

# Lac La Biche County *Policy*

**TITLE:** Asset Management Policy

**POLICY NO:** FIN-10-020

**RESOLUTION:** 21.200

**EFFECTIVE DATE:** March 23, 2021

**DEPARTMENT RESPONSIBLE:** Finance

**NEXT REVIEW DATE:** March 23, 2023

---

## **POLICY STATEMENT:**

Lac La Biche County recognizes that to meet the County's Vision for the future, infrastructure and assets must be effectively managed to ensure that they are sustainable for future generations to enjoy. This means that the County embraces an Asset Management approach that is founded on delivering Levels of Service that the community supports and managing risk within reasonable levels. The County will apply sound technical, social and economic principles that consider the present and future needs of users when making investment decisions.

## **DEFINITIONS:**

**Asset:** An item that has potential or actual value to the municipality. Value can be tangible or intangible, financial or non-financial, and includes consideration of risks and liabilities.

**Asset Management:** Coordinated activity of the municipality to realize value from assets. The application of sound technical, social and economic principles that considers present and future needs of users, and the service delivered from the asset

**Level of Service:** The parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Service level parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.

**Life Cycle Costs:** The total cost throughout its life including planning, design, acquisition and support costs and any other costs directly attributable to owning or using the asset

**Risk:** The relationship between the likelihood of an event happening and the consequences of that event.

**Sustainability:** Meeting the needs of today without compromising the needs of future generations. It is about maintaining or improving the standard of living by protecting human health, conserving the environment, using resources efficiently and advancing long-term economic competitiveness. It requires the integration of environmental, economic and socio-cultural priorities into policies and programs with actions at all levels.

## **PRINCIPLES:**

Asset management is a broad strategic framework that encompasses many disciplines and involves the entire organization. To guide the organization, the following policy statements have been developed:

- a) Lac La Biche County will maintain and manage infrastructure assets at defined levels to support the County's Strategic Plan, public safety and community well-being.
- b) Lac La Biche County will set and monitor standards and service levels to ensure that they meet/support community and Council goals and objectives

- c) Lac La Biche County will undertake periodic service level reviews to ensure that services, program and assets support community and Council expectations and other strategic objectives.
- d) Lac La Biche County will establish infrastructure replacement strategies through the use of full life cycle costing principles.
- e) Lac La Biche County will plan financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets.
- f) Lac La Biche County will plan for and provide stable long-term funding to replace, renew and decommission infrastructure assets throughout its Life Cycle.
- g) Where appropriate Lac La Biche County will consider and incorporate asset management in its other corporate plans.
- h) Lac La Biche County will report to citizens annually on the status of community owned/operated infrastructure and the performance of work related to the implementation of this asset management policy. This report will provide a public facing forecast on the sustainability of the County's community infrastructure.

"Original Signed"  
Chief Administrative Officer

April 1, 2021  
Date

"Original Signed"  
Mayor

April 1, 2021  
Date

**SPECIAL NOTES/CROSS REFERENCE:** Asset Management Procedure FIN-10-020

**AMENDMENT DATE:**

# Procedure

**TITLE:** Asset Management Procedure

**PROCEDURE NO:** FIN-10-020

**EFFECTIVE DATE:** March 23, 2021

**DEPARTMENT RESPONSIBLE:** Finance

**NEXT REVIEW DATE:** March 23, 2023

---

## GENERAL GUIDELINES:

This procedure applies to employees of the County with respect to the sustainable operations and maintenance of the County's capital assets.

## DEFINITIONS:

**Asset:** An item that has potential or actual value to the municipality. Value can be tangible or intangible, financial or non-financial, and includes consideration of risks and liabilities.

**Asset Management:** Coordinated activity of the municipality to realize value from assets. The application of sound technical, social and economic principles that considers present and future needs of users, and the service delivered from the asset.

**Asset Management Plans:** Documents that detail how groups of assets are to be managed over a period of time. The plan describes the characteristics and condition of infrastructure assets, the levels of service expected from them, planned operational and maintenance actions to help with the accomplishment of assets providing the expected level of service, and financing strategies to try to implement the planned actions. These documents also address the impacts and maintenance risks associated with owning the asset.

**Asset Management System:** The people, processes, tools and other resources involved in the delivery of asset management.

**CAO:** The Chief Administrative Officer for the County.

**Level of Service:** The parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Service level parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.

**Life Cycle Costs:** The total cost throughout its life including planning, design, acquisition and support costs and any other costs directly attributable to owning or using the asset.

**Performance:** Performance can relate to quantitative or qualitative findings and is usually expressed as a measurable result (i.e., performance measures). Performance can relate to the management of activities, processes, products, services, or systems. For the purpose of asset management, performance of assets relates to their ability to fulfill service level requirements or objectives.

**Risk Tolerance:** The measure of the level of risk an organization is willing to accept, expressed in either qualitative or quantitative terms and used as a key criterion when making risk-based decisions.

**Risk:** The relationship between the likelihood of an event happening and the consequences of that event.

**Sustainability:** Meeting the needs of today without compromising the needs of future generations. It is about maintaining or improving the standard of living by protecting human health, conserving the environment, using

resources efficiently and advancing long-term economic competitiveness. It requires the integration of environmental, economic and socio-cultural priorities into policies and programs with actions at all levels.

**PROCEDURE:**

**1. Implementation Plan**

- a. The CAO shall develop and establish an Implementation Plan to guide the Administration’s activities in developing an Asset Management System and Asset Management Plan(s).
- b. The CAO shall delegate appropriate authorities and accountabilities to staff to fully activate the Implementation Plan.

**2. Guidelines and Practices**

The County will incorporate a number of best practices as part of implementing the Asset Management System, including:

- a) Maintaining a current register of Assets and Conditions.
- b) Making informed decisions, identifying all revenues and costs (including operation, maintenance, replacement and decommission) associated with infrastructure asset decisions, including additions and deletions. Tradeoffs will be articulated and evaluated, and the basis for the decision recorded;
- c) Integrating corporate, financial, business, technical and budgetary planning for infrastructure assets;
- d) Defining and articulate service, maintenance and replacement levels and outcomes;
- e) Using available resources effectively;
- f) Managing assets to be sustainable;
- g) Minimizing total life cycle costs of assets;
- h) Considering environmental goals;
- i) Considering social and sustainability goals;
- j) Minimizing risks to users and risks associated with failure.

**3. Organizational Capacity**

The County considers Asset Management as a Core Service delivered by the County and will:

- a) grow and maintain the capacity to ensure the reliable and effective delivery of an Asset Management Program as a Core Service delivered by the County;
- b) ensure relevant employees receive the necessary training in asset and financial management to competently manage the County’s Infrastructure Assets;
- c) ensure that all members of Council receive an appropriate orientation to the County’s Asset Management Program, and ongoing training as deemed necessary to appropriately oversee the program.

**4. Asset Management Team**

The CAO will establish a Cross Departmental Asset Management Team to coordinate and oversee the implementation of the County’s Asset Management System.

- a) The CAO will designate a Chair for the Asset Management Team.
- b) The Asset Management Team will have responsibility for implementing the County’s Asset Management System through the leadership of the corporate Departments.

**5. Context and Integration**

The CAO will ensure that the concepts and principles contained in the Asset Management Policy and Plan(s) are reflected in other County documents such as:

- Official Community Plan
- Business plans
- Corporate strategic plan
- Corporate financial plan
- Capital Budget plan
- Operational plans and budgets (including vehicle and fleet plans and budgets)
- Neighbourhood plans
- Annual reports
- Design criteria and specifications
- Infrastructure servicing, management and replacement plans, e.g., transportation plans
- Community social plans
- Parks and recreation plans
- Facility plans

**6. Annual Reporting**

The CAO will annually report to Council the progress of the County’s Asset Management Program, the state of the County’s infrastructure, and the long-term forecast for the County’s infrastructure sustainability.

“Original Signed”  
Chief Administrative Officer

April 7, 2021  
Date

**SPECIAL NOTES/CROSS REFERENCE:** Asset Management Policy FIN-10-020

**AMENDMENT DATE:**