

# **COMPREHENSIVE ASSET MANAGEMENT POLICY**

**(Subject to Council Approval; revised 9 September 2012)**

## **Policy Statement**

The City of Ottawa shall adopt and apply recognized asset management (AM) practices in support of delivering services to its customers.

## **Purpose**

The objective of this policy is to detail the AM program principles with the aim of:

- Striving to deliver services at approved levels of service;
- Improving decision-making accountability and transparency;
- Better demonstrating the long term consideration of short term decisions;
- Improving customer service;
- Reducing the life cycle costs while maintaining acceptable levels of service; and
- Linking infrastructure investment decisions to service outcomes.

## **Definition**

Comprehensive Asset Management (CAM) is an integrated business approach involving planning, finance, engineering, maintenance and operations geared towards effectively managing existing and new infrastructure to maximize benefits, reduce risk and provide safe and reliable levels of service to community users. This is accomplished in a socially, culturally, environmentally and economically conscious manner.

CAM relies on four key organizational components integrating together to achieve the desired service outcomes: well planned strategies, good physical assets, highly trained professionals with respect to practices and procedures, and integrated business processes. These components, supported by appropriate technologies, provide a robust foundation for efficient service delivery.

## **Scope**

The CAM Policy applies to all physical assets of the city, such as roads, sidewalks, bridges, transitway, railways, watermains, sewers, stormwater ponds, pumping stations, reservoirs, treatment plants, landfills, fleet, IT systems, buildings, parks, housing, art and trees.

## **Comprehensive Asset Management Program**

The CAM Program encompasses all aspects of the management of each asset through its lifecycle in that it:

- Integrates with the Corporate Planning Framework to complement the strategic objectives of the City, other key business systems, legislation, and regulations;

- Creates a framework that establishes the mechanism for a clear line of sight between our AM program and Corporate objectives and strategies; and
- Commits to providing approved levels of service for present and future customers and communities, in the most effective and efficient way, through the planning, design, construction, acquisition, operation and maintenance, renewal, and disposal of assets.

The basis for our asset related decisions are:

- Anchored on the four pillars of sustainability – economic, environmental, social and cultural - that support the City’s long-term sustainability goals approved by Council
- Based on applying “*the right intervention, on the right asset, at the right time*” recognizing risk and the City’s fiscal constraints; and
- Founded on a sustainable approach to ensure that asset base increases or enhancements consider the impact on the ability of the City to fund future maintenance and rehabilitation.

## **Policy Statements**

The CAM objectives are achieved through the application of the following guiding principles:

### **Customer Focused**

*The City will have clearly defined Levels of Service and applying asset management practices to maintain the confidence of customers in how City assets are managed.*

### **Forward looking**

*The City will make the appropriate decisions and provisions to better enable its assets to meet future challenges, including changing demographics and populations, customer expectations, legislative requirements, technological and environmental factors.*

### **Service Focused**

*The City will consider all the assets in a service context and taking into account their interrelationships as opposed to optimizing individual assets in isolation.*

### **Risk-based**

*The City will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit recognizing that public safety is the priority.*

### **Value-Based / Affordable**

*The City will choose practices, interventions and operations that aim at reducing the life cycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks, and costs.*

**Holistic**

*The City will take a comprehensive approach that looks at the “big picture” and considers the combined impact of managing all aspects of the asset life cycle.*

**Systematic**

*The City will adopt a formal, consistent, repeatable approach to the management of its assets that will ensure services are provided in the most effective manner.*

**Innovative**

*The City will continually improve its asset management approach, by driving innovation in the development of tools, practices, and solutions.*

**Policy Direction**

To meet the goals and objectives of this policy, Senior Management will:

- 1) Create and maintain a Comprehensive Asset Management (CAM) Governance Structure to lead the development of AM tools and practices and to oversee their application across the organization.
- 2) Adopt a Comprehensive Asset Management Strategy to:
  - a. Establish, document and continually adhere to industry recognized asset management protocols;
  - b. Define levels of service that balance customer expectations with risk, affordability and timing constraints;
  - c. Adopt risk-based decision-making processes that consider the likelihood of asset failure and the consequence of a failure with regards to impacts on safety and levels of service;
  - d. Develop asset management knowledge and competencies aligned with recognized competency frameworks;
  - e. Entrench lifecycle costing when evaluating competing asset investment needs across City assets; and
  - f. Monitor the performance of the assets and track the effectiveness of AM practices with a view to continuous improvement.
- 3) Where practical, strive to go beyond minimum legislative solutions as an enabler to make City assets more resilient to changing social, environmental and economic conditions.
- 4) Seek funding and service delivery opportunities to address infrastructure investment pressures.
- 5) Provide regular updates to Council on the state of the City’s assets and forecasted trends (typically aligned with tabling of the Long Range Financial Plans).

**Key Strategic Comprehensive Asset Management Documents**

The following key strategic CAM documents, in addition of the Long Range Financial Plans, form part of the City’s overall approach to asset management:

- *Comprehensive Asset Management Policy:* This document establishes Council's expectations around the management of the City's physical assets. It is to be approved by Council.
- *Comprehensive Asset Management Strategy:* This document defines Senior Management's commitment and approach to achieving the Council approved policy..
- *Customer Levels of Service:* This document defines the level to which assets are to be maintained to achieve defined levels of service. These are to be approved by Council.
- *Asset Management Plans:* These document how assets are being managed through their lifecycle in support of the delivery of services. These are to be approved at the Departmental Management level for all service areas.
- *State of the Asset Report:* This document provides information on the state of the City's physical assets which can then be referenced when making infrastructure asset investment decisions as part of the annual budget and long range financial planning processes. This is to be submitted to Council for information.

#### **Attachment**

- Comprehensive Asset Management Framework

# Comprehensive Asset Management Framework



Updated: 10 Feb. 2012