



COUNTY OF ST. PAUL NO. 19

BALANCING RURAL HERITAGE WITH A DIVERSE ECONOMY

POLICY OBJECTIVE:

The County of St. Paul wishes to detail the principles for a consistent and coordinated approach for the management of assets to ensure long-term sustainability and to demonstrate fiscal stewardship.

This Policy applies to the lifecycle management activities of physical assets that are owned by the County of St. Paul, which may have a material impact on the capital and/or operating budget. This policy is the bridge between the Organizational Strategic Plan and the Asset Management Strategy.

DEFINITIONS:

Asset means a physical object that is a significant economic resource and provides the delivery of a program or service.

Asset Management means the systematic process to guide the planning, acquisition, operation and maintenance, rehabilitation and disposal of tangible capital assets. Its objective is to maximize asset service delivery potential, manage related risks and minimize the costs of ownership while delivering acceptable levels of service to the public in a sustainable manner.

Life Cycle means the time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset.

Tangible Capital Asset as per the County's Tangible Capital Asset Policy ADM-57 means non-financial assets having physical substance that are acquired, constructed or developed, including land, land improvements, roads, buildings, vehicles, equipment, watermains, sewer mains, and capital assets acquired by capital lease or through donation, which meet or exceed thresholds set out within that Policy.



PURPOSE:

To provide program principals and a framework for asset management practices that enables a coordinated, cost effective and organizationally sustainable approach across all County of St. Paul departments in order to:

- Optimize the life cycle costs while maintaining acceptable levels of service;
- Link infrastructure investment decisions to service outcomes;
- Improve decision-making accountability and transparency;
- Demonstrate the long term consideration of decisions; and
- Improve customer service.

SCOPE:

The County of St. Paul owns, operates, and maintains a number of infrastructure assets. The Asset Management Policy ensures that as these assets age and deteriorate over time, they will continue to meet acceptable levels of service over the long term, and are managed for present and future users. The policy supports Council's vision of "a vibrant community which values a high quality of life, balancing rural heritage with a diverse economy," with one of the guiding principles to "strive for operations efficiency and stability to provide affordable services to residents" by:

- Maintaining and managing assets at defined levels of service to ensure that they meet customer expectations, compliance and legislative requirements, technological and environmental factors;
- Establishing asset management strategies through the use of full lifecycle costing principles;
- Adopting risk-based decision making processes that consider the probability and consequences of asset failure to minimize the County's risk exposure;
- Developing and enhancing asset management knowledge and competencies to ensure the availability of skill sets required for the implementation of asset management programs;
- Planning for optimum levels of maintenance to ensure asset reliability while maximizing the asset lifecycle;
- Financial planning for sustainable long term funding to rehabilitate, replace, or dispose of infrastructure assets; and



- Monitoring and evaluating performance of assets and associated programs to track the effectiveness of asset management principles and practices for continuous improvement.

Implementing asset management strategies and plans will also contribute to achieving a number of the County's strategic goals.

Asset Management Framework

To meet the goals and objectives of this Policy, each department will follow the framework identified in Appendix A, including:

- 1) Adopt an Asset Management Strategy specific to their department to:
 - a. Adhere to this Asset Management Policy;
 - b. Develop and implement appropriate asset maintenance practices in order to ensure asset reliability and maximize asset lifecycle;
 - c. Define levels of service that balance customer expectations, compliance & legislative requirement, technological and environmental considerations;
 - d. Manage risk, through risk-based decision-making processes, to minimize probability and consequences of failure with regards to safety and levels of service;
 - e. Monitor and evaluate the performance of assets and associated programs and track the effectiveness of asset management principles and practices;
 - f. Use full lifecycle costing principles when evaluating asset investment;
 - g. Develop long term financial plans to ensure sustainable funding for rehabilitation, replacement, or decommissioning of infrastructure assets; and
 - h. Recognize that periodic review is necessary to ensure the Strategy remains up-to-date in view of evolving best practices and professional experience.
- 2) Create Departmental Asset Management Plans to meet the objectives detailed in the Asset Management Strategy across the full lifecycle of the infrastructure assets. Plans may be developed for a specific class of assets, or be generic for all assets. The Department's Asset Management Plans should:



- a. Outline long term goals, processes and steps toward how they will be achieved to deliver optimized whole lifecycle cost;
- b. Be based on current inventories and condition projected performance and remaining service life and consequences of failure; and
- c. Outline guidelines and processes to developing a sustainable financial plan with understanding of corporate risk and finance requirements and impacts on the levels of service.

Establish regular reports to Council on the status and performance of assets and work related to asset management.

Responsibilities

Council

- Approves Asset Management strategies and plans, as required, alongside strategic planning
- Approves asset funding through the annual budget

Corporate Asset Management Steering Committee

- Is appointed by Senior Management and consists of a minimum of 1 representative from each department with asset ownership
- Provides a forum for discussion of asset management strategy, integration and best practices
- Leads the development of corporate asset management tools and practices and oversees their application across the organization

Departmental Asset Management Owners

- Responsibility for Asset Management functions
- Create and implement Asset Management Strategies
- Create and implement Asset Management Plans
- Liaises with Corporate Finance on financial matters

Corporate Finance

- Provides financial direction to the departments
- Responsible for the stewardship of the financial assets and records



APPENDIX A - COMPREHENSIVE ASSET MANAGEMENT FRAMEWORK
CHART

