



Policies and Procedures

The Corporation of the Township of Blandford-Blenheim

Department:		All		Effective:	July 1, 2019
Subject:		Strategic Asset Management Policy		Policy Number:	
Approved by:		Council			
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Strategic Asset Management Policy: Template

Purpose:

A strategic asset management policy formalizes the Municipality's commitment to asset management, aligns its asset management actions with strategic goals and objectives, and provides direction to guide Council, management and staff in carrying out its business strategies, plans and activities. This policy will support the Township in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term needs within the bounds of possible funding.

Definitions:

Unless otherwise noted, the definitions provided in this document align with those outlined in Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure (O. Reg. 588/17), under the Infrastructure for Jobs and Prosperity Act, 2015.

Asset Management (AM) – the coordinated activity of an organization to realize value from assets. It considers all asset types, and includes all activities involved in the asset's life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities. Asset management is holistic and normally involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset.

Asset Management Plan (AMP) – Documented information that specifies the activities, resources, and timescales required for an individual asset, or a grouping of assets, to achieve the organization’s asset management objectives.

Capitalization Threshold – the value of a municipal infrastructure asset at or above which a municipality will capitalize the value of it and below which it will expense the value of it.

Level of Service (LoS) – parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.

Lifecycle Activities – activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.

Vision:

The Municipality’s vision is to proactively manage its assets to best serve the Municipality’s objectives, including:

- Prioritizing the need for existing and future assets to effectively deliver services,
- Supporting sustainability and economic development, and
- Maintaining prudent financial planning and decision making.

Objectives:

The objectives of this policy are to:

- Provide a consistent framework for implementing asset management throughout the organization.
- Provide transparency and accountability and to demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

Strategic Alignment:

Our mission of “Working Together” to provide a safe, healthy and vibrant place to live with inclusive and sustainable services requires alignment of the many initiatives underway in our organization at any given time in order for it to be achieved. This alignment is necessary to properly consider whether the level of service provided by our existing and planned assets corresponds with and supports our vision.

All of the Municipality's plans rely to some extent on the physical assets owned by the Township 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 to meet the evolving needs of the Township.

Asset management planning therefore will not occur in isolation from other municipal goals, plans and policies.

Stakeholder Engagement

The ultimate goal of the municipality is to efficiently provide its various stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment. In order to achieve this goal, it is necessary that the municipality understand the needs of current stakeholders, consider the needs of future generations, and incorporate these perspectives into asset management plans. The municipality recognizes them as an integral part of the asset management approach. Accordingly, the municipality will:

- Provide opportunities for residents and other stakeholders served by the municipality to provide input in asset management planning; and
- Coordinate asset management planning with other infrastructure asset owning agencies such as the County, neighbouring municipal bodies and regulated utilities.

Guiding Principles

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. The Township will strive to incorporate the following principles whenever possible into the day to day operation of the municipality:

1. Infrastructure planning and investment should take a long-term view, and decision-makers should consider the needs of citizens by being mindful of, among other things, demographic and economic trends.
2. Infrastructure planning and investment should consider any applicable budgets or fiscal plans.
3. Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
4. Infrastructure planning and investment should ensure the continued provision of core public services.

5. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
6. Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
7. Infrastructure planning and investment should foster innovation by creating opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.
8. Infrastructure planning and investment should be evidence based and transparent, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information,
 - i. investment decisions regarding infrastructure should be made on the basis of information that is either publicly available or is made available to the public, and
 - ii. information with implications for infrastructure planning should be shared between the Municipality and broader public sector entities, and should factor into investment decisions respecting infrastructure.
9. Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the Municipality, as the case may be, the Municipality should nevertheless be mindful of those plans and strategies and make investment decisions regarding infrastructure that support them, to the extent that they are relevant.
10. Infrastructure planning and investment should support accessibility for persons with disabilities.
11. Infrastructure planning and investment should minimize the impact of infrastructure on the environment, respect ecological and biological diversity, and support resilience to climate change.
12. Infrastructure planning and investment should endeavour to use acceptable recycled aggregates.
13. Infrastructure planning and investment should promote community well-being, such as local job creation and training opportunities, improvement of public spaces, or other relevant benefits identified by the Township and community.

Community Planning

The Township will align asset management planning with the Province of Ontario's land-use planning framework, including any relevant policy statements issued under section 3(1) of the *Planning Act*, shall conform to the provincial plans that are in effect on that date; and

shall be consistent with municipal official plans. The aim of cross-referencing these plans is to ensure that development and redevelopment occur within the Township's means through an understanding of current and future asset needs.

Climate Change

The Township will consider the risks and vulnerabilities of municipal capital infrastructure assets to climate change and the actions that may be required, including, but not limited to: anticipated costs that could arise from these impacts, adaptation opportunities, mitigation approaches, disaster planning, and contingency funding. Impacts may include matters relating to operations, levels of service and lifecycle management.

Scope and Capitalization Thresholds

This policy applies to all assets owned by the Municipality whose role in service delivery requires deliberate management by the Township. The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds that are developed for the purposes of financial reporting. For this reason, the capitalization threshold developed for financial reporting will not be the guide in selecting the assets covered by the asset management planning process.

Financial Planning and Budgeting

The Township will integrate asset management planning and practices with its long-term financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal infrastructure assets based on full lifecycle costing.

The asset management plan will be used as a resource by Department Heads in preparation of their budget submissions in order to evaluate the validity and need of each significant new capital asset, including considering the impact on future operating costs; and incorporate new revenue tools and alternative funding strategies where possible.

The department level budget submission prepared by each Department Head will be reviewed and evaluated by the CAO, Treasurer and Department Head in the preparation of the Municipality's annual budget.

Governance and Continuous Improvement

This policy requires the commitment of key stakeholders within the Township's organization to ensure the policy guides the development of a clear plan that can be implemented, reviewed and updated.

Council is entrusted with the responsibility of overseeing, on behalf of citizens, a large range of services provided through a diverse portfolio of assets. Council, having stewardship responsibility, is the final decision maker on all matters related to asset management in the Township. Council and staff are committed to the success of asset management planning.

Within asset management planning, Council is responsible for:

- Approving by resolution the asset management policy and its updates every five years;
- Conducting annual reviews of asset management plan implementation progress on or before July 1 of every year (once completed by July 1, 2024)
- Supporting ongoing efforts to continuously improve and implement the asset management plan.

The Treasurer (executive lead) is responsible for asset management planning across the municipality and maintaining compliance with the regulation.

Department heads are responsible for asset management planning activities that fall within their service area and in support of others.

Council's annual asset management reviews are the basis of the municipality's approach for continually improving its methods and adopting appropriate practices. The annual review will be done in consultation with staff and will include:

- Progress on ongoing efforts to implement the asset management plan;
- Consideration of the asset management policy;
- Any factors affecting the ability of the municipality to implement its asset management plan;
- Consultation with department leads, and
- A strategy to address these factors including the adoption of appropriate practices.