



Purpose:

The purpose of this policy is to document the SLRD’s commitment to asset management, clearly set out the high-level objectives for the SLRD Asset Management Strategy, and describe the method of application and continuous improvement of asset management practices used for the management of SLRD assets.

Mandate for Asset Management:

The SLRD’s Mission Statement provides the mandate for implementation and continuous improvement of asset management practices.

MISSION

The Squamish-Lillooet Regional District's mission is to enhance the quality of life of constituents through the facilitation of regional and community services for the benefit of present and future generations.

VALUE STATEMENT

- To govern with courage, integrity and respect in an open, honest and responsible manner, using both common sense and the best available information;
- To respect social, environmental and economic values and limitations while maintaining a high quality of life in all areas of our diverse region.

Asset management supports the SLRD’s Mission by: improving the management of SLRD assets and the services they provide; providing the data and tools for well-informed, evidence-based decision making; and constantly seeking the optimal balance between cost of service, level of service and risk, to achieve and maintain long term sustainability in economic, environmental, social and cultural terms.

This Asset Management Policy describes the SLRD’s intentions and directions for asset management, as formally expressed by its Board of Directors.

Current policy and planning documents clearly show that the SLRD supports the creation of policies that will enable staff to implement asset management throughout the organization with the intent to efficiently provide services to the community and achieve financial stability for SLRD services. Relevant extracts from current policy and planning documents are listed in Appendix A: Reference Documents and Policy Alignment.

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Definitions, Acronyms and Abbreviations:

1. **Asset Management (AM)** - Co-ordinated activity of an organization to realize value from its assets. AM involves the balancing of costs, opportunities and risks against the desired performance of assets, to achieve organizational objectives (balancing may need to be considered over multiple timeframes). AM enables an organization to examine the need for, and performance of, assets and asset systems at different levels and in conjunction with non-asset solutions. Additionally, it enables the application of analytical approaches towards managing assets over the different stages of their lifecycle.
2. **Asset Management Policy (AM Policy)** - The asset management policy describes the organization's intentions and directions for asset management. It describes the principles and framework adopted in applying asset management to achieve the organization's strategic objectives.
3. **Asset Management System (AM System)** - The complete set of interrelated or interacting elements used to effect the AM Policy and objectives and the processes to achieve those objectives. The elements that make up the AM System can include documents, procedures, tools, data and the assets.
4. **Asset Management Strategy (AM Strategy)** - Documented information that specifies: how organizational objectives are converted into asset management objectives; the scope and role of the asset management system in supporting achievement of the asset management objectives; and the approach for developing asset management plans.
5. **Asset Management Plan (AMP)** - A plan developed for the management of infrastructure assets that combines multi-disciplinary management strategies (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to deliver a specified level of service. It specifies the activities, resources and timescales required for individual assets (or asset groups) to achieve the organization's asset management objectives. A significant component of the plan is therefore a long-term program of works and cash flow projection for the activities. Examples of Asset Management Plans include Utility Management Plans, Recreational Facilities Management Plans, and Dyking Management Plans. Each plan will vary in complexity depending on the asset group it pertains to.
6. **Lifecycle costs** - Lifecycle costs refer to the total cost of ownership over the life of an asset. This may include but is not limited to, capital costs, operating costs, maintenance costs, renewal costs, replacement costs, environmental costs and social costs (such as delays or reduction in service)

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Policy Scope:

The AM Policy currently applies to all physical assets of the SLRD, such as water treatment plants and distribution systems, sewage treatment plants and collection systems, storm-water systems, flood management structures (e.g. dikes and early warning systems), water storage systems (e.g. dams, impoundment areas and reservoirs), monitoring networks (e.g. groundwater, surface water and emergency warning), recreation centres, community buildings, parks and trails improvements, emergency management facilities and equipment (e.g. fire halls and equipment, communications towers), transit shelters, street lighting, etc. The AM Policy does not apply to the SLRD's vehicle fleet, IT assets, and mobile equipment as the SLRD already has replacement policies for these types of assets.

Consequences of Non-Compliance:

Failure to adhere to the AM Policy may result in:

- The risk of not investing in safe and reliable infrastructure at the most optimal times in an asset's lifecycle, potentially compromising the safety and service delivery provided by the SLRD's infrastructure, and resulting in increased and unexpected costs.
- The risk of sub-optimal planning for the growth, maintenance and replacement of existing assets, as well as the development of new assets, potentially compromising the SLRD's ability to provide expected levels of service.
- Conflicting business or department investment priorities, issues with the coordination of service delivery, corporate inefficiencies, and lack of expenditure optimization.
- Inconsistency of financial plans with the needs identified in the asset management plans, thus increasing the infrastructure gap, potentially compromising the alignment of infrastructure, financial, and land-use goals and the ability to achieve a sustainable state.

Policy Criteria:

Asset Management relies on three key organizational components, integrated to achieve the desired service outcomes:

- 1) Up-to-date information regarding the inventory, condition, and capacity of physical assets;
- 2) Well-planned and integrated strategies focused on the purpose of the asset grouping and ongoing maintenance to meet service level needs; and,
- 3) Adequate staff resources with the appropriate training and capacity integrated into business processes.

These components, supported by appropriate technologies and tools, will provide a robust foundation for the necessary management and maintenance of assets required for appropriate service delivery.

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Policy:

The SLRD shall adopt and apply recognized holistic asset management practices in its strategic planning, operations and financial management systems to deliver sustainable services to its communities and constituents. This will be accomplished by:

- establishing responsible governance for the practice of AM within the SLRD
- documenting the SLRD’s commitment to AM and the continuous improvement of AM practices
- defining over-arching principles for AM that are appropriate for SLRD’s business that are reasonable, logical, and necessary for delivery of sustainable, affordable services.
- defining the guiding principles for development of an asset management system, strategy, and objectives
- establishing a steering committee made up of SLRD staff (and potentially the utility operators for specific assets) and assign governance roles (such as Finance Lead, Sewer and Water Systems Lead) and accountability for asset management

The SLRD Board of Directors commits to achieving the aforementioned practices by adopting a strategic plan that will encompass the following principles of asset management:

- Recognizing that public safety is the highest priority.
- Managing all necessary data, such as complete asset inventories including condition and maintenance costs, to support AM decisions, as an integral part of routine operational activities.
- Defining appropriate levels of service to meet the community’s current and future needs, and applying asset management practices to maintain the confidence of customers in how the SLRD manages its assets.
- Making appropriate decisions to ensure assets will meet future challenges, including: changing demographics and population; customer expectations; legislative requirements; technological; and environmental factors.
- Considering all of the assets in a service context and taking into account their interrelationships as opposed to optimizing individual assets in isolation.
- Managing 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.
- Choosing practices, interventions and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying agreed levels of service.
- Developing structured financial policies to support ongoing AM and end-of-life replacement.

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- Continually improve the SLRD AM approach by driving innovation in the development of tools, practices and solutions.

The SLRD commits to ensuring the AM Policy and supporting AM Strategy are adopted across the whole of the organization in an integrated fashion, and delegates the responsibility to achieve this to the SLRD CAO and staff.

The SLRD commits to supporting the establishment of a corporate-wide asset management working network and governance framework.

The SLRD commits to ensuring that SLRD assets are managed in a way that supports regional priorities.

The SLRD commits to establishing principles that are logical, reasonable, appropriate and necessary for implementing AM within the SLRD.

Principles for AM Implementation:

The implementation of AM encompasses all aspects of the management of each asset through its lifecycle in a way that it:

- Integrates with the SLRD’s Strategic Plan framework to complement the strategic objectives of the SLRD, other key business systems, legislation, and regulations;
- Creates a framework that establishes the mechanism for a clear line of sight between the asset and corporate objectives and strategies; and,
- Commits to providing appropriate levels of service for present and future constituents and communities, in the most effective way, through the planning, design, construction, acquisition, operation & maintenance, renewal and disposal of assets.

Principles for AM Decisions:

The basis for SLRD asset related decisions is:

- Anchored on the four pillars of sustainability – economic, environmental, social and cultural;
- Ensuring there is appropriate, up to date information, provided in a useful format, to facilitate evidence-based, well-informed, forward thinking decisions;
- Based on applying the right intervention, on the right asset, at the right time, all while recognizing both risk and the SLRD’s fiscal constraints; and,
- Founded on a sustainable, economic approach to ensure that increases or enhancements to the asset base consider the ability of the SLRD to fund future maintenance and rehabilitation activities.

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Framework of Principles for AM System:

In order to attain the goal of AM, SLRD must ensure the following principles are applied within an AM System:

- Holistic – take a comprehensive approach that looks at the “big picture” (i.e. the combined implications of managing all aspects rather than a compartmental approach). This includes the functional interdependencies and contributions of assets within asset systems and the different management of assets across all lifecycle phases.
- Systematic – take a methodical approach (i.e. formal, repeatable and consistent) to the management of assets.
- Systemic – make asset investment decisions in an asset system context, not just to optimize the individual asset itself.
- Risk-based – manage asset risk associated with attaining levels of service and focusing resources, expenditures and priorities based on risk and associated cost/benefit.
- Optimal – make asset investment decisions based on trade-offs between the competing factors of service level (including asset performance), risk and cost.
- Sustainable – take a long-term, lifecycle-based approach in estimating asset investment and activities, thus developing effective AM Strategies for the long term.
- Integrated – coordinate the above principles to ensure the delivery of justified services and well-defined outcomes.
- Aligned – ensure that the AM System complements the strategic objectives of the SLRD, as well as other key business systems, legislation and regulation.

Document Hierarchy:

The following graphic shows the hierarchical relationship between key documents that are to exist within the SLRD’s AM System, for the management of assets and delivery of services to communities in the SLRD’s jurisdiction.

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Figure 1 – Functional relationships of AM Documents



SLRD Board Priorities – priorities defined by the Board and given in the SLRD’s vision statement, strategic plan or other corporate document.

AM Policy - provides leadership, commitment and principles that guide and govern the responsible development and implementation of AM

AM Strategy – a corporate level document defining the role of asset management in achieving the SLRD Board Priorities and setting out specific SLRD objectives for AM.

AM Framework - a corporate level document that sets out the principles and provides guidance for the implementation, operation, and maintenance of the AM System and the development and maintenance of business level AM Plans.

AM Plans - business level documents: for delivering specific services to defined standards for particular communities; and for management of the physical assets required for such services.

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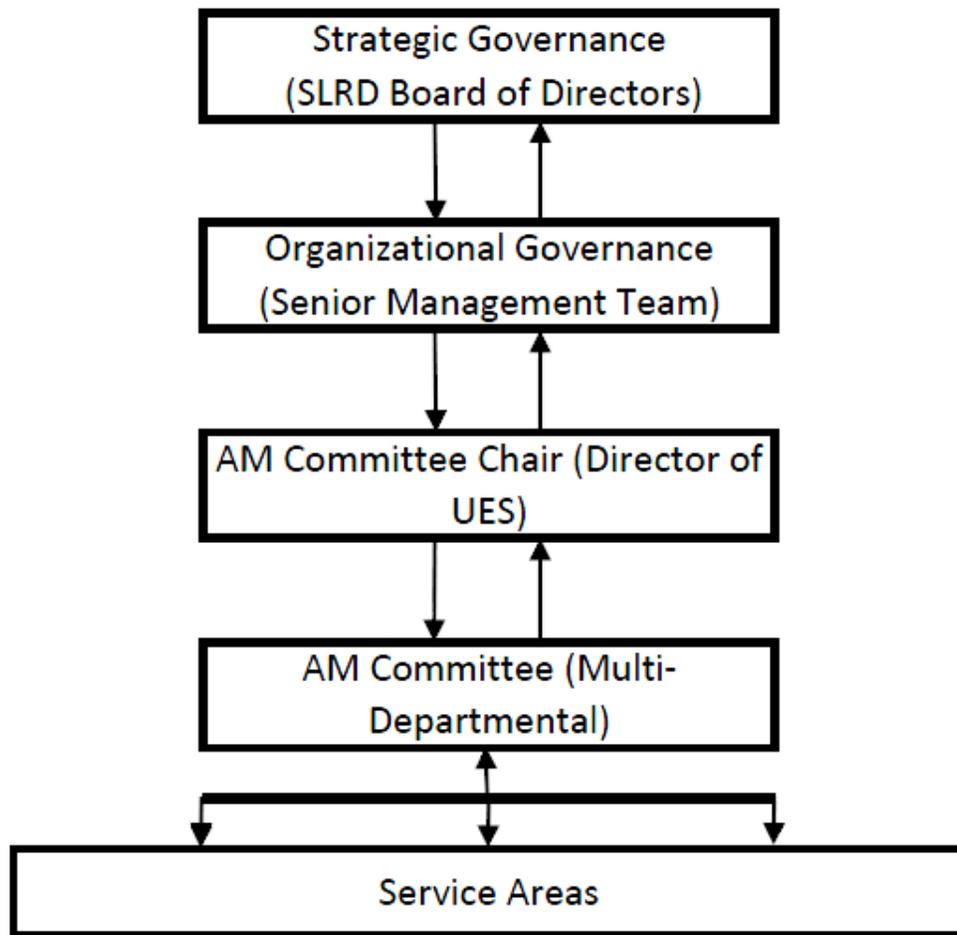
APPENDIX A - Reference Documents and Policy Alignment

This appendix includes:

- 1) The Asset Management Governance Model (draft)
- 2) A list of documents that this policy is aligned with; and
- 3) Background information on the beginning of asset management initiatives.

1) The Asset Management Governance Model

The Asset Management Governance Model details the hierarchy of asset management decision making within the SLRD.



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2) Reference Documents and Policy Alignment:

This policy is aligned as applicable to the current versions of:

- ISO 55000 series Standards for Asset Management
- Strategic Plan
- Integrated Sustainability Plan
- Regional Growth Strategy
- Purchasing Policy
- Official Community Plans for Electoral Areas
- Agricultural Area Plans
- Other relevant SLRD's documents as created from time to time.

3) Background:

In the spring of 2015 the Squamish-Lillooet Regional District (SLRD) allocated funding to develop asset management strategies for SLRD water and sewer systems and the Pemberton and Area C Community Center. Proper planning for asset renewal is a key factor for being successful with future capital infrastructure grant funding programs, including the Community Works Fund component of the Gas Tax program.

Staff was directed to apply for the Asset Management Planning Grant funded through the Ministry of Community Sport and Cultural Development, which was developed to assist local governments in delivering sustainable services by extending and deepening asset management practices within their organizations. The SLRD was successful in obtaining two matching \$10,000 grants to be applied to activities that would advance asset management planning and practices and facilitate better integration of asset management planning with long term financial planning.

Through the writing of the grant applications, it quickly became clear that the SLRD was missing some key components that are necessary to manage assets effectively, and the scope of effort needed to properly develop a plan, and ensure the plan be enacted efficiently, was far beyond the capabilities of in-house staff. As such, the SLRD hired Opus International in the fall of 2015 with the intent they would provide the SLRD with a benchmarked assessment of the SLRD's current state of AM practices, develop a governance model for asset management roles and responsibilities and create an Asset Management Improvement Program.

To begin the process, an Asset Management Planning Working Group ("Working Group") was created by pulling in staff from all departments – Utilities and Recreation (manage assets), Finance (budgets and financial plans for asset management), Planning (to help with long term planning objectives and to incorporate any policies developed into the Integrated Sustainability

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Plan (ISP), Regional Growth Strategy (RGS), Official Community Plans (OCPs), and other regional planning documents and development permits), and Administration (to ensure policies are developed in accordance with the SLRD strategic priorities, the *Local Government Act*, and do not overstep any legal or jurisdictional boundaries). Following the development of the Working Group, Opus International led the team through the steps of creating and implementing workable asset management plans, with the first being the development of a high-level policy for AM and an Asset Management Governance Model (included above as draft).

This AM Policy describes the SLRD's intentions and directions for AM, as formally expressed by its Board of Directors. This document also describes the SLRD's commitment to infrastructure asset management. Current policy and planning documents show that the SLRD supports the creation of policies that will enable staff to implement asset management throughout the organization with the intent to efficiently provide services to the community and achieve financial stability for our services.

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