

REGIONAL DISTRICT OF NANAIMO

P O L I C Y

SUBJECT:	<i>Asset Management</i>	POLICY NO:	A2.21
		CROSS REF.:	A2.5 A2.9 A2.12
EFFECTIVE DATE:	April 26, 2016	APPROVED BY:	Board
REVISION DATE:	New Policy	PAGE:	1 OF 3

PURPOSE

To establish an organization-wide approach to managing assets to ensure that the delivery of regional services is sustained at levels expected by current and future residents; that the optimal service lives of assets are reached; and that mechanisms are in place to enable asset renewal and replacement.

DEFINITIONS

Assets

For the purpose of this policy 'Assets' are defined broadly as any item, thing or entity that has actual or potential value to the Regional District of Nanaimo (RDN), where value can be tangible or intangible, financial or non-financial, and includes consideration of risks and liabilities.

Under this definition, 'Assets' includes Tangible capital assets, including equipment, buildings, properties and other physical assets owned by RDN; natural assets within the region not owned by the RDN including watersheds, aquifers, and other natural assets that support delivery of RDN services or contribute to the wellbeing of RDN residents; and non-physical assets including leases, brands, digital assets and information, licenses, intellectual property rights, reputation, agreements, and other non-physical assets that contribute to the delivery of services by the RDN.

Asset Management

The coordinated application of sound technical, social and economic principles to organizational activities in order to realize the optimal value of assets for present and future users.

Corporate Planning Committee

A committee comprised of the senior management group of the RDN, convened and chaired by the RDN Chief Administrative Officer.

POLICY

The RDN will implement an organization-wide asset management program that promotes the application of key principles and essential asset management activities across all RDN departments. This will assist departments to follow consistent processes for the creation, operation, maintenance and disposal of assets, including recording and updating asset information. The RDN Asset Management Program (the Program) will be designed for continuous quality improvement, following the ongoing cycle of Plan, Do, Check, Act. To assist with the implementation of organization-wide asset management and for internal capacity building, the RDN will formalize an interdepartmental Asset Management Working Group (Working Group) comprised of staff tasked with representing all relevant departments in the RDN.

Key asset management principles include:

Alignment – The asset management system complements the strategic objectives of the RDN organization, conforms to relevant legislation and regulations, and is understood by staff at all levels in the organization.

Integrated – Asset planning and decision-making integrates corporate, financial, business, technical, budgetary and environmental factors.

Comprehensive - Asset planning and management examines and involves the organization as a whole, its functional interdependencies and contributions of assets within asset systems, and the management of assets across all life-cycle phases.

Systematic – Asset management follows a methodical approach that is formalized, consistent and repeatable across departments.

Risk-Based – Asset risks will be managed in consideration of attaining desired levels of service and focusing resources, expenditures and priorities based on risk, cost and benefit.

Optimal – Asset investment decisions are based on trade-offs between the competing factors of service level (including asset performance), risk and cost, measured over asset life-cycles.

Informed – Asset related decision making will be based on a full understanding of revenues and costs for acquisition, operations, maintenance, replacement, and disposal. Tradeoffs should be articulated and evaluated, and the basis for decisions recorded.

Essential Asset Management Activities include:

- Maintaining and managing assets at defined levels to support public safety, community well-being and community goals, and to fulfil Board Strategic Priorities;
- Monitoring standards and service levels to ensure that community expectations and Board goals and objectives are met;
- Reviewing business practices as they relate to asset management and adapting processes as necessary to achieve consistency in how assets are managed, and to improve overall operational effectiveness and efficiency;
- Developing and maintaining asset inventories that include a record of current replacement cost, depreciated value, replacement year and remaining useful life for all recorded assets;
- Establishing infrastructure replacement strategies based on full life-cycle costing principles;
- Planning financially for the appropriate maintenance levels of assets to deliver service levels and extend the useful life of assets;
- Planning for and providing stable long-term funding to replace, renew and dispose of assets as necessary;
- Considering and incorporating asset management into other corporate plans;
- Building capacity within the organization to ensure ongoing understanding and application of essential asset management activities and key principles;
- Consulting with stakeholders on a periodic basis, where appropriate and necessary; and
- Reporting publicly on the status and performance of work related to the implementation of the Program.

ACCOUNTABILITY

1. The RND Board of Directors is responsible for adopting the Asset Management Policy, allocating resources as required, providing high level oversight of the delivery of the organization's asset management strategy and plans, and maintaining the accountability mechanisms to ensure that organizational resources are appropriately used to address the Board's Strategic Plan and Priorities.
2. The Chief Administrative Officer (CAO) has overall responsibility for directing the development of an asset management strategy, plans and procedures, reporting on the status and effectiveness of the Program to the Board of Directors, and initiating reviews and amendments to this policy.
3. The Corporate Planning Committee has the responsibility and authority to ensure that the Program is implemented as an organizational-wide asset management program; that the

Program is consistent with legislative requirements; and to review, update and amend the Working Group Terms of Reference as necessary.

4. The Working Group has the responsibility to ensure that the Program is implemented at the departmental level, providing effective communication to staff in representative departments, and to provide updates concerning issues, concerns and priorities including recommendations for staff capacity building to the Corporate Planning Committee.
5. A Manager, appointed by the CAO is responsible for the day-to-day coordination of the Program, including promotion of the Program, providing support to departmental managers to develop asset management plans and strategies, implement required changes in organizational practices, and facilitate the continuous improvement of asset management activities.