
ASSET MANAGEMENT POLICY

1. PURPOSE

The District of North Cowichan provides a wide range of services to the community that require the ownership and responsible operation, maintenance and rehabilitation of infrastructure assets.

Asset Management is an integrated approach, involving all departments, to deliver value to the community through effective management of existing and new infrastructure assets. The intent is to maximize benefits, reduce risk and provide satisfactory levels of service to the community in a sustainable manner.

This policy outlines the fundamental asset management principals to be implemented across the Municipality.

2. SCOPE

This policy applies to all infrastructure assets or asset systems (including natural assets) owned or used by the Municipality to deliver services to the community. Where service provision is supported by other assets not owned by the Municipality, we will work collaboratively with those asset owners and promote the principles outlined in this policy.

The Municipality recognizes the importance of natural assets and will integrate these into the overall asset management program.

3. DEFINITIONS

Assets – physical components of a system that enable a service or services to be provided.

Asset Management – an integrated business approach involving all departments to effectively manage existing and new infrastructure to maximize benefits, reduce risk and provide satisfactory levels of service to community users in a socially, environmentally and economically sustainable manner.

Engineered Assets – the designed and constructed components of infrastructure systems. For example, roads and water treatment plants.

Level of Service – specific parameters that describe the extent and quality of services provided. Levels of Service link an asset’s performance to target performance goals.

Lifecycle - the life of an asset; the time from its first use until it is no longer able to be used. This can be measured in days or years and can take into account factors like age, regular maintenance, preventative maintenance and manufacturer’s expected life.

Natural Assets – natural resources relied on for critical services, community functioning and overall well-being. Natural assets include rivers and creeks, foreshore areas, wetlands, forests

and aquifers. Examples of services and benefits include flood protection, drainage and rainwater attenuation, water treatment and storage, recreation and air quality regulation.

New Assets – assets not currently owned or in use.

Risk – consequence and likelihood of failure.

Useful Life - an estimate of the length of time an asset can reasonably be used.

4. POLICY

4.1 The following principles support sustainable and resilient decision making and help ensure Asset Management decisions reflect a long-term approach.

(a) Service Delivery – The Municipality will strive to:

- (i) manage and maintain assets sustainably to meet defined Levels of Service that balance customer expectations with risk, affordability and time considerations;
- (ii) comply with all relevant legislative, regulatory and statutory requirements;
- (iii) ensure that decisions regarding the need for new or replacement assets are made with appropriate due diligence and that these needs are evaluated with a focus on service delivery;
- (iv) implement an Asset Management system that incorporates risk-based and information driven decision-making frameworks that appropriately consider the potential impacts of asset failure on ongoing service delivery.

(b) Long-term Sustainability and Resilience – The Municipality will strive to:

- (i) manage assets to deliver services that are sustainable and that meet the anticipated challenges of expectations, legislative requirements, climate change impacts and needs of future generations;
- (ii) consider social, cultural, environmental and economic factors and implications when making and implementing asset management decisions.

(c) Integrated Decision Making – The Municipality will strive to:

- (i) ensure decisions are made collaboratively and consider all lifecycle stages and the interrelationships between asset, operational and overall service performance;
- (ii) implement sustainable asset management principles and practices across all departments and service areas by adopting a formal, consistent and repeatable approach to the management of its assets that will ensure services are provided in the most efficient and effective manner for its intended application.

(d) Fiscal Responsibility – The Municipality will strive to:

- (i) evaluate asset investment decisions based on consideration of the lifecycle costs and revenues associated with managing those assets;

- (ii) develop prioritized capital investment plans that reflect accepted levels of service and other strategic objectives;
 - (iii) recognize that there are constantly changing financial constraints and challenges that surround all services and assets and that asset management practices must be proactive and responsive to changing environments.
- (e) Innovation and Continual Improvement – the Municipality will strive to:
- (i) monitor and periodically review the effectiveness of asset management processes and the wider asset management system in supporting the delivery of strategic objectives and will make adjustments as required;
 - (ii) review the asset management policy in conjunction with its review of the asset management strategy, every five years.

5. Commitment and Accountability

5.1 Council is responsible for:

- (a) the adoption and updating of this policy;
- (b) articulating community expectations and defining priorities;
- (c) approving funding and resources to implement the asset management policy and associated requirements;
- (d) approving asset funding through multi-year and long term financial plans.

5.2 The Chief Administrative Officer is responsible for implementation of the asset management policy across the municipality.

5.3 Department Directors are responsible for implementation of the asset management policy within their departments.

5.4 All staff are responsible for using industry guidelines and good practices as applicable in compliance with all applicable legislation and regulations.

RELATED POLICIES & PROCEDURES

Capital Asset Policy

Revenue, Tax and Budget Policy

Procurement Policy

APPROVAL HISTORY

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