

Revised Asset Management Policy

RECOMMENDATION

That the Board approve revised Asset Management Policy A2.21.

BACKGROUND

Well maintained assets are critical in delivering service to the community. Asset Management is the coordinated, ongoing set of activities an organization utilizes to realize the maximum value of its assets and to support safe and sustainable services, delivered in a predictable and cost-effective manner.

Asset management helps the RDN increase rigor and structure around the information it uses to make strategic decisions regarding the useful life of its assets and in building responsible financial plans for the replacement of these assets. Asset Management helps protect and enhance the quality of life in the Region by:

- Ensuring the best possible decisions regarding our assets;
- Supporting evidence-based business cases for budgets and long-term financial forecasts;
- Driving longer term thinking and planning; and
- Supporting financial stability.

The RDN is currently in the process of building a comprehensive and forward-looking asset management program to suit our needs. Utilizing the Asset Management BC Framework (Figure 1) helps establish a high-level, systematic approach that supports the RDN in moving toward service, asset and financial sustainability through an asset management process.



Figure 1: Asset Management BC Framework

The RDN Asset Management Policy (Policy A2.21) was endorsed by the Board in 2016. As the RDN follows a process of continuous improvement for its Asset Management program, a review of this policy is necessary to:

- Ensure its continued relevance and effectiveness;
- Promote sustainability and improve financial performance;
- Enhance accountability;
- Support decision-making; and
- Align with industry best practices and organizational goals.

To guide our planning around infrastructure assets, the revised Asset Management Policy (Attachment 1) now emphasizes the importance of additional principles such as:

- Regulatory Compliance to ensure the RDN comply with all relevant regulations and statutory requirements;
- Level of Service (LOS) so that the RDN can define and measure its LOS for delivering on community requirements;
- Whole Life Cycle approach to enable a holistic and comprehensive approach to service delivery, investment planning and decision making on the entire asset life cycle;
- Formal Decision Making to ensure the organization makes informed decisions;
- Sustainability to plan for growth while considering economic, environmental and social outcomes to improve quality of life;
- Climate Resiliency and Adaptation to consider the impacts and risks of climate change to our communities; and
- Continual Improvement and Innovation to focus on driving innovation to utilise industry proven technologies, tools, practices and services to guide our planning around infrastructure assets.

Changes are recommended to the Definition, Policy and Essential Asset Management Activities sections of the original Policy document as can be seen in Attachment 2.

The Asset Management program is advancing in a few areas of the Assessment and Planning phases concurrently. An Asset Management Strategy is currently under development as well as Asset Management plans for the various RDN services.

FINANCIAL IMPLICATIONS

Accepting the revised Asset Management Policy does not inherently create financial implications. However, a fundamental goal of lifecycle asset management is to consider the lowest long-term cost over the entire life of assets and in realizing maximum value when making decisions. In the long-term, implementation of comprehensive asset management processes and practices should result in both capital and operating financial savings. Appropriate funding models, as well as condition and financial forecasts will ensure our infrastructure is maintained in a sound and reliable condition based on minimizing life cycle costs. Operating and maintenance cost as well as long-term capital expenses can be significantly reduced through extending the useful lives of our assets, identifying the optimum replacement time, and having adequate funding in place.

STRATEGIC PLAN ALIGNMENT

1. Planning and managing for growth - Ensure our physical and natural assets across the region are optimally managed through:
 - A better understanding of service needs; and
 - A more comprehensive approach to asset management through collaboration among service areas.
2. Managing the impacts of climate change - Account for the impacts of climate change by planning and implementing risk management and mitigation strategies in the management of the region's assets through:
 - Demonstrating compliance with legislative and regulatory requirements;
 - Understanding the risks related to asset management and service delivery and applying a formal risk framework to prioritize and mitigate risks; and
 - Applying business continuity practices.

REVIEWED BY:

- T. Moore, Chief Financial Officer
- C. Crabtree, General Manager, Corporate and Transportation Services
- D. Holmes, Chief Administrative Officer

ATTACHMENTS

Attachment 1 – Revised Asset Management Policy A2-21 (July 2025)

Attachment 2 – Policy A2-21, Asset Management Policy (April 2016) – Redlined version