holistic

The City will take a comprehensive approach to investment planning and decision making that looks at the “big picture” and considers the combined impact of the entire asset life cycle.

## Systematic

The City will adopt a formal, consistent, and repeatable approach to the management of its assets that will ensure services are provided in the most effective manner.

## Innovative

The City will continually improve its asset management approach by driving innovation in the development of tools, practices, and solutions.

## Triple bottom line (TBL)

The City will assess investment decisions using TBL sustainability criteria with respect to: economic, environmental and social outcomes.

## Documentation and Knowledge Sharing

The City will share information and knowledge both internally and externally throughout the asset life cycle.

### Clarity of Roles

The City will define roles and responsibilities, and assign the authority necessary for effective delivery of services.

### Resources

The City maintain, within reason, the necessary organizational capacity (including, but not limited to, resourcing, financial support, staff competencies, business processes, data and integrated information systems) to support the asset management Framework.

## 4.0 RESPONSIBLITIES

### 4.1 TO ACHIEVE THE ASSET MANAGEMENT POLICY OBJECTIVES, SENIOR MANAGEMENT WILL:

- Create and maintain an Asset Management (AM) Governance Structure to lead the development of AM business practices and to oversee their application across the organization.
- Adopt an Asset Management Strategy to:
  - Develop affordable and financially sustainable asset management plans that align with industry recognized asset management protocols;
  - Define levels of service that balance customer expectations with risk, affordability and timing constraints;
  - Adopt risk-based decision-making processes that consider the likelihood and consequence of an asset failure in terms of public safety and level of service;
  - Develop asset management knowledge and competencies aligned with recognized industry standards;
  - Entrench lifecycle costing into the evaluation of competing investment strategies;
  - Monitor the performance of assets in supporting service delivery and track the effectiveness of AM practices with a view towards continuous improvement;
  - Where practical, strive to go beyond minimum legislative solutions to make City assets more resilient to changing social, environmental and economic conditions;
  - Seek funding and service delivery opportunities to address infrastructure investment pressures; and
  - Provide regular updates to Council on the state of the City's assets and forecasted trends (typically aligned with the tabling of Long Range Financial Plans).

## 4.2 ASSET MANAGEMENT FRAMEWORK

In order to support the consistent application of Asset Management practices, the Public Service shall adopt and implement an Asset Management Framework as shown in Figure A-1.

The AM Framework represents how all the elements of an asset management system come together to clearly link day-to-day decisions to corporate goals.

These elements are divided in 4 key groupings:

- **Visionary:** Defines stakeholder expectations and how these are embedded into longer term corporate strategies and plans that guide decisions through the lifecycle of the assets.
- **Strategic:** Defines how physical assets are to be managed and establishes senior management commitment to achieving the Corporate (policy) objectives.
- **Tactical:** Provides guidance and consistency in documenting and implementing asset management practices across service areas.
- **Operational:** Applies the asset management practices across all City Departments.

## 4.3 KEY ASSET MANAGEMENT DOCUMENTS

The following key strategic Asset Management documents, in addition to the Long Range Financial Plans, form part of the City's overall approach to asset management:

- **Strategic Asset Management Plan:** This document defines Senior Management's commitment and approach to achieving Council's approved policy. This is approved by the CAO and submitted to Council as information**.**
- **Asset Management Administrative Standard**: This document establishes the Public Service's approach to managing the City's physical assets. This is approved by the CAO.
- **Customer Levels of Service:** This document defines the level to which front-line infrastructure supported services will be delivered. These are approved by Council.
- **Asset Management Plans:** Corporate and Departmental Asset Management Plans document how assets are managed (with multi-disciplinary management techniques; including technical and financial) through their lifecycle in support of the delivery of services. These are approved by Department Directors for all service areas.
- **State of the Infrastructure Report:** This document (which may be part of the AM plan) provides information on the state of the City's physical assets for use in external reporting, and in the annual budget and the long range financial planning process. This report is approved by the CAO for all service areas and submitted to Council as information.

# 5.0 APPENDIX

Figure A-1 Asset Management Framework

**Figure A-1 Asset Management Framework**

