

CITY OF SASKATOON COUNCIL POLICY

NUMBER
C07-031

POLICY TITLE Corporate Asset Management Policy	ADOPTED BY <i>City Council</i>	EFFECTIVE DATE <i>May 25, 2020</i>
		REVISED
ORIGIN/AUTHORITY <i>City Council Resolution of May 25, 2020, item 8.5.3 of Governance and Priorities Committee Report.</i>	CITY FILE NO. <i>CK. 1295-0</i>	PAGE NUMBER <i>1 of 5</i>

POLICY STATEMENT

The City of Saskatoon (City) relies on a large and diverse asset portfolio to deliver core and essential services to the community. The City manages the community assets with the intent to maximize benefits, minimize risk, and provide a satisfactory level of service in a sustainable matter. In doing so, the City is committed to creating, implementing, and continually improving practices that ensure its assets are managed effectively.

1.0 PURPOSE

To provide principles that align the asset management system with the City's Vision, Mission and Values, to enable a coordinated, cost effective and organizationally sustainable approach in order to:

- Deliver services at approved service levels;
- Instill accountable and transparent decision-making;
- Improve customer service;
- Reduce the life cycle costs while maintaining acceptable levels of service;
and
- Link infrastructure investment decisions to service outcomes.

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2.0 DEFINITIONS

Asset – a physical entity that does or is expected to provide a future benefit to an organization. The benefit may be tangible, intangible, financial or non-financial.

Asset Management (AM) - is an integrated approach, involving an organization wide collaboration effort geared towards effectively planning for and managing existing and new assets in order to maximize benefits, reduce risks and provide satisfactory levels of service to the community in a sustainable manner.

Asset Management Strategy – documented information that specifies how the organizational objectives are to be converted into AM objectives, the approach for developing AM plans and the role of the AM Framework.

Asset Management Framework - the overarching AM hierarchy including the AM Council Policy, Administrative Procedure, Strategy and Plans.

Risk -The chance of something happening that will have an effect on the City's ability to achieve its objectives.

Life-Cycle - the time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset.

Levels of Service - The defined thresholds at which services are supplied to customers. They may refer to parameters or a combination of parameters that reflect regulatory, social, environmental and economic outcomes that the City has agreed to deliver to both internal and external customers.

Asset Management Plan - documents an approach to managing assets over the short, medium and long term. Outlines the long term plans for assets including service expectations, timelines and funding and resource requirements.

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Tangible Capital Assets - are non-financial assets with a physical substance that are:

- i) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- ii) have useful economic lives extending beyond an accounting period;
- iii) are to be used on a continuing basis; and
- iv) are not for sale in the ordinary course of operations.

3.0 SCOPE/EXCEPTIONS

3.1 Scope

This Asset Management (AM) Policy applies to all existing and new physical assets of the City. This includes but is not limited to roads, sidewalks, bridges, transit, water treatment and distribution, storm water management, wastewater collection and treatment, light and power utility, facilities, fleet, and natural assets (such as trees, parks and wetlands).

This policy does not replace existing business planning, budget processes or reserve bylaws already in place. The AM strategy and framework complements and aligns with these initiatives with the intent to provide an asset centered point of view that supports business strategies, objectives and plans.

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4.0 ASSET MANAGEMENT PRINCIPLES

The Policy ensures that the City follows a standard approach to managing assets in line with the following principles:

4.1 Holistic

The City will take an integrated approach to Asset Management (AM) planning and decision making that considers the combined impact of the entire asset life cycle and defined service level. This requires interdepartmental coordination, including planning, design and construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

4.2 Service Focused

The City will define and document the needs and expectations of customers and residents with respect to AM levels of service and apply AM practices to enhance the confidence and trust. Decisions will consider all the assets in a service context and take into account interrelationships as opposed to optimizing individual assets in isolation.

4.3 Risk-Based

The City will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit, within risk appetite.

4.4 Innovative

The City will continually improve its AM approach by driving innovation in the development of tools, practices, and solutions.

4.5 Value-Based/Affordable

The City will develop an AM system including AM plans that identify practices, interventions and operations that aim at reducing the life cycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risk and whole life cost.

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4.6 Sustainable
The City will assess AM decisions using a holistic Triple Bottom Line sustainability approach with respect to: environmental health and integrity, social equity and cultural well-being, economic prosperity and fiscal responsibility, and good governance outcomes.

4.7 Regulatory and Legal Requirements
The City must comply with legislation and regulatory requirements enacted by federal, provincial and municipal governments. It shall consider these requirements as an integral part of the lifecycle strategy while undertaking asset design, procurement, construction, operations, maintenance and disposal. The City will identify and undertake actions to meet all legal and other requirements that apply to physical assets AM practices

5.0 RESPONSIBILITIES

5.1 City Council

- Is responsible for approving Council Asset Management Policy; and
- Adhering, when applicable, to the guiding principles listed in Section 4 of this policy.

5.2 City Manager

- Is responsible for the implementation of the Corporate Asset Management Policy; and
- The development of the Corporate Asset Management Program.

REVISION HISTORY

Revision Date	Description