

COUNCIL POLICY



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

Document Name: Asset Management System

Department Name: Corporate Services

Document Number: OPE-030

Effective Date: February 11, 2025

Next Revision Date: February 11, 2028

STRATEGIC PLAN LINKAGE

- Fiscal Management
- Building Partnerships
- Downtown Visualization

PURPOSE AND OBJECTIVE

The Regional Municipality of Wood Buffalo (the “Municipality”) relies on a large and diverse portfolio of Assets to deliver core services within the region. Providing safe and sustainable Levels of Service within the region requires fiscally responsible acquisition, operation, maintenance, rehabilitation, and eventual replacement or disposal of these Assets. An Asset Management System enables effective control and governance of these Assets while achieving the desired balance of cost, Risk, and performance.

The purpose of the Asset Management System Policy (the “Policy”) is to:

- provide a framework for compiling relevant data to facilitate evidence-based decision making;
- ensure organizational commitment to maintaining a comprehensive, up-to-date Asset Management Program;
- ensure that the Asset Management System aligns with strategic objectives of the Municipality, as well as key business systems, legislation, regulations, and long-term plans; and
- deliver value to regional communities by effectively managing existing and new capital Assets.

GENERAL PRINCIPLES

1. Definitions:

1.1. “Annual Budget” means the combined operating budget and capital budget for the calendar year determined on a basis consistent with accounting standards and adopted by Council in accordance with the *Municipal Government Act*.

1.2. “Asset” means a tangible item, thing, or entity with an economic life greater than twelve (12) months that has potential or actual value to the Municipality and enables programs and services to be provided within the region.

- 1.3. “Asset Lifecycle Cost” means the total cost associated with an Asset over its entire service life, including concept, planning and design, purchase or construction, operation and maintenance, repair and renewal, and decommissioning or disposal.
- 1.4. “Asset Management” means the coordinated activities of an organization to realize best-value from Assets, which involves the balancing of costs, opportunities, and Risks against the desired performance of Assets to achieve organizational objectives.
- 1.5. “Asset Management Champions” means the subject matter experts within each division who are part of the Asset Management Working Group and support the implementation of Asset Management objectives and goals as outlined in Asset Management Plans as well as additional goals communicated by the Steering Committee.
- 1.6. “Asset Management Plan” means the long-term plan that outlines the Asset activities and programs for each municipal department and the resources used to provide a defined Level of Service in the most cost-effective way.
- 1.7. “Asset Management System” means a set of interrelated or interacting elements of the Municipality (including people, practices, processes, and technology) whose function is to establish the Asset Management System Policy and identify the Asset Management objectives to be achieved.
- 1.8. “Computerized Maintenance Management System” means software used to generate work requests, service tickets, and work orders for municipal staff and contractors to perform work and capture work history.
- 1.9. “Cost Benefit Analysis” means a decision-making technique that analyzes the expected balance of benefits and costs, including an account of the current state and any alternatives, to predict whether the benefits of a decision outweigh the costs and, if so, by how much relative to other alternatives.
- 1.10. “Level of Service” means the specific attributes of the service that the Municipality intends to deliver from the customer’s point of view, including, but not limited to, affordability, reliability, quality, quantity, responsiveness, safety, and environmental acceptability.
- 1.11. “Risk” means the potential of loss or gain of something of value to the Municipality, such as services, environmental and community well-being, or financial wealth.
- 1.12. “Strategic Asset Management Plan” means a high-level strategic plan that documents the relationship between organizational objectives and Asset Management objectives.

2. Responsibilities:

2.1. Council to:

- 2.1.1. approve the Asset Management System Policy;
- 2.1.2. approve this Policy and future amendments, as required; and
- 2.1.3. consider the principles established in this Policy during the review, evaluation, and approval of Annual Budgets.

2.2. Chief Administrative Officer (CAO) to:

- 2.2.1. make recommendations for amendments to this Policy;
- 2.2.2. support the implementation of this Policy;
- 2.2.3. support ongoing efforts to continuously improve and implement Asset Management Plans;
- 2.2.4. ensure that appropriate resources are provided for implementation of this Policy, as well as the Strategic Asset Management Plan and Asset Management Plans for each division; and
- 2.2.5. communicate to Council the importance of Asset Management for Risk prevention and mitigation.

2.3. Chief Financial Officer (CFO) to:

- 2.3.1. direct staff to report on and consider factors such as lifecycle costs, potential Risks, Asset purpose, and Asset performance to help aid in decision making;
- 2.3.2. ensure that appropriate procedures are established to achieve the Asset Management objectives of the Municipality; and
- 2.3.3. adhere to the principles established in this Policy during the development, review, evaluation, and subsequent recommendation of Annual Budgets for adoption by Council.

2.4. Senior Leadership Team to:

- 2.4.1. provide appropriate and timely support for the implementation of this Policy in their departments;
- 2.4.2. identify solutions to organizational challenges related to the implementation of the Asset Management System; and
- 2.4.3. ensure consistency of Asset Management practices and processes across municipal departments.

2.5. Steering Committee to:

- 2.5.1. establish a high-level Asset Management vision and Asset Management objectives for the Municipality;
- 2.5.2. provide input and guidance on Asset Management Plans, Strategic Asset Management Plans, and related policies and procedures;
- 2.5.3. approve technical Level of Service recommendations provided by the Asset Management Working Group;
- 2.5.4. support corporate adoption of Asset Management principles, objectives, and practices;
- 2.5.5. provide feedback, recommendations, and progress updates to Senior Leadership Team, as required; and
- 2.5.6. ensure legislative compliance is achieved and statutory requirements are met.

2.6. Asset Management Working Group to:

- 2.6.1. communicate with their respective teams about Asset Management to increase awareness of their role in Asset Management decision-making, including the value of the activities undertaken and the asset information provided;
- 2.6.2. adopt and continuously improve appropriate Asset Management planning practices for all Asset types;
- 2.6.3. recommend Level of Service changes proposed by the Asset Management Champions to the Steering Committee;
- 2.6.4. develop detailed Asset Management Plans in collaboration with divisions and departments;
- 2.6.5. review and provide input on progress towards attaining Asset Management objectives for Asset Management Plans;
- 2.6.6. engage with other municipalities for information sharing and Asset Management benchmarking; and
- 2.6.7. determine the appropriate Asset Management training program for the Municipality.

3. General Procedures:**3.1. Scope:**

- 3.1.1. This Policy applies to municipal departments that plan or manage Assets for the delivery of essential programs and services to residents.
- 3.1.2. This Policy applies to all Assets owned by the Municipality.
- 3.1.3. Refer to Appendix A for a summary of services provided by the Municipality and examples of municipally-owned Assets that support the delivery of programs and services.

3.2. Asset Management System Structure:

- 3.2.1. The Asset Management System involves a hierarchical relationship structure that is based on the Municipality's Asset Management vision, mission, values, and strategic priorities, as well as relevant Council policies.
- 3.2.2. The Asset Management System complements and aligns with existing strategic priorities, business planning, financial management systems, and municipal processes. Advocating for an Asset-centered point of view supports municipal priorities while reducing capital, operating, and support costs.
- 3.2.3. Strategic priorities are implemented through the Strategic Asset Management Plan and the Asset Management objectives of the Municipality. Asset Management Plans are then developed to identify Asset Management activities and goals for each service area.
- 3.2.4. Refer to Appendix B for an overview of the Asset Management System structure.

3.3. Asset Management System Standards:

- 3.3.1. The Asset Management System incorporates best practices through the application of internationally-recognized standards for Asset Management by

aligning with the International Organization of Standardization (ISO) family of standards:

- 3.3.1.1. ISO 55000, which specifies the overview, principles, and terminology of Asset Management;
 - 3.3.1.2. ISO 55001, which defines the requirements for an Asset Management System; and
 - 3.3.1.3. ISO 55002, which provides interpretation and implementation guidance for an Asset Management System.
- 3.3.2. The ISO family of standards for Asset Management provides guidance to the Municipality to ensure the desired Levels of Service are maintained and the quality of the system is continuously improved.

3.4. **Asset Management System Principles:**

3.4.1. The Municipality will undertake all Asset Management System activities using the following principles:

- 3.4.1.1. strategic alignment;
- 3.4.1.2. service-level focused;
- 3.4.1.3. Risk-based;
- 3.4.1.4. whole-life based;
- 3.4.1.5. sustainability;
- 3.4.1.6. continuous improvement; and
- 3.4.1.7. evidence-based decision making.

3.4.2. **Strategic Alignment:**

- 3.4.2.1. Municipal systems are interconnected and decisions about one set of Assets may impact different Assets or services under the direction of other municipal divisions.
- 3.4.2.2. Asset Management System initiatives shall be aligned with municipal priorities, as determined by Council.
- 3.4.2.3. Asset Management principles shall be integrated into the corporate objectives of the Municipality to provide a direct link to Assets required for service delivery.
- 3.4.2.4. Divisional Asset Management Plans shall be reviewed and updated to ensure they continue to support the achievement of Asset Management System outcomes.

3.4.3. **Service-Level Focused:**

- 3.4.3.1. Stakeholder and customer needs and expectations can impact Asset Management, including provision of services and prioritization of service delivery programs.
- 3.4.3.2. When appropriate, stakeholders shall be engaged to ensure their needs and expectations are considered during the decision-making process and when establishing Levels of Service.

3.4.3.3. Service levels and standards shall be monitored to ensure community needs and expectations for service delivery are met and that they are understood by Administration and support Council's strategic priorities.

3.4.4. **Risk-Based:**

3.4.4.1. Risks associated with setting Levels of Service shall be managed by taking a deliberate and structured approach to focusing resources, expenditures, and strategic priorities.

3.4.4.2. Tools for managing Risks include Risk assessments and corresponding Cost Benefit Analyses.

3.4.4.3. Effectively managing Risks requires:

- (i) reviewing, monitoring, and documenting municipal activities, procedures, and loss exposure;
- (ii) quantifying Asset benefits and costs with respect to supporting programs and services;
- (iii) quantifying Asset benefits and costs incurred over the full life of the Asset; and
- (iv) recognizing that public health and safety is priority.

3.4.5. **Whole-Life Based:**

3.4.5.1. Asset Lifecycle Cost analysis shall be used to establish renewal and financing strategies.

3.4.5.2. Asset Lifecycle Cost analysis requires:

- (i) evaluating options and strategies for the procurement of new Assets;
- (ii) supporting decision-making throughout the life of the Asset;
- (iii) benchmarking the cost performance of the Asset; and
- (iv) reviewing the process for future design and acquisition decisions.

3.4.6. **Sustainability:**

3.4.6.1. Assets shall be managed in a manner that ensures the services provided and resulting benefits are available for future generations.

3.4.6.2. Promoting sustainability requires:

- (i) developing maintenance and renewal plans that reflect current Asset consumption;
- (ii) evaluating all options for meeting Level of Service demands, including non-Asset solutions; and
- (iii) implementing demand management strategies to forecast, plan for, and manage the demand for Assets that support programs and services.

3.4.7. Continuous Improvement:

- 3.4.7.1. The Municipality is committed to fostering a culture that values innovation, adoption of best practices from industry, and continuous improvement. This will allow the Municipality to fully realize current and future Asset value.
- 3.4.7.2. The Asset Management System will be regularly evaluated during the design and implementation stages with a focus on increasing its effectiveness and efficiency as well as its alignment with strategic priorities.
- 3.4.7.3. Continued monitoring and measuring of Asset Management outcomes will ensure ongoing suitability and effectiveness.
- 3.4.7.4. Collecting accurate and representative data from all stakeholders is essential for continuous improvement.
- 3.4.7.5. Feedback must be accurately entered into the Computerized Maintenance Management System.
- 3.4.7.6. Employees who contribute to Asset Management shall be provided training to ensure they have the competency required to perform Asset Management duties and support continuous improvement.

3.4.8. Evidence-Based Decision Making:

- 3.4.8.1. Evidence-based decision-making processes must align with the strategic objectives of the Municipality.
- 3.4.8.2. Making evidence-based decisions using up to date and accurate Asset information will ensure optimization of the Asset Management System.
- 3.4.8.3. Data from the Computerized Maintenance Management System shall be used to support decision making.

4. Appendices:

- 4.1. Appendix A: Examples of Municipally-Owned Assets that Support Services
- 4.2. Appendix B: Asset Management System Structure

5. Rescind and Replace:

This Policy rescinds and replaces the Asset Management System Policy OPE-030, dated April 23, 2019.

APPROVAL

This Policy was approved by Council. It will be reviewed not later than its next Revision Date to determine its effectiveness and appropriateness. It may be assessed before that time, as necessary.


Sandy Bowman, Mayor


Jade Brown, Chief Legislative Officer

February 11, 2025
Date

SUPPORTING REFERENCES AND POSITION RESPONSIBLE

Legal References: Municipal Government Act, R.S.A. 2000, c M-26, as amended

Cross References: Alternative Capital Financing Policy FIN-170
 Asset Management Definition Library OPE-030-P00
 Asset Management System – Assessing Condition, Criticality, and Risk Administrative Procedure OPE-030-P05
 Asset Management System – Asset Management Maturity Index Administrative Procedure OPE-030-P01
 Asset Management System – Asset Register Administrative Procedure OPE-030-P02
 Asset Management System – Levels of Service Administrative Procedure OPE-030-P04
 Asset Management System – Lifecycle Strategies and Costing Administrative Procedure OPE-030-P03
 Asset Management System – Performance Evaluation Administrative Procedure OPE-030-P06
 Capitalization Policy FIN-040
 Debt Management Policy FIN-120
 Disposal of Municipal Assets Administrative Procedure PUR-020
 Fiscal Responsibility Policy FIN-160
 Procurement Policy SCM-100
 Risk Management Administrative Procedure ADM-190

Position Responsible: Chief Financial Officer

COUNCIL POLICY DETAILS AND REVISION HISTORY

Date	Action	Description
April 23, 2019	Introduction	New Asset Management Policy.
February 11, 2025	Revision – Substantive	Changes were made to all sections of the Policy, including definitions, responsibilities, general procedures, and cross references.

Appendix A: Examples of Municipally-Owned Assets that Support Services

MUNICIPALLY-OWNED ASSETS THAT SUPPORT SERVICES		
Service Provided to Communities	Example of Asset Group	Examples of Asset Types
Transportation	Roads	pavement, bridges, sidewalks, traffic signals, street lighting, signs
	Fleet	buses, service vehicles, snow ploughs
Potable Water Supply	Water Infrastructure	water treatment plants, pipes, valves, hydrants, pump stations, tanks, raw water intakes, storage ponds, reservoirs, bulk water stations
Waste Collection and Treatment	Sanitary Infrastructure	manholes, pipes, lift stations, lagoons, wastewater treatment facility, septage receiving
	Solid Waste	Bins, bailer, landfill cells, compost pad
Storm Management	Drainage	ponds, outlets, culverts, ditches, catch basins
Open Space Recreation	Parks	playfields, playgrounds, trails
	Natural Assets	trees, shrubs, plants
Community and Municipal Facilities	Buildings	Jubilee Centre, MacDonald Island Park, Casman Centre, public works yards, fire halls,
	Art Collection	wall murals, paintings, sculptures
Emergency Response	Fleet	fire trucks, ambulances
Governance	IT Infrastructure	computers, photocopiers, communications

Appendix B: Asset Management System Structure

