



ASSET MANAGEMENT

Policy Number:	81/211.01.2024PO
Policy Review:	Every 5 Years
Policy Owner (Dept.):	Office of the Chief Administrative Officer
Reference(s):	Council 2023-2026 Strategic Plan

1. PURPOSE OF POLICY

- 1.1. The City of Lacombe provides a wide range of services to the community that require the ownership and responsible operation, maintenance and rehabilitation of physical assets. Asset management is a business model for management of physical assets that support the delivery of services in a way that achieves required level of service, for least overall cost, and within acceptable risk boundaries. The purpose of this policy is to outline the City’s fundamental principles that will guide consistent asset management across all Departments.

- 1.2. Using asset management, value is delivered to our community by effectively managing existing and new physical assets. This will help build a resilient community now and in the future.

2. POLICY STATEMENT

- 2.1. The following asset management principles focus the City on long-term, and sustainable service delivery. These principles set out the City’s high-level approach to asset management and will directly influence staff decision-making throughout all levels of the organization.

- 2.2. Service Delivery to Our Community
 - 2.2.1. The City will have clearly defined levels of service that support customer needs and meet regulatory requirements, while accounting for risk, affordability and available resources.

 - 2.2.2. The City will use these levels of service to:
 - 2.2.2.1. Prioritize and direct resources and expenditure;
 - 2.2.2.2. Consider how the risk of asset failure will impact on service delivery; and,
 - 2.2.2.3. Communicate transparently with the community on service delivery.

- 2.3. Thinking Long-Term
 - 2.3.1. The City will consider societal, environmental and economic factors in its long-term planning and investment decisions, in order to make smart decisions today that meet the needs of current and future generations.

 - 2.3.2. This will be accomplished by:
 - 2.3.2.1. Considering how the City’s community demographics and needs will change over time;

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2.3.2.2. Providing services in a way that limits the City's negative impact on the environment; and,

2.3.2.3. Keeping the long-term in mind when making short-term investment decisions.

2.4. Taking a Customer Oriented Approach

2.4.1. The City will use a comprehensive approach that looks at how our decisions affect all departments and the whole community.

2.4.2. This will be accomplished by:

2.4.2.1. Aligning asset management initiatives with the community priorities determined by Council;

2.4.2.2. Consulting stakeholders when appropriate; and,

2.4.2.3. Considering how the City's systems are interconnected and how decisions about one set of assets may impact other assets or services controlled by other departments.

2.5. Balanced Decision Making

2.5.1. The City will make investment decisions that balance its defined levels of service, risk, and whole-life asset cost ensuring all citizens have fair and equitable access to City services.

2.5.2. This will be accomplished by:

2.5.2.1. Using a formal, consistent and repeatable approach to decision making, using data as evidence to guide asset decisions.

2.5.2.2. Developing prioritized capital investment plans that outline long-term projections of investment needs, as they relate to defined levels of service.

2.5.2.3. Increasing the awareness, engagement and resourcefulness of City staff to understand and reduce barriers that may prevent equitable access to all the City's services.

2.6. Continually Improving

2.6.1. We will continually measure the effectiveness of our asset management processes, using evidence to drive innovation, while being adaptive to changing needs.

3. APPLICABILITY

3.1. The City of Lacombe owns a wide range of asset types that deliver services to the community. This policy applies to all City owned assets.

3.2. The table below summarizes the services the City provides and gives examples of City owned assets that help the City to deliver these services.

Service Provided to the Community	Example of Asset Group	Examples of Asset Types
Transportation	Roads	Pavements, bridges, sidewalks, traffic signals, signs
	Airport	Runway, taxiway, lighting
	Fleet	Buses, service vehicles, snow ploughs
Potable Water Supply	Water Infrastructure	Pipes, valves, hydrants, pump stations
Waste Removal	Sanitary Infrastructure	Manholes, pipes, lift stations
	Solid Waste	Bins
Storm Management	Drainage	Ponds, outlets, culverts, ditches
Open Space Recreation	Parks	Playfields, playgrounds, trails
	Natural Assets	Trees
Community and Municipal Facilities	Buildings	LMC, Arena, aquatic centre, City Hall, public works yard
	Art Collection	Wall murals, paintings, sculptures
Emergency Response	Fleet	Fire trucks, police vehicles
Governance	IT Infrastructure	Computers, photocopiers, communications

3.3. This Policy comes into effect upon approval of Council, or as of Specific Date.

4. DEFINITIONS AND ABBREVIATIONS

- 4.1. **CAO** – the City of Lacombe’s Chief Administrative Officer.
- 4.2. **Asset** - a physical component of a system that has value, enables services to be provided, and has an economic life greater than 12 months.
- 4.3. **Asset Lifecycle** - the full life span of an asset from the point when a need for it is first established, through design, construction, acquisition, operation and any maintenance or renewal, through to its decommissioning or disposal.
- 4.4. **Asset Management** - the process of making decisions about the use and care of infrastructure to deliver services in a way that considers current and future needs, manages risks and opportunities, and makes the best use of resources.
- 4.5. **Critical Asset** - an asset for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation.
- 4.6. **Community** - refers to all members of the public that live in, work in, operate businesses and visit the City of Lacombe.

- 4.7. **Infrastructure** - the physical assets developed and used by the City to support its social, cultural and economic activities.
- 4.8. **Level of Service** - the defined standard for the provision of a particular service. Components of defining these standards include: quality, quantity, reliability, responsiveness, environmental acceptability and cost.
- 4.9. **Resilience** - the capacity of the City to function, so that the people living and working in it survive and thrive no matter what changes, stresses or shocks they encounter.
- 4.10. **Risk** - the degree of price volatility and/or chance of failure carried by an asset factoring the impact of failure and asset criticality.
- 4.11. **Sustainability** - meeting the needs of the present without compromising the ability of future generations to meet their own needs. Further defined in the Imagine Lacombe Municipal Sustainability Plan.

5. ROLES AND RESPONSIBILITIES

5.1. Council

- 5.1.1. Adopt this Policy.
- 5.1.2. Adopt asset funding through financial plans.
- 5.1.3. Prioritize and articulate community values.

5.2. Chief Administrative Officer

- 5.2.1. Recommend this Policy and any amendments for adoption by Council.
- 5.2.2. Prepare funding and resources plans to implement this Policy.
- 5.2.3. Approve any exceptions to this Policy.
- 5.2.4. Be a visible champion for the implementation of the Asset Management Policy across the organization.
- 5.2.5. Ensure staff compliance with this Policy.

5.3. Directors and Senior Managers

- 5.3.1. To support compliance with the terms of this policy.

5.4. Managers and Supervisors

- 5.4.1. To support compliance with the terms of this policy.

5.5. Asset Management Steering Committee

- 5.5.1. Leading adoption of the Policy withing departments.

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5.5.2. Communication of Policy across the organization.

5.6. Employee/s

5.6.1. Observe the asset management principles outlined in this Policy.

6. END OF POLICY

Original Signed

Signature of Mayor

Original Signed

Signature of CAO

Approved April 8, 2024

Date

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Date

POLICY RECORD

Approval and Amendment History

Date of Council Meeting	Council Motion Number	Description
2018-12-10	18-445	Adoption of new Policy
2024-04-08		

Review History

Date of Policy Owner's Review	Description/Action Taken or Required
2023-2024	Updated to new template