



**City of
Lloydminster**

Policy

Policy Title:	Asset Management Policy	Policy Number:	134-09
Date of Adoption:	February 28, 2022	Motion Number:	81-2022
Date of Amendment:		Motion Number:	
Sponsoring Department:	Engineering, Building Maintenance, Finance		

1. Purpose:

- 1.1. The purpose of this Policy is to outline the importance of Asset Management to the City and explain the underlying principles that guide the implementation of consistent Asset Management practices across all departments.
- 1.2. Asset Management is an integrated and collaborative business approach to achieve an optimal balance between the community’s service level expectations, costs, risks, performance, and benefits in respect to the City’s assets.

2. Definitions:

Administration	An employee or contract employee of the City of Lloydminster.
Asset	An asset is an item, property, or entity that has potential or actual value to the City. Value can be tangible or intangible, financial or non-financial, and includes considerations of risk and liabilities.
Member of Council	An individual elected pursuant to <i>The Local Government Election Act</i> (Saskatchewan) as a Member of Council.
Asset Management	Coordinated activity of an organization to realize value from assets by balancing costs, risks, opportunities, performances, and benefits.
City	The Corporation of the City of Lloydminster.
Asset Lifecycle	Asset lifecycle is the duration of time between the acquisition or construction of an asset to its retirement.
Readiness Scale	The Federation of Canadian Municipalities’ Asset Management Readiness Scale helps local governments measure progress on asset management in five competency areas.

3. Asset Management Principles:

- 3.1. The City will adhere to the following Asset Management principles:
 - 3.1.1. Meet established level of services;
 - 3.1.2. Provide a consistent approach to the replacement, rehabilitation, and repair of Assets and improve operational efficiencies;
 - 3.1.3. Improve decision-making in consideration of strategic priorities and sustainable long-term investments;
 - 3.1.4. Ensure Asset investment decisions are based on trade-offs between competing factors such as service level, risk, and cost;
 - 3.1.5. Ensure decisions are based on a long-term Asset Lifecycle based approach that considers social, environmental, and economic factors;
 - 3.1.6. Adopt transparent and responsible Asset management processes that align with demonstrated best practices; and
 - 3.1.7. Ensure legislative compliance.

4. Scope:

- 4.1. This policy applies to:
 - 4.1.1. all Members of Administration; and
 - 4.1.2. all City Assets.

5. Asset Risk Prevention:

- 5.1. This policy intends to prevent and mitigate the following risks:
 - 5.1.1. Premature Asset failure affecting the City's ability to meet the established level of service.
 - 5.1.2. Unplanned capital infrastructure replacement, enhancement, and growth to meet service level expectations.
 - 5.1.3. Insufficient funding for future capital infrastructure plans; or
 - 5.1.4. Ineligible for provincial, federal, and other sources of funding.

6. Asset Management Strategy:

- 6.1. The Strategy will be an overarching high-level document that defines the City's long-term approach to Asset Management. It shall include:
 - 6.1.1. Key Asset Management objectives;
 - 6.1.2. Alignment with Council's Strategic Plan;
 - 6.1.3. Governance structure;
 - 6.1.4. Continuous improvement strategies; and
 - 6.1.5. Approach for developing Asset Management Plans.

7. Asset Management Roadmap:

- 7.1. The Roadmap will be an overarching document that outlines the direction that Administration will take to implement the strategy. It shall include:
 - 7.1.1. Key objectives;
 - 7.1.2. Milestones; and
 - 7.1.3. Timeline.

8. Asset Management Plan:

- 8.1. Asset Management Plans are long-term in nature that specifies the Assets and the resources required to provide a defined level of service in the most cost-effective manner.
- 8.2. The Asset Management Plan shall;
 - 8.2.1. define how Assets are being managed through their Lifecycle in support of service delivery;
 - 8.2.2. include a state of the infrastructure section that outlines the condition of the existing Asset that can be referenced when making infrastructure Asset investment decisions; and
 - 8.2.3. be built based on the following questions:
 - i. what Assets does the City possess;
 - ii. what condition and expected remaining service life do the Assets have;
 - iii. how much are the Assets worth;
 - iv. at what condition would the City desire to keep those Assets;
 - v. when are the Assets expected to be at the agreed acceptable condition; and
 - vi. how can long-term affordability be assured?

9. Asset Management Roles:

- 9.1. City Council shall:
 - 9.1.1. Implement this policy;
 - 9.1.2. Establish customer service levels through the strategic plan; and
 - 9.1.3. Demonstrate support through inclusion of Asset Management in strategic plans and priorities.
- 9.2. City Manager shall:
 - 9.2.1. Communicate the importance of Asset management to Council and the benefit of Asset Management in risk prevention; and
 - 9.2.2. Oversee and provide resources for the implementation of the Asset Management Policy, Strategy, and Plans.

9.3. Asset Management Steering Committee shall:

- 9.3.1. Be a committee appointed by the City Manager from various departments with the authority to develop the Asset Management Strategy, Roadmap, and Plan framework.
- 9.3.2. Monitor progress against the Asset Management Roadmap and Readiness Scale;
- 9.3.3. Establish a high-level Asset Management vision and objectives for the Asset Management Working Group;
- 9.3.4. Provide feedback, recommendations, and progress updates to the Executive Leadership Team;
- 9.3.5. Provide leadership in implementing and maintaining Asset Management per the established standards in this policy;
- 9.3.6. Oversee the development, implementation, and continuous improvement of Asset Management; and
- 9.3.7. Ensure that legislative compliance and statutory requirements are met.

9.4. Asset Management Working Group shall:

- 9.4.1. Be a group assembled by the Asset Management Steering Committee to oversee the management of Assets, implement Asset Management Plans, and report on their progress to the Asset Management Steering Committee;
- 9.4.2. Develop Asset Management Plans for Asset classes within the scope of their responsibility; and
- 9.4.3. Ensure that Asset Management plans align with the required level of service.

10. Penalty:

- 10.1. Any member of Administration found to be in violation of this Policy may be subjected to a disciplinary action. Such action may be dependent upon the nature of the breach of this Policy; discipline may range from a verbal warning to dismissal with cause.
- 10.2. Any Member of Council found to be in violation of this Policy may be dealt with utilizing the "*Code of Conduct Bylaw*" or provisions of "*The Lloydminster Charter*."

11. Responsibility:

- 11.1. City Council shall review and approve all policies.
- 11.2. Administration shall administer this Policy through the use of a supporting procedure.

11.3. Sponsoring Department shall be responsible for creating and amending a supporting procedure.