

THE CITY OF GRAND FORKS			
POLICY TITLE:	Asset Management	POLICY NO:	803
EFFECTIVE DATE:	June 13, 2011	SUPERSEDES:	New
APPROVAL:	Council	PAGE:	1 of

Background and Purpose of Policy

The City of Grand Forks has undertaken the development of an infrastructure Asset Management Investment Plan (AMIP) to help establish the importance of an affordable, balanced and well maintained suite of infrastructure that supports the economic health of the community.

An AMIP needs to be balanced against an Asset Management Financial Plan (AMFP) so that the City can live within affordable infrastructure management limits, and to enable Council and staff to determine appropriate and affordable levels of service, performance and risk.

To ensure residents, businesses and industries enjoy an appropriate level of reliable services, Council has a mandate to provide a wide range of infrastructure and services designed to maintain and promote a resilient community.

The purpose of this policy is to assist Council and staff to develop and maintain accurate and complimentary long range cost and revenue plans that have been designed collaboratively. This will provide an appropriate and affordable balance of City infrastructure in a cost effective state of repair.

Definitions

Asset Management: The business practice of collaboratively managing the supply, condition and performance of tangible capital infrastructure assets in a strategic cost effective manner for the long term benefit and sustainability of the City.

Asset Management Champion: A small representative group of senior decision-makers who implement and project manage the many cyclic asset management activities each year.

Asset Management Funding Plan (AMFP): A 20 year funding cash flow analysis for all of the City's tangible capital linear and non-linear infrastructure assets.

Asset Management Investment Plan (AMIP): A 20 year cost cash flow analysis for all of the City's tangible capital linear and non-linear infrastructure assets.

Collaborative:	The act of City staff working collectively and concurrently to manage the City's tangible capital assets for the long term benefit and sustainability of the City.
Cost Drivers:	Reasons for investing in infrastructure: renewal, replacement, regulatory, growth, safety, economic development, community development, operations and maintenance (to ensure life cycle).
Cross Functional Team:	Is a collaborative team of tangible capital asset, financial and corporate City managers, and may include a Council representative.
Infrastructure Deficit:	A backlog of work on depreciated assets that often results in infrastructure failure, complaints and claims. Infrastructure deficit results in more costly repairs, reconstruction or replacement.
Linear Asset:	Linear infrastructure systems such as (but not limited to) roadway, water, wastewater, storm water, electrical distribution.
Non-Linear Asset:	Typically points of infrastructure such as (but not limited to) parks, playgrounds, buildings, vehicles, waste management facilities.
Quarterly Asset Management Meetings:	Regular pre-scheduled meetings held by the Cross Functional Team to collaborate on each year's investment in infrastructure, and discuss appropriate levels of revenues to fund infrastructure investment for a sustainable City.
Tangible Capital Asset:	Infrastructure that lives longer than one year and directly or indirectly provides a service the City residents, business or industry.

Vision and Goals for Infrastructure Asset Management

Council's vision and goal for the City is a safe, liveable, resilient, sustainable and economically vibrant community underpinned by well managed and maintained infrastructure assets. These assets include but are not limited to efficient transportation networks, economic and reliable water and electrical distribution networks, safe and reliable sewage collection systems, reliable information technology systems, productive fleets, and accessible parks, recreation and civic facilities.

Though these assets age and deteriorate, by using sound asset management practices, Council and staff can be assured that the assets meet performance levels, are used to deliver the desired service in the long term and are managed for present and future City users.

This policy is to articulate Council's commitment to asset management, and guide staff using the policy. In doing so, this policy also outlines how it is to be integrated within the organization in such a way that it is coordinated, cost effective and organizationally adopted and used. This policy also demonstrates to the City that Council and staff are exercising good stewardship, and

is delivering sustainable services while considering its legacy to current and future City residents, businesses and industries.

Staff will implement the policy through the development and use of asset management practices, and will collaborate in their infrastructure decision-making and in their recommendations to Council. Since the performance of asset management is organization-specific, reflective of knowledge, technologies and available tools, and will evolve overtime, the responsibility for guidelines, practices and development of support tools are delegated to staff.

Policy Statements

Infrastructure asset management is the strategic and tactical business practice of managing community infrastructure, encompasses many disciplines within the City, and involves the entire organization. To guide the organization, the following policy statements have been developed:

1. Council and staff will maintain and manage infrastructure assets at sustainable levels to support public safety, community well-being, economic prosperity, and community goals.
2. Staff will monitor standards and service levels to ensure that they meet and support the City's needs, goals and objectives.
3. Staff will develop, maintain and report on asset inventories of all its infrastructures.
4. Council and staff will establish infrastructure investment strategies through the use of full life cycle costing principles.
5. Council and staff will plan financially for the appropriate level of infrastructure investment to deliver service levels and extend the useful life of assets at acceptable levels of risk.
6. Council and staff will plan for and provide sustainable long term funding to replace and/or renew and/or expand and/or decommission infrastructure assets.
7. Where appropriate, Council and staff will consider and incorporate asset management in its other corporate plans, such as (but not limited to) Master plans, Official Community Plan, Integrated Community Sustainability Plan, Business Plans, Resource Management Plans, Environmental Plans, Designs, Facility Plans, and Economic Development Plans.
8. Council and staff will report to citizens regularly on the status and performance of work related to the implementation of this asset management policy.

Policy Principles and Guidelines

Council and staff will endeavour to undertake and adopt the following key principles of the infrastructure asset management policy:

1. Appoint and support an Asset Management Champion.

2. Ensure there are adequate people resources (staffing levels and skill sets) to undertake the City's asset management initiatives.
3. Develop and maintain a rolling 20 year AMIP, and include all cost drivers.
4. Develop and maintain a rolling 20 year AMFP.
5. Ensure there is a balance between the AMIP costs and AMFP revenues by making informed decisions, identifying all long term cost drivers and revenues associated with infrastructure asset decisions, including additions and deletions. Develop an infrastructure deficit management plan as part of balancing the AMIP and AMFP.
6. Tradeoffs should be done through the balancing of the AMIP and AMFP and decisions should be articulated and evaluated, and the basis for the decision recorded.
7. Use available resources effectively and manage assets in a sustainable business manner, minimizing total life cycle costs of assets.
8. Collaboratively integrate corporate, financial, business, technical and budgetary planning and decision-making for infrastructure assets. Collaboration to consist of regular quarterly meetings each year, with updates to Council and feedback from Council.
9. Establish organizational accountability and responsibility for asset inventory and reporting system, data rules/definitions, and levels of service, risk and performance.
10. Consult with stakeholders when and where appropriate.
11. Implement cost containment practices and explore economies of scale to reduce cost pressures.
12. Update other City plans with infrastructure asset management planning, priorities, and findings. Such plans to include (but not limited to): Master plans, Official Community Plan, Integrated Community Sustainability Plan, Business Plans, Resource Management Plans, Environmental Plans, Designs, Facility Plans, and Economic Development Plans.

Scope and Application

This policy applies to Council and all staff using and managing the City's tangible capital assets in providing services to residents, business and industry.

Authority and Responsibility

City policies are approved by Council. While staff, public and other agencies may provide input on the nature and text of the policy, Council retains the authority to approve, update, amend or rescind policies.

Actions

Adopt Asset Management Policy

Responsibility

Council and Chief Administrative

Monitor and review infrastructure levels of service, performance and risk at established intervals	Officer Council and Chief Administrative Officer
Champion asset management within the City and ensure quarterly asset management meetings scheduled, chaired, and action items delivered: Q1. Mar – Needs & Cost Assessment Q2. June – Business Case Development Q3. September – Preliminary Budget Review Q4. December – Budget Approval and Allocation	Council and Chief Administrative Officer, senior staff
Develop and maintain infrastructure strategies and plans	Planning, Public Works, other asset operation and maintenance departments, Finance
Develop and maintain asset inventories and data system	Public Works, other asset operation and maintenance departments, Finance
Assess infrastructure levels of service, performance and risk	Public Works and other asset operation and maintenance departments
Establish and program balanced cost effective infrastructure replacement plans	Public Works and other asset operation and maintenance departments
Develop and maintain financial plans for infrastructure cost drivers. Balance AMIP and AMFP through collaborative trade-offs	Public Works, other asset operation and maintenance departments, Finance, Council
Report to citizens on status of the community's infrastructure assets and asset management program. The channels may include annual citizen reports, business plans, etc.	Council, Chief Administrative Officer, Corporate Communications