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|  | Asset Management Policy |
| | Council Approved |
| | Development Services (DS) #6100 |
| | Approved May 7, 2019, Revised April 21, 2020 |
| | Next Review Date May 6, 2022 |

1.0 POLICY STATEMENT

- 1.1 Services provided by the Town of Hinton are essential to the wellbeing of the Community which drives the need for a systemic approach for the management of the Town’s assets. The Town is committed to continual improvement of its business model through the creation and implementation of a collection of key practices for asset management, known as the Town of Hinton’s Asset Management Program.
- 1.2 The Asset Management Vision developed for the Town of Hinton is: **“The Town of Hinton enhances the quality of life for our Community by delivering a high level of service through our Asset Management Program.”**

2.0 PURPOSE

- 2.1 This Policy expresses the Town’s commitment to Asset Management. It provides principles for consistent development, implementation, maintenance, and growth of an Asset Management program throughout Hinton.

3.0 SCOPE

- 3.1 This policy, at a minimum, applies to those Service Areas within the Town of Hinton that plan or manage Assets or Asset systems to deliver and maintain a defined Service Level to the Community.

4.0 PRINCIPLES

- 4.1 The Town’s key principles of Asset Management are:
- 4.1.1 Well-balanced
- a) Asset decisions must consider service level, performance, risk, benefits, cost, environment, health, and safety to determine the validity of investments.

- 4.1.2 Transparent
 - a) Assets decisions must be made transparent to the public, Administration, and Council.
 - b) Rationale for why a decision was made must be accessible and clear.
- 4.1.3 Accountable
 - a) Organizational accountability for inventory, performance, and use of Assets will be consistently maintained.
- 4.1.4 Holistic
 - a) A holistic approach must be taken to evaluate the implications of managing all aspects of the Town's Assets.
 - b) The interdependencies of Assets must be considered to optimize decisions for the full array of Asset systems across all lifecycle phases.
- 4.1.5 Systematic
 - a) To achieve consistency, a methodic approach that presents repeatable outcomes must be applied.
- 4.1.6 Systemic
 - a) Decisions regarding Assets must optimize the Assets and Asset systems.
 - b) Context of the Assets must be considered to ensure that investments present the most beneficial overall option for the Town.
- 4.1.7 Risk-based
 - a) Cost/benefit trade-offs and the associated risks must guide the management of Asset risks.
 - b) Risks may be associated with levels of services, resources, expenditures, priorities, and other risks determined by the Town.
- 4.1.8 Sustainable
 - a) Asset investment must be done with a long-term, lifecycle-based approach, focusing on the true cost accounting of Assets.
 - b) Operation and maintenance investment will be focused on maintaining appropriate levels of service from Assets.
- 4.1.9 Continually Improved
 - a) Asset Management must be regularly reviewed to identify and accommodate changes in Assets, growth and development, and environmental impacts.
 - b) Best practices must be pursued.
 - c) Town of Hinton must follow the Deming Cycle (Plan-Do-Study-Act) methodology.
- 4.1.10 Community Service
 - a) Decisions are community service focused and are based on defined levels of service that support the community's needs.

4.1.11 Documentation and Knowledge Sharing

- a) Capturing and sharing how decisions are made to enable departments to work collaboratively.

5.0 RESPONSIBILITIES

5.1 Council must:

- 5.1.1 Approve this Policy and any amendments;
- 5.1.2 Articulate community values and define priorities; and
- 5.1.3 Consider the allocation of resources for successful implementation of this Policy in the annual budget process.

5.2 The Administrative Leadership Team (ALT) must:

- 5.2.1 Ensure the implementation of this Policy;
- 5.2.2 Initiate or support the periodic review of this Policy;
- 5.2.3 Support the Town's organizational strategic plan and objectives;
- 5.2.4 Ensure the Asset Management Program is effective and suitable for the Town's needs;
- 5.2.5 Empower, support and delegate responsibilities to the Asset Management Group;
- 5.2.6 Approve the Asset Management Strategy and Asset Management Plans; and
- 5.2.7 Maintain necessary capacity to support the Asset Management Program by providing the necessary resources and training.

5.3 The Asset Management Group (AMG) must:

- 5.3.1 Develop and maintain terms of reference for the Asset Management Group;
- 5.3.2 Monitor, improve, and refine the Asset Management Program and report overall progress to the Asset Leadership Team;
- 5.3.3 Support the Asset Management Program as a whole.

5.4 The Asset Management Coordinator is accountable to the Director of Development Services and the Administrative Leadership Team. In addition to being a member of the Asset Management Group, the Asset Management Coordinator is responsible to:

- 5.4.1 Lead the program development and implementation of the Asset Management Program;

- 5.4.2 Communicate progress, propose activities, collaborate with, and seek direction from the Director of Development Services for the Asset Management Program;
 - 5.4.3 Lead the AMG meetings, and provide agendas and meeting notes to the AMG; and
 - 5.4.4 Provide guidance to the AMG during the building and implementation of the Asset Management Program.
- 5.5 The Asset Management Champions must:
- 5.5.1 Monitor and report progress of their Service Areas to the Asset Management Group; and
 - 5.5.2 Participate in and cooperate with the Asset Management Group.
- 5.6 Managers and Supervisors in each Service Area must:
- 5.6.1 Ensure the adoption of this Policy within their Service Area;
 - 5.6.2 Allocate appropriate resources to support the successful implementation of this Policy;
 - 5.6.3 Provide support for their Asset Management Champions in the application of Asset Management;
 - 5.6.4 Tailor their approach to incorporate this Policy with their established initiatives to achieve maximum benefit;
 - 5.6.5 Deliver transparent, accountable, and well-balanced decisions;
 - 5.6.6 Manage Assets to minimize risk and enhance benefits to the Community;
 - 5.6.7 Promote a positive quality of life by delivering quality, accessible, and value services to the Community in a manner that is consistent with the Town's corporate values;
 - 5.6.8 Recommend and support ongoing staff development for the purpose of improved Asset Management; and
 - 5.6.9 Empower and train employees and provide the resources and support necessary to succeed.
- 5.7 Town staff must:
- 5.7.1 Incorporate this Policy into their day to day operations and decision making;
 - 5.7.2 Optimize tools and processes to set and meet deadlines;
 - 5.7.3 Document the process and remain transparent;
 - 5.7.4 Take ownership and develop clear roles and responsibilities while encouraging collaboration and communication;
 - 5.7.5 Participate in ongoing training to support Asset Management, including an onboarding process for new staff; and
 - 5.7.6 Reflect on completed projects and constantly aim to improve.

6.0 RELATED MATTERS AND REFERENCES

- 6.1 International Organization for Standardization. 2014. ISO 55000, 55001, 55002. [Standards for Asset Management](#)
- 6.2 Town of Hinton. 2018. [Town of Hinton Strategic Plan 2017 – 2021](#).
- 6.3 Town of Hinton. May 2011. [The Hinton Community Sustainability Plan](#).

7.0 DEFINITIONS

- 7.1 **Administrative Leadership Team (ALT):** the Chief Administrative Officer (CAO), Division Directors, and the Protective Service Manager; the ALT is accountable for the Town's Asset Management Program.
- 7.2 **Asset:** item, thing, or entity that has potential or actual value to the Town of Hinton. Assets can be tangible (physical) or intangible.
- 7.3 **Asset Management:** coordination of Assets to realize and optimize their value. This involves trade-offs between cost, risk, opportunities, and performance.
- 7.4 **Asset Management Champion (AMC):** a representative of from each Service Area to support Asset Management initiatives. The AMCs form the Asset Management Group and work with the Asset Leadership Team to monitor, report, improve, and refine the Asset Management Program.
- 7.5 **Asset Management Coordinator:** a representative of the Asset Management Group who leads the development and implementation of the Asset Management Program. The Coordinator is responsible to communicate progress, lead proposed activities, collaborate with and seek direction from the ALT and AMG for the program's implementation.
- 7.6 **Asset Management Framework:** outlines the various elements (practices, documents, etc.) that comprise the Asset Management Program and their relationships. Responsibility for the Framework is assigned in the Asset Management Strategy.
- 7.7 **Asset Management Group (AMG):** multidisciplinary group formed by Asset Management Champions from each Service Area to supports the Asset Leadership Team in monitoring, reporting, improving, and refining the Asset Management Program.

- 7.8 **Asset Management Plan:** long-term planning document that specifies activities, resources, timelines, and other information pertaining to the Service Area's Assets. The outputs of these plans are used as inputs to infrastructure plans and budgets.
- 7.9 **Asset Management Policy:** guide to leadership and commitment to Asset Management that provides principles for consistent development, implementation, maintenance, and growth of an Asset Management Program.
- 7.10 **Asset Management Program:** the set of processes and practices that incorporate Asset Management into the Town's administration.
- 7.11 **Asset Management Strategy:** document that defines the high-level, long-term approach to implementing and achieving Asset Management Objectives, based on the Asset Management Policy. It assigns responsibility for the Asset Management Framework.
- 7.12 **Asset Management System:** a management system for asset management that establishes an organization's asset management policy and asset management objectives (ISO 55000, 2014). An asset management system is not necessarily a technological system, but a business model or standard management approach that outlines links between the key elements and practices of an effective asset management program. An asset management system should be able to accommodate the management of assets at various organizational levels, ranging from the operational level where assets are managed up to the corporate level where integration across asset systems, networks or portfolios is desired.
- 7.13 **Community:** includes all those who live in Hinton or visit Hinton and make use of public services offered in Hinton.
- 7.14 **Council:** the municipal Council of the Town of Hinton, including the Mayor and six Councillors.
- 7.15 **Deming Cycle:** (Plan-Do-Study-Act) an improvement methodology developed by W. Edwards Deming.
- 7.15.1 *Plan* - Identify and organize goals;
- 7.15.2 *Do* - Implement the change;
- 7.15.3 *Study* - Analyse the data and functionality;
- 7.15.4 *Act* - Actions resulting from the analysis.
- 7.16 **Level of Service/Service Levels:** The parameters that define the delivery of a service. The parameters can include safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost,

and availability. Levels of Service statements describe the outputs or objectives the Town intends to deliver to the Community.

- 7.17 **Municipality/Town:** the municipal corporation of the Town of Hinton.
- 7.18 **Policy:** approved by Council; a statement of commitment, position, or overall intent of Council to provide direction and guidelines for Administration; Policies set expectations for program decisions, service levels, and financial considerations.
- 7.19 **Service Area:** one of five constituent administrative organizations (pillars) of the Town (Development Services, Corporate Services, Community Services, Infrastructure Services, and Protective Services). Each Service Area will implement unique Asset Management Plans for their respective Assets.
- 7.20 **Sustainability:** the endurance of systems and processes (Wikipedia). A core assumption of sustainability is sustainable development which was defined by the 1987 Brundtland Report: Our Common Future as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”
- 7.21 **True Cost Accounting:** method of determining the complete cost of producing and maintaining products and services. Costs account for the entire lifecycle, from implementation through to decommissioning.

8.0 APPENDIXES, PROCEDURES, AND FORMS

- 8.1 Asset Management Strategy (2020)
- 8.2 Water Master Plan (2018)
- 8.3 Wastewater Master Plan (2018)
- 8.4 Stormwater Master Plan (2018)
- 8.5 Transportation Master Plan (2018)
- 8.6 Parks, Open Space and Trails Master Plan (2019)
- 8.7 Asset Management Plans (to be developed)

9.0 REVISION CONTROL

9.1 This Policy must be reviewed every three years.

| Date | Revision |
|----------------|---|
| April 21, 2020 | Amendments to attain consistency with the recently developed Asset Management Strategy. |
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