

Corporate Policy

Strategic Asset Management Policy

Approved by:	_____	on	_____
Report No.:	N/A	Effective:	_____
Reviewed:	_____	Amended:	_____
Next Review:	_____	Note:	_____

1.0 Background

Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure in the Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in Ontario municipalities.

The Strategic Asset Management Policy replaces the current corporate policy brought forward for Council approval in December 2016 (CW-32-16 – Asset Management Policy and Plan Update report).

2.0 Purpose

The Strategic Asset Management Policy (SAMP) describes the City of Burlington's commitment and direction for asset management and aligns with both the Corporate Strategic Plan and the priorities set out in the Vision to Focus plan . It outlines the principles that guide staff in the development and administration of corporate asset management.

It is intended to compliment and support the City's strategic plan and other core documents by:

- Outlining the guiding principles and requirements for implementing consistent asset management processes throughout the City;
- Affirming the City's ongoing commitment to ensure asset management processes are aligned and integrated into the City's strategic planning process and other key plans and policies; and
- Define asset management responsibilities and accountabilities for Council, leadership, management, and staff;



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3.0 Corporate Alignment

The Strategic Asset Management Policy will support the following:

- City of Burlington 25-Year Strategic Plan
- Council and Leadership team workplan ('Vision to Focus')
- Long-term financial plan
- Asset or service-focused master plans
- Community energy plan
- Development Charges Background Study and Bylaw

The City shall take into account any applicable budgets or fiscal plans released under the following:

- Fiscal Transparency and Accountability Act, 2004
- Budgets adopted under part VII of the Municipal Act, 2001
- Ontario's Land Use Planning Framework
- Any relevant policy statements issued under subsection 3(1) of the Planning Act, any provincial plans as defined in the Planning Act and the City's Official Plan.

Most corporate plans rely on physical assets owned by the city and the commitment of staff to ensure their strategic use. This includes the long-term maintenance, repair, and replacement of existing assets along with the acquisition of new assets that meet the evolving needs of the community.

4.0 Scope and Responsibility

This policy applies to those service areas within the City that manage existing and new physical capital assets or asset systems, in the ultimate delivery of services to the citizens of the City of Burlington. Asset management does not replace existing corporate strategy, business planning and capital or operating investment planning processes already in place. Instead, it aims to complement and align to these initiatives, with the intent to provide an asset-centric point of view that supports business strategies, objectives and plans.

The policy requires the commitment of key stakeholders within the city's organizational structure. The following details the responsibilities of key stakeholders within the city.



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Council

- Approves by resolution all asset management strategies and plans
- Receives annual updates of the city's asset management progress
- Approves by resolution infrastructure funding through the annual budget process
- Supports ongoing asset management continuous improvements and efforts needed to meet Ontario Regulation 588/17 requirements

Corporate Asset Management Committee / Corporate Infrastructure Committee

- A committee composed of staff leads representing all asset-focused service areas across the city
- The committee is responsible for the asset management planning across the municipality and maintaining compliance with the regulation
- The committee is responsible for the development of corporate asset management tools and practices and oversees their application across the organization
- The committee provides a forum for discussion of asset management strategy, integration and best practices

Asset Category Leads

- Oversees asset decision support activities that fall within their service area and in support of others.

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- Oversees the management of the city's asset management financing plan to ensure its alignment with the city's long term financial plan
- Satisfies financial reporting requirements for assets based on capitalization thresholds which are separate from the asset management planning process
- Coordinates asset investment planning (budget development)

5.0 Policy

5.1 The City owns, operates, and maintains a number of infrastructure assets. Good asset management planning ensures that as infrastructure ages and deteriorates over time, assets will continue to meet defined levels of service over the long term, and will be managed for present and future users in a sustainable manner.

5.2 In order to meet organizational goals and objectives, the City of Burlington will aim to incorporate the following principles into service delivery and asset management practices:

- 5.2.1 **Holistic** – The City shall take a comprehensive approach to asset decision support and investment planning that considers the “big picture” and the combined impact of the whole asset life cycle. The



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City shall consider all assets in a service context and take into account the relationships between different asset types/classes to better optimize decision-making.

- 5.2.2 **Strategic and Forward Looking** – To meet future challenges the City shall take a long-term view when making decisions about infrastructure, including consideration of changing demographic and economic trends and future legislative requirements.
- 5.2.3 **Health & Safety Focus** – The City shall ensure that the health and safety of employees involved in the construction, renewal and maintenance of infrastructure is protected.
- 5.2.4 **Customer Service Focus** – The City shall have clearly defined levels of service that are focused on both customer outcomes and service delivery while balancing customer expectations with risk and affordability. The City will actively encourage community and stakeholder collaboration to better understand current and future stakeholder needs, to ensure they are incorporated into our asset management plans.
- 5.2.5 **Systematic** – The City shall adopt a formal, consistent and repeatable approach to asset management that is transparent and leverages data for evidence-based decision-making.
- 5.2.6 **Risk-based** – The City shall manage the risk associated with attaining defined levels of service by ensuring that resources, expenditures, and priorities are allocated based upon risk and associated cost/benefit and risk tolerance.
- 5.2.7 **Value-based affordable** – The City shall make asset investment decisions based on balancing service, risk and whole life cost. Asset life-cycle treatments chosen will aim to reduce the overall costs to the City while still meeting defined levels of service. The City shall apply full lifecycle costing principles when evaluating capital and operating asset investments.
- 5.2.8 **Sustainable** – The approach to service delivery is financially achievable over the long term, is not wasteful of resources, and minimizes the impact of infrastructure on the environment by augmenting resilience to the effects of climate change. The City shall take a “triple bottom line” approach to managing assets and making both short and long term infrastructure investment decisions.
- 5.2.9 **Environmentally conscious** – The City shall minimize the impact of infrastructure on the environment and manage the risks, and the increased cost required to manage risks, due to climate change. The City shall develop an approach for integrating climate change considerations throughout the asset management process, and seek opportunities to increase community resilience to the impacts of climate change.



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- 5.2.10 **Integrated** - The City shall continue to engage and coordinate our asset management activities with the Region of Halton (water, waste water, transportation services) and other neighboring municipalities to share best practices and information.
- 5.2.11 **Innovation and Continuous Improvement** – The City shall continually improve its asset management approach by making use of innovative technologies, services and practices.

6.0 Key Terms and Definitions

Asset: An item, thing or entity that has potential or actual value to an organization

Asset Life Cycle: The time interval that commences with the identification of the need of an asset and terminates with the decommissioning of the asset or any associated liabilities

Asset Management: The coordinated activity of an organization to realize value from assets. Involves the balancing of costs, opportunities and risks against desired performance of assets in order to achieve organizational objectives.

Asset Management Plan: A plan, or series of plans, developed by the City that specify the activities, resources and timescales required for an individual asset, or grouping of assets, to achieve defined level of service objectives.

Level of Service (LOS): The parameters of combination of parameters that reflect the social, political, economic, and environmental outcomes that the organization delivers. Levels of service statements describe the outputs or objectives an organization or activity intends to deliver to customers