



# South River Asset Management Policy

## Policy statement

The Village of South River will protect and enhance the quality of life in South River by making the best possible decisions regarding Village's assets in a way that provides targeted levels of service and manages risk in a cost-effective manner throughout the entire asset life cycle in order to create customer value through enhancing community asset management.

The Village will manage infrastructure assets in a strategic, comprehensive, enterprise-wide manner through an integrated business approach that relies on well-devised strategies, trained knowledgeable staff, and good communication with all stakeholders to achieve desired levels of service. This requires that all assets be treated as interrelated components in a unified system, rather than as isolated parts.

## Purpose

This policy supports the Village's Strategic Plan.

This policy defines the principles by which the Village will develop asset management capability, ensuring asset needs are understood and effective solutions are developed. Successfully delivering these principles will drive the required service and value from Village assets, meeting or exceeding our customer expectations.

## Scope

This policy covers the management of the Village's asset portfolio and the assets that are included in shared services that are administered by the Village of South River. The principles below have been established in line with leading practices.

**Forward-Looking and Sustainable:** The Village will incorporate social, legislative, environmental and financial considerations into decisions, taking into account present and future service commitments, giving due attention to the long-term stewardship of assets.

**Sound Asset Information:** The Village will collect, collate, control, and circulate the right asset information, at the right time to all stakeholders.

**Robust, Repeatable and Transparent Decision Making:** The Village will utilize a formal but scalable, consistent, and repeatable approach to manage infrastructure assets, enabling services to be provided in the most efficient and cost-effective manner.

**Whole Life Cycle Cost Perspective:** The Village will consider the combined impact of all aspects of the asset life-cycle - acquiring, operating, maintaining, renewing, and retiring assets. No new assets will be constructed/acquired without considering future operating and maintenance costs. Asset performance will be monitored throughout the asset life cycle and will be used to make recommendations on future asset acquisition.

**Risk-Based Perspective:** The Village will direct resources, expenditures, and priorities to achieve the agreed service outcomes and benefits, at acceptable levels of risk.

**People-Focused (Customers and Staff):** The Village will adopt a service-based approach to managing assets and will only accommodate additional demand for services without detriment to current levels of service.

## Definitions

**Asset:** an asset is an item, thing or entity that has potential or actual value to an organization as prescribed in the Village's accounting treatment of tangible capital assets by-law. The value can be tangible or intangible and financial or non-financial.

**Asset management:** asset management is an integrated approach, involving all Village departments and shared services to effectively manage existing and new assets. The intent is to maximize benefits, reduce risks, and provide satisfactory levels of service to the community in a sustainable manner. Good asset management practices are fundamental to achieving sustainable communities.

**Levels of service:** describes the outputs or objectives that the Village intends to deliver; includes measures at the corporate, customer, and asset levels of the organization.

**Life cycle cost:** sum of all recurring and one-time (non-recurring) costs over the full life span or a specified period of a good, service, structure, or system. It includes purchase price, installation cost, operating costs, maintenance and upgrade costs, and remaining (residual or salvage) value at the end of ownership or useful life, and disposal costs, if appropriate.

**Stakeholder(s):** municipal entity/entities that have a financial interest and provide funding to operate the service/shared service to achieve the objectives of the department within the guidelines of the approved bylaws and governing policies.

## Policy details

Policy Number: 1-2019

Section: Administration

Author: Financial Operations

Authority: Council

Effective Date: May 27, 2019

Review by Date:

## References

Village of South River Strategic Plan