

FIN-01

Asset Management Policy

City of Dieppe

Context

The City of Dieppe relies on a wide range of diversified assets to provide essential services to its community at the levels expected by stakeholders. By the very nature of its assets, the City must continually balance expenditures, services, and risk across a diversified portfolio of assets. Notably by considering emerging issues such as local risks related to climate change. The critical importance of services to the well-being of today's community, and tomorrow's, is what drives the implementation of a structured approach to asset management.

As a result, the City of Dieppe is committed to creating, implementing and continually improving a balanced approach to management by linking the elements of its various plans with best practices in asset management and sustainable development. These plans will be integrated within an asset management system that will enable the City to achieve its strategic objectives. City management is committed to documenting this approach and defining this management system within an asset management strategy that will guide the City's processes.

Purpose

The asset management policy aims to:

- Provide leadership and visible commitment to asset management;
- Communicate to stakeholders the management approach endorsed by the City;
- Provide a set of principles that guide the City's development;
- Provide transparency and demonstrate to stakeholders the legitimacy of decision-making processes by combining strategic plans, budgets, service levels and risks;
- Provide a framework for the implementation of an asset management system that is consistent with the organization and meets the council's priority objectives; and
- Support efforts made to implement an asset management system.

Vision and objectives

Asset Management Vision

- The City meets the agreed service levels in the most efficient and effective way possible through asset lifecycle management.
- Citizen expectations, sustainable development, and the actual needs of existing and future assets are prioritized, and aligned in order to manage service level expectations.
- Financial management is sound and aligns with the means of the City's stakeholders.

Asset Management Objectives

Asset Management allows the City to:

- Establish an asset management system that integrates strategic planning, budgets, service levels and risks;
- Offer agreed levels of service as defined during planning processes;
- Enhance transparency and accountability of the decision-making process;
- Establish defined methods for the current and future teams;
- Prioritize the maintenance of existing assets and plan for future needs while taking into account the City's financial means ;
- Improve the justification of investment decisions related to infrastructure assets by linking these decisions to their long-term consequences;
- Carry out the right interventions in the right place at the right time, while taking into consideration the risks and financial constraints of the City;
- Ensure that the addition of assets or existing asset enhancements take into account, using a sustainable approach, the City's ability to fund maintenance and future upgrades.

Scope

Assets

The Asset Management Policy applies to all physical assets of the municipality whose role in the provision of services requires proactive management. It covers infrastructure assets, including but not limited to roads, sidewalks, culverts, aqueducts, sewers, retention ponds, pumping stations, reservoirs, municipal fleet, IT systems, buildings, and parks. It also covers the ecological services provided by the natural assets that serve the City as well as infrastructure related contracts and agreements established with other parties.

Personnel

This policy applies to all departments and employees of the City that have a direct and indirect link with assets or asset systems in order to provide services to the citizens of Dieppe.

Complementary Processes

The asset management system does not replace existing corporate processes of the municipality, such as those related to budgeting and strategic planning. The asset management system complements and aligns with these processes, with the intent of providing a long-term perspective focused on the inherent challenges associated with the assets that support achievement of the City's strategies and objectives.

Strategic Direction

To achieve the objectives of this policy, senior management will:

- 1 Create and maintain an asset management governance structure to lead the development of asset management tools and practices and oversee their application across the organization.
- 2 Adopt an asset management strategy to :
 - a) Implement industry-recognized asset management protocols, document and consistently adhere to them;
 - b) Define levels of service that balance customer expectations with risks, affordability, and time constraints;
 - c) Adopt risk-based decision-making processes that consider the likelihood of asset failure and the associated consequences to safety and service levels;
 - d) Acquire knowledge and skills in asset management in accordance with recognized competency frameworks;
 - e) Embed the evaluation of the total life cycle costs within the decision-making process for the allocation of investments across assets; and
 - f) Monitor asset performance and the effectiveness of asset management practices with a perspective of continuous improvement.
- 3 Strive, wherever possible, to go beyond minimal legislated solutions to improve municipal assets' resilience to social, environmental and economic changes.
- 4 Remain vigilant for funding and service delivery opportunities to meet infrastructure investment needs.
- 5 Keep the council informed about the state of the infrastructure and expected trends (as part of the submission of long-term financial plans).
- 6 Remain abreast of asset management best practices.

Engagement

The policy will require the commitment of all stakeholders. The following details the roles of the various stakeholders within the City.

Council

- Validate and adhere to the asset management plan.
- Adopt the recommendations provided by the city administrators.
- Establish the vision, service mandates, and management policies.
- Revise and adopt the asset management policy as required.
- Support the components and processes of the asset management system defined in the asset management strategy.

Management team

- Act on behalf of the City and consider council's interests in the administration.

- Make recommendations to the council based on professional expertise.
- Provide the asset management coordinator direction and support for the development and implementation of asset management initiatives.
- Maintain the necessary capabilities (including, but not limited to, resources, financial support, staff skills, business processes, data and integrated information systems) to support the elements and practices of the asset management system.
- Implement and continually improve the asset management system and practices that support the achievement of the City's Strategic Plan and Organizational Objectives.
- Review and continually improve the asset management strategy and all other related processes in the asset management system.

Asset Management Coordinator

- Coordinate and advise on asset management initiatives within the organization.
- Maintain buy-in for asset management through annual updates to the senior management team on progress in the implementation of the asset management policy and strategy across the organization.
- Ensure consistency in asset management practices, such as planning and identifying investments, across the organization.
- Champion the asset management strategy within the organization by providing technical support and by supporting internal stakeholders' asset management capacity and skills development (i.e., increase the capacity to do this work internally).

Technical and Operational Staff

- Adhere to the asset management system by providing data and information on assets and services, participate in daily risk management, and complete the required analyzes.

Key Asset Management Principles

To effectively use asset management to support the achievement of the City's strategic objectives, management must ensure that the following features and principles are applied in the asset management system:

- **Holistic** - take a comprehensive approach that looks at the “big picture” (i.e. the combined implications of managing all aspects rather than treating each aspect in isolation). This includes the interdependencies and contributions of different assets within the asset management system during all phases of the lifecycle.
- **Systematic** - adopt a methodical (i.e. formal, repeatable and consistent) approach to asset management.
- **Systemic** – make asset investment decisions about assets in the context of the service impact of a global system of municipal assets, not just to optimize individual assets. Furthermore, it is important to take into account non-asset solutions that can contribute to service delivery.

- **Risk-based** – manage the risk associated with achieving levels of service and focus resources, expenditures and priorities according to risk and cost / benefit.
- **Optimal** – choose practices, interventions, and activities aimed at reducing asset lifecycle costs while providing agreed service levels. Decisions will take into account service levels, risks, and costs.
- **Sustainable** – the City will make appropriate decisions and provisions allowing assets to better meet future challenges, notably demographic changes, customer expectations, legislative requirements, technological factors, climate change, and other environmental considerations.
- **Human Capital** – recognize that the value provided by the City's human resources goes beyond the costs they represent. They have an impact on the levels of service, in the short and long term. Human resources must therefore be equipped and trained accordingly to meet the demands placed on them.

Strategic Documents

The strategic documents listed below, that tie into asset management, are part of the City's overall approach and the asset management system:

- Strategic plan: expresses a long-term vision for the development of the City of Dieppe. It serves as a link and supports the municipality's various sectorial and political plans.
- Sustainable development plan: presents a long-term vision for the City and identifies ten priority areas supported by key tenants of sustainable development.
- Asset management policy: defines the council's expectations for asset management and should be approved by all subsequent councils.
- Asset management strategy: outlines senior management's commitment to implement the council approved policy and associated approach.
- Asset management plans: describe how assets will be managed throughout their life cycle in support of service delivery. They must be approved by the directors of all City departments.

Consequence of Non-compliance

Failure to comply with this policy may result in the following risks:

- Planning that does not optimize maintenance and replacement of existing assets as well as the development of new assets;
- Conflicts across the investment priorities set by each of the City's departments, poor coordination, and inefficient provision of services;
- Capital and urban development projects that are inconsistent with the City's actual needs;
- Loss of the City's institutional memory; and
- Compromised ecological services rendered by natural assets.

These risks potentially compromise the:

- Technical and financial capacity of the City to provide the expected levels of service to current and future generations;
- Security, accessibility, and reliability of services provided through the infrastructure; and
- Alignment of City's strategic objectives with asset management and service delivery activities.

References

The board and management will review this policy and incorporate it into the development of municipal documents such as:

- The strategic plan
- The financial plan
- The asset management strategy
- The municipal development plan
- The sustainable development plan
- The climate change adaptation plan
- By-laws and municipal policies
- Business plans
- Asset management plans
- Master plans