Asset Management Policy

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Policy Name:	Asset Management Policy
Approved By:	Council
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Department:	Finance

1.0 Background and Purpose

The District of Oak Bay (the "District") provides a range of services to the community that require the ownership and responsible operation, maintenance and rehabilitation of physical infrastructure assets.

Asset Management (AM) is an integrated and systematic approach to delivering value to the community through the effective management of existing and new infrastructure assets. The intent of AM is to maximize benefits over the lifecycle of the assets while reducing risk and providing appropriate levels of service to the community in a sustainable manner. Good asset management practices require a high level of integration between all the District's departments.

This document captures the District's direction on asset management practices and infrastructure renewal in the District. This policy defines the principles that drive expectations for both Council and staff, representing a leadership commitment and mandate to adopt asset management best practices and a professional approach to sustainable delivery of the District's infrastructure and services.

The District's last AM Policy was approved by Council in 2018, based on Council's strategic direction in 2015. This updated AM Policy builds on past direction and incorporates the latest Council Priorities for 2022-2026. It includes all asset management activities performed by the District, including those particular to natural assets.

2.0 Council Policy Statements

To guide the adoption and implementation of asset management, the District abides by the following policy statements:

1. The District will maintain and manage infrastructure assets at defined

levels of service to support community needs and manage environmental and regulatory changes.

2. The District will monitor standards and service levels to ensure that they meet community needs and support Council goals and objectives.
3. The District will establish infrastructure intervention strategies through the use of full life cycle costing principles to minimize lifecycle costs and extend the useful life of assets.
4. The District will plan for and provide stable long term funding for infrastructure asset acquisition, replacement, renewal, and/or decommission.
5. The District will consider and incorporate infrastructure asset management condition, levels of service, and risk in its decision-making and other corporate plans.
6. The District will report to the community at appropriate frequency on the status and performance of work related to the implementation of this asset management policy.

3.0 Guiding Principles

The District will ensure that the following principles are applied in the asset management program as part of all initiatives:

1. **Holistic, integrated and forward-looking**: The District aims to provide services that encompass a comprehensive and cohesive approach, considering all aspects of environmental, economic, and social sustainability. This principle ensures that decisions are not made in isolation but are interconnected, looking ahead to predict future needs and challenges. By maintaining a long-term lifecycle perspective, the District effectively plans for present and future generations, ensuring that each action taken today contributes meaningfully to the well-being and prosperity of tomorrow.
2. **Sustainable and efficient**: The District is committed to utilizing its resources in the most efficient manner possible, striving to manage infrastructure assets in a way that ensures their longevity and functionality over time. This includes adopting practices that reflect the principles outlined in the Asset Management British Columbia's Framework for Sustainable Asset Management. The District aims to balance fiscal responsibility with the need to maintain and enhance public infrastructure, ensuring that all actions are financially viable and support the community's broader goals.
3. **Focused on long-term community needs and continuous improvement**: Recognizing the evolving needs of the community, the District places a strong

emphasis on adapting and refining its asset management practices. This principle involves ongoing evaluation and enhancement of strategies to meet the changing demands and priorities of residents. The District is dedicated to fostering an environment of continuous improvement, where feedback and performance data are used to drive better outcomes and ensure that infrastructure assets continue to

serve the community effectively and efficiently for years to come.

4.0 Practice and Framework

The District shall apply the Guiding Principles to its practice and framework.

1. **Holistic, integrated and forward-looking**
    a. The District will establish a systematic and integrated approach to asset management and require rigorous and transparent processes.
    b. The District will make well-informed and evidence-based decisions, identifying all revenues and costs including operation, maintenance, replacement and decommissioning.
    c. The District will integrate corporate, financial, business, technical and budgetary planning for infrastructure assets.
    d. The District will establish accountability and responsibility for asset inventory, condition, performance and maintenance.
    e. The District will drive a focus on data quality to enhance confidence in data and
    data-driven decisions.
    f. The District shall develop key asset management program deliverables including:
        i. The Asset Management Strategy to capture the District's high level, long term approach to achieving its asset management aims. This includes how the District will achieve strategic goals, set asset management objectives, assign governance responsibilities, and outline the asset management system, structure and content.
        ii. Decision-making tools, which will enable Council to manage infrastructure risk as a core part of capital planning in the budget development process.
        iii. Asset Management Plans and Guidelines.
        iv. Maintaining a central inventory of linked asset data.
        v. Plans, studies and evaluations based on conditions and risk.

2. **Sustainable and efficient**
    a. The District shall adopt the broad concepts and practices described in Asset Management British Columbia's Framework for Sustainable Asset Management
    b. The District shall align this policy with the latest Council Priorities:
        i. Housing
        ii. Livability
        iii. Transportation
        iv. Climate Change & Environment
        v. Diversity & Inclusion
        vi. Truth & Reconciliation
    c. The District shall deliver services that are environmentally, economically, and socially sustainable for current and future generations;
    d. The District shall use available resources effectively.
    e. The District shall manage assets in a sustainable manner to be in a good state of repair and operating with minimized risk.
    f. The District shall prioritize funding and resources to deliver services to the community at a desired level of service while maintaining an acceptable level of risk.
    g. The District shall minimize total life cycle costs of assets including workforce and operating and maintenance costs.
    h. The District shall evaluate and include full lifecycle costs in financial decisions.
    i. The District shall consider environmental and social goals.

3. **Focused on long-term community needs and continuous improvement**
    a. The District shall define service, maintenance and replacement levels and outcomes that meet community needs.
    b. The District shall report on the performance of the asset management program.
    c. The District shall pursue leading practices where available.
    d. The District shall commit to continuous improvement, encouraging innovation leveraging asset management practices and service delivery of other local governments with tailoring to the District.
    e. The District shall commit to all aspects of continuous improvement including training, knowledge-sharing and innovation of asset management practices and service delivery.
    f. Where appropriate, the District shall consult and engage with stakeholders including the community.

g. The District will provide training and resources including software tools to support long-term planning and continual improvement.

5.0 Responsibilities And Accountabilities

Council

1. Adopt the AM Policy and Strategy.
2. Serve as custodians of the District's assets.
3. Own infrastructure/asset risk.
4. Approve the asset management program and its components, as required.
5. Commit and allocate resources to the asset management program, as required.
6. Approve asset management plans as delivered via the asset management program.
7. Approve proposed levels of service, infrastructure risk levels and cost standards.
8. Oversee governance of strategic and long-term financial aims.

CAO & Senior Management Team

1. Provide strategic leadership and advice to Council regarding infrastructure asset management.
2. Continuously engage Council for changes to Levels of Service.
3. Lead the adoption and implementation of the AM Policy and allocate appropriate resources to meet asset management goals.
4. Identify key roles:
    a. Asset Management Sponsor.
    b. Manager of Asset Management and/or Asset Management Community of Practice.
5. Deliver on the Asset Management Program, including its component projects and deliverables.
6. Leverage the tools and resources needed to support the AM program
7. Ensure asset management outcomes support Council's strategic aims.
8. Report on the Asset Management Program and direct the development of Plans, Studies, and Assessments necessary for reporting.
9. Ensure community and stakeholder views are incorporated into development of levels of service and infrastructure risk management.

All Managers and Staff

1. Observe the requirements of the AM Policy and AM Strategy.
2. Execute against Asset Management Plans
3. Adopt the AM Strategy and Roadmap and align detailed departmental roadmaps.
4. Collect, maintain and refine accurate and reliable information necessary to

support the AM program.

5. Prepare necessary data and inputs for Asset Management Plans and related documents.
6. Develop and identify the tools needed to collect and provide inputs.
7. Apply principles to day-to-day management of assets.

6.0 Standards of Practice

Implementing Asset Management within the District is guided by accepted industry practices and standards including:

- Asset Management BC
    - Asset Management for Sustainable Service Delivery: A BC Framework 2019
- BC Capital Asset Management Framework Guidelines
- Federation of Canadian Municipalities:
    - Municipal Asset Management Program Resources (Tools and Guides)
    - How to develop an asset management policy, strategy and governance framework: Set up a consistent approach to asset management in your municipality
- International Standards Organization (ISO) 55000:2024
    - Asset management — Vocabulary, overview and principles

Definitions

Asset Management (AM): Asset Management (AM) is an integrated and systematic approach to delivering value to the community through the effective management of existing and new infrastructure assets.

Asset Management Policy (AM Policy): The AM Policy defines the principles that drive expectations for both Council and staff, representing a leadership commitment and mandate to adopt asset management best practices and a professional approach to sustainable delivery of the District's infrastructure and services. It describes leadership's intentions and directions for asset management.

Asset Management Steering Group (AMSG): A team responsible for overseeing and guiding the implementation of asset management strategies and policies within an organization.

Asset Management Strategy (AM Strategy): A plan tied to the AM Policy, outlining how an organization will manage its assets to achieve its objectives, including the processes, resources, and timeline required.

Continuous Improvement: An ongoing effort to enhance services, processes, or outcomes through incremental improvements.

Infrastructure Assets: Physical structures and facilities, such as roads, bridges, water and sanitary, support fleet, and buildings, that support the functioning of a community and the organization.

Level of Service: The standard of service provided by an asset or system, often defined in terms of reliability, efficiency, and quality.

Life Cycle Costs: The total cost of acquiring, owning, operating, maintaining, and disposing of an asset over its entire lifespan.

Natural Assets: Resources and ecosystem from the natural environments, such as forests, reservoirs, wetlands, and rivers, that provide services to the community.

Sustainability: The practice of managing resources in a way that meets current needs without compromising the ability of future generations to meet their own needs.