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|  | POLICY | NO. | 1002.1 |
| | POLICY TITLE: ASSET MANAGEMENT ROADMAP: LEVELS 1 TO 5 POLICY | EFFECTIVE DATE: | 12-17-2020 |
| | | REVISION LETTER: | A |
| | | FINAL APPROVAL | Resolution 297-20 |

1.0 PURPOSE

- 1.1 To ensure that the **Rural Municipality of Beaver River No. 622 (RM)**:
- a) Adopt an Asset Management (AM) Roadmap to guide municipalities through the process to establish the deliverables needed for creating an AM Plan.
 - b) Policy outlining the Roadmap for Council's acknowledgement.

2.0 DEPARTMENT(S) AFFECTED (SCOPE)

- 2.1 Department(s) Affected: **ALL DEPARTMENTS OF THE RM**

3.0 POLICY

- 3.1 **Policy Statement:**
- a) This Asset Management (AM) Roadmap is broken down into five (5) levels of completion, within which each of the deliverables are associated with internal tasks to demonstrate compliance with an AM Plan.

4.0 DEFINITIONS

- 4.1 The following terms are defined as such but limited too:

For consistency, terminology in all official asset management documents shall be consistent with ISO 55000:2014(E) – International Standard for Asset Management

For consistency, terminology in all official Risk management documents shall be consistent with ISO 31000:2018 – International Standard for Risk Management

"Asset":

Item, thing, or entity that has potential or actual value to an organization. Value can be tangible or intangible financial or non-financial and includes consideration of risks and liabilities.

"Asset Management":

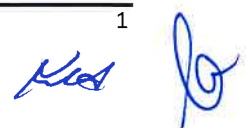
the application of sound technical, social, and economic principles that considers present and future needs of users, and the service from the asset. Refers to any system that monitors and maintains things of value to an entity or group. It may apply to both tangible assets and to intangible assets.

"Asset Management Strategy":

is a high level but very important document that guides the overall asset management activities within an organization. Being a strategy, it is meant to explore long term issues and ensure that the overall plan is linked to key "strategic" issues of the organization.

"Asset Management Plan":

(AMP) is a tactical plan for managing an organization's infrastructure and other assets to deliver an agreed Level of Service. This documented information that specifies the activities, resources, and



timescales required for an individual asset, or grouping of assets, to achieve the organization's asset management objectives.

"Level of Service":

Parameters or a combination of parameters, which reflect social, political, environmental, and economic outcomes that an organization delivers from their assets.

"Life Cycle":

Phases involved in the management of an asset.

"Line of Sight":

This alignment (or line of sight) focuses the entire organization on the same strategic goals. It lines up the value the asset is expected to produce with the financial business objectives of the organization.

"Performance Monitoring":

Continuous or periodic quantitative and qualitative assessments of the actual performance compared with specific objectives, targets, or standards through the application of performance indicators.

"Risk":

is the uncertainty about whether a "Risk" event has the potential to significantly affect the goals and objectives of the **RM**, that will result in a gain or loss in the achievement of the organizational goals or objectives.

"Risk Based Management":

(RBM) is a systematic, proactive, and ongoing process to understand and manage risk, and to communicate risk information throughout the **RM**, which contributes positively to the achievement of organizational objectives, and as further described in Appendix A hereto.

"Risk Management":

is avoiding, accepting, transferring, or treating the uncertainty arising from a risk event to minimize the negative impact of the risk event and increase the likelihood of achieving the strategy or objective by reducing the negative outcomes of risk events and enhancing the positive outcomes of informed risk taking.

"Service Life of an Asset":

is the total period during which it remains in use, or ready to be used, in a productive process.

5.0 RESPONSIBILITIES

- 5.1 The Administrator is responsible for ensuring compliance to this policy.
- 5.2 Council shall review all policies every three years for compliance and effectiveness of the policies.

6.0 IMPLEMENTATION

6.1 Policy Principles:

i) Level 1 AM Plan:

(1) Policy and Governance:

- (a) Senior management is committed to formalizing an AM program.
- (b) We have identified the benefits that we want AM to deliver, and the benefits support organizational objectives.

(c) We have identified short-term actions that will demonstrate early progress on AM.

(2) People and Leadership:

(a) We have identified the representation we need on our cross-functional AM team

(b) We have a champion who has been tasked with planning for our AM program.

(c) Council knows that resources must be dedicated to exploring the requirements for AM and for drafting an AM roadmap

(3) Data and Information:

(a) We have asset inventory data, including approximate quantities of assets within most asset groups

(b) We have some anecdotal information on asset condition. Some age information exists

(c) We have informal or anecdotal approaches for measuring asset or service performance.

(d) We have financial information on our assets, supporting minimum PS-3150 reporting requirements

(4) Planning and Decision-Making:

(a) Our asset planning approaches vary across the organization

(b) Our approach to asset renewal focuses on reacting to basic needs (e.g. growth, regulation and known problems)

(c) We evaluate priorities based on available information, staff experience, and input from council and management

(d) We prepare annual capital and operating budgets based on historical values

(e) We deal with new needs reactively, as they occur

(5) Contribution to AM Practice:

(a) Our AM training and development approach is informal and largely driven by the personal initiative of staff

(b) Some staff conduct targeted research, seeking out basic information on AM concepts and techniques

(c) We are aware of the need to mitigate the risk of losing information held in the minds of long-term staff

(d) We are investigating AM-related organizations and resources

ii) Level 2 AM Plan:

(1) Policy and Governance:

(a) We have drafted an AM policy

(b) Senior management and council have endorsed the AM policy

(c) We have a strategy for our AM program

(d) We have a draft roadmap that details the actions for implementing our AM strategy over the next 3 to 5 years

(e) We are collecting baseline data on our current AM practices

(2) People and Leadership:

- (a) We have a cross-functional AM team that guides the planning and implementation of our AM program
- (b) Our AM team has a documented mandate to develop our AM program, which is outlined in a term of reference (TOR) and a one- to three-year roadmap
- (c) Our AM team is accountable to senior management and council
- (d) Council demonstrates buy-in and support for AM and allocates resources (funding or staff time) to further develop the AM program

(3) Data and Information:

- (a) We have a basic inventory of most critical assets, including information on general asset properties such as size, material, location, and installation date
- (b) We are moving our data to a centralized location for use by the AM team (note: this does not require AM software)
- (c) We have defined critical assets and have some information on asset condition for these assets
- (d) We have some information on performance of critical assets, collected from a variety of sources
- (e) We have major capital renewal and operating & maintenance (O&M) expenditure data for some assets
- (f) We have a strategy to link AM and financial information

(4) Planning and Decision-Making:

- (a) Our departments follow a similar but informal asset planning approach
- (b) We evaluate investment needs and priorities based on a mix of structured and ad-hoc practices and criteria
- (c) We have draft AM plans for some asset classes, with forecasted financial needs based on estimated data
- (d) We prepare annual capital and operating budgets based on a mix of historical values and new priorities

(5) Contribution to AM Practice:

- (a) Our AM training and development requirements are defined by management based on short-term needs.
- (b) Selected staff are trained on basic AM concepts
- (c) Council has opportunities to increase their understanding of AM concepts
- (d) We mitigate the risk of losing information held in the minds of long-term staff, through improved record keeping.
- (e) Staff or elected officials attend AM-related events
- (f) We share basic information on current capital projects with the public

iii) Level 3 AM Plan:

(1) Policy and Governance:

- (a) We are starting to use our AM policy to guide our actions
- (b) We have a roadmap that details the actions for implementing our AM strategy over

the next 3 to 5 years

- (c) We have established performance measures to monitor our asset management progress, outcomes, and the benefits to our community

(2) People and Leadership:

- (a) Our AM team works within our organization to lead, communicate, and support AM improvements and organizational changes
- (b) Our AM team is accountable for implementing our AM program
- (c) AM roles and responsibilities are included in staff job descriptions
- (d) Council champions AM as a core business function and has approved funding to continue AM roadmap activities

(3) Data and Information:

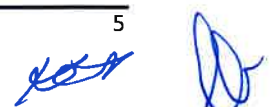
- (a) We have a consolidated, basic inventory of all assets
- (b) We have defined life cycle investment requirements for critical assets
- (c) We have standardized condition rating systems defined for most asset groups
- (d) We have asset condition information on all critical assets
- (e) We have defined level of service measurements for some service areas
- (f) We have captured data on currently level of service performance for some service areas
- (g) We have reviewed service levels and asset performance with council
- (h) We have capital (new and renewal) and O&M expenditure data for most assets
- (i) We have linked AM and financial information for all critical assets
- (j) We can demonstrate the gaps between forecasted infrastructure needs and current spending levels

(4) Planning and Decision-Making:

- (a) We have a structured asset planning approach, but application is inconsistent
- (b) We set priorities using criteria based on organizational goals and objectives
- (c) We have AM plans for critical services, based on a mix of estimated and actual data
- (d) Our AM plans include available information about level of service (current and target) and risk management
- (e) Our AM plans identify short-term issues and priorities
- (f) We prepare an annual capital budget based on an annual assessment of current needs
- (g) We have a 3-year capital plan that addresses short-term issues and priorities

(5) Contribution to AM Practice:

- (a) We provide all staff with basic AM awareness training
- (b) Some staff undergo training on advanced AM concepts specific to their roles and responsibilities
- (c) Staff and council are able to communicate the value of AM in their own words
- (d) A culture of knowledge sharing is emerging internally, supported by official initiatives



- (e) We collect and maintain AM knowledge resources
- (f) We communicate the benefits of AM internally to staff and council.
- (g) We are members of one or more AM organizations and actively share our AM experience
- (h) We share basic information on our assets, the services we provide, and future needs with the public

iv) Level 4 AM Plan:

(1) Policy and Governance:

- (a) We manage assets and services in accordance with our AM policy and organizational objectives
- (b) We are achieving our AM policy objectives. The necessary workflows, documents, and reporting tools are in place
- (c) We update our roadmap to address evolving needs
- (d) We use performance measures to monitor AM progress, outcomes, and benefits

(2) People and Leadership:

- (a) Our AM team is permanent and tasked with guiding and supporting AM across the organization on an ongoing basis
- (b) We have operationalized AM roles and responsibilities across our organization
- (c) Council funds ongoing AM monitoring and enhancement

(3) Data and Information:

- (a) We have expanded inventory data for some assets
- (b) We have evaluated the life cycle investment requirements associated with critical assets
- (c) We update data according to cycles defined in our AM plans or strategy
- (d) We have defined level of service measurements for critical service areas
- (e) We communicate the results from our level of service measurement program to staff and council regularly
- (f) We understand the cost of sustaining current levels of service for all critical assets

(4) Planning and Decision-Making:

- (a) We employ a consistent structured asset planning approach for each of our critical services
- (b) We set priorities using criteria that are fully aligned with our organizational goals and objectives
- (c) We have AM plans for most services based on actual data
- (d) Our AM plans include basic needs forecasting and risk management strategies for critical assets
- (e) Our AM plans are based on both short- and long-term issues and priorities. They balance short-term service objectives with longer-term goals and risks
- (f) We keep our AM plans up to date through normal business

- (g) We prepare annual needs-based capital and operating budgets that are based on an annual assessment of risks and current needs
- (h) We have a 5-year capital plan and update it annually
- (i) We update our long-term financial plan (at least 10-year) annually and understand the risks associated with our investment gap

(5) Contribution to AM Practice:

- (a) We define AM knowledge and skill requirements. A training plan in place for all positions
- (b) Council, management, and staff receive role-appropriate AM training to establish needed capacity across the organization
- (c) A culture of knowledge sharing exists and is supported by a mix of formal and informal initiatives.
- (d) We disseminate AM knowledge resources within the organization
- (e) We are actively involved in AM organizations and present at AM events
- (f) We share information with our peers on our experience, innovations and lessons learned
- (g) We rely on the data from our AM program to explain decisions to the public

v) **Level 5 AM Plan:**

(1) Policy and Governance:

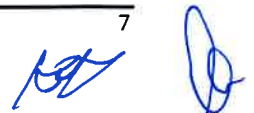
- (a) We continue to validate and refine our corporate, service and AM objectives based on the evolving needs of our community
- (b) We follow our roadmap and continually improve our AM practices
- (c) We document improvements to our AM practices
- (d) We monitor performance and use the feedback to prioritize and make ongoing refinements and improvements to AM practices

(2) People and Leadership:

- (a) Our AM team guides and supports the ongoing improvement of AM within the organization
- (b) We document changes to AM roles and responsibilities as needed to support our evolving requirements
- (c) The AM team measures and monitors progress
- (d) Council demonstrates commitment to ongoing improvement of AM practices

(3) Data and Information:

- (a) We have expanded inventory data for most assets
- (b) We have evaluated the life cycle investment requirements associated with most assets
- (c) We have defined level of service measurements for most or all service areas
- (d) We continually improve how we collect data on level of service performance
- (e) We understand the trade-offs between investment and the level of service we deliver and use this to optimize our financial plans



(4) Planning and Decision-Making:

- (a) We employ a consistent structured asset planning approach for all services
- (b) We adapt our planning approach and criteria to align with evolving organizational goals and objectives
- (c) We have AM plans for all services based on actual data
- (d) Our individual AM plans are integrated across services
- (e) Our AM plans include needs forecasts and risk management strategies for most assets. Plans address risks to both service and business goals
- (f) We prepare multi-year needs-based capital and operating budgets that are based on our short- and mid-term needs
- (g) We take a structured approach to address in-cycle change

(5) Contribution to AM Practice:

- (a) We train select staff members as internal experts to support the ongoing development of organizational capacity
- (b) Proactive, role-based training serves as a support for career development and succession planning
- (c) We capture AM knowledge, and it flows freely throughout the organization
- (d) Staff leverage internal and industry knowledge and leading practice resources
- (e) We are a thought leader on AM within the municipal sector
- (f) We are active in coaching other organizations to improve the overall body of AM knowledge
- (g) We communicate the benefits of AM to the public

6.2 **Process Outcomes:**

- a) Each item listed above under the section headings will be accompanied with individual items to demonstrate compliance.
- b) These items may include policies, procedures, bylaws, reports, resolutions, etc.

6.3 **Reporting:**

- a) At the end of each AM Plan year, Northbound Planning will provide an AM Level booklet back to the municipality outlining all the documents that demonstrate compliance with this AM Plan.
- b) Northbound Planning will also provide update reports throughout the year from project management to update Administration and Council of outstanding items and deliverables needed to be completed to demonstrate compliance.
- c) These documents can be used to demonstrate to FCM progression of the municipality towards AM Plan completion, and items that have been approved, completed, or adopted by Administration and Council.



7.0 DOCUMENT APPROVAL

| ROLE | POSITION | NAME OF THE APPROVER | DATE APPROVED |
|----------------|---------------------|----------------------|---------------|
| AUTHOR | Northbound Planning | RM Council | 12/112020 |
| OWNER | Administrator | Nicole Neufeld | 12/11/2020 |
| FINAL APPROVER | RM Council | RESOLUTION # | MM/DD/YYYY |

8.0 REVISION HISTORY

| EFFECTIVE DATE | REVISION LETTER | DOCUMENT AUTHOR | DISCRIPTION OF CHANGE |
|----------------|-----------------|---------------------|-----------------------|
| 12/11/2020 | A | Northbound Planning | INITIAL RELEASE |

