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Engineering Services	Council	January 2, 2024

Background:

The District of Kitimat provides a wide range of services to the community that require the ownership and responsible operation, Maintenance, Rehabilitation, and Replacement of Assets. Asset Management is an integrated approach, involving all District of Kitimat departments, to deliver value to the community through the effective management of existing and new Assets. The intent is to maximize community benefits, reduce risk, and provide defined Levels of Service in a sustainable manner.

Purpose:

The Asset Management Policy (the “Policy”) articulates the District of Kitimat’s commitment to Asset Management and outlines the fundamental principles to be implemented. The purpose of this policy is to provide direction for the consistent application of Asset Management by Council and staff to plan and deliver Assets in a way that meets established Levels of Service.

Scope:

An Asset is any item, thing, or entity that has potential or actual value. The value can be tangible or intangible, and financial or non-financial.

This policy applies to all departments across the District of Kitimat. It includes both existing and new Assets that are owned by the District of Kitimat, including Assets owned by the municipality that are operated and/or maintained by an external service provider.

Where service provision is supported by Assets not owned by the District of Kitimat, including where Assets are owned by others but operated and/or maintained by the District of Kitimat, we will work collaboratively with those Asset owners and promote the principles outlined in this policy.

Principles:

The District of Kitimat will perform Asset Management activities in accordance with the following principles and the policy statements that support them:

1. Levels of Service

The District of Kitimat will clearly define Levels of Service objectives that balance community expectations and regulatory requirements with risk, affordability, and available resources. We will comply with all relevant legislative, regulatory, and statutory requirements, including those relating to occupational health and safety, and the environment.

The District of Kitimat will monitor and periodically review Levels of Service objectives to ensure that they meet

community and Council expectations and other strategic objectives. We will ensure transparency and accountability via regular communications to Council to share information on service performance and Asset condition. To that end, Assets will be maintained in such a manner that they continue to meet operational requirements for the duration of their expected life.

2. Sustainability and resilience

Asset Management decision-making will consider the needs of both current and future generations and the potential challenges associated with changing community demographics and expectations related to service delivery. The District of Kitimat will consider social, environmental, and economic factors and implications when making and implementing Asset Management decisions. We will consider the potential effects of the climate crisis and other environmental factors, and how the increased severity and frequency of climatic events may directly affect Levels of Service. Where appropriate, the District of Kitimat will adopt a proactive approach to mitigating the potential impacts of climate change.

3. Systems approach to Asset Management

The District of Kitimat will take steps to connect the appropriate departments, functions, and supporting activities to build effective working relationships and encourage information-sharing. These departments and functions include planning, engineering, public works, finance, human resources, leisure services, economic development, administration, fire and ambulance. Decision-making will recognize the interconnected nature of Asset systems and how decisions about one set of Assets may potentially interact with or affect Assets controlled by other departments or external service providers. We will therefore ensure that decisions are made collaboratively and consider all life-cycle stages and the interrelationships between asset performance, operational performance, and service performance.

4. Fiscal responsibility

The District of Kitimat will develop and maintain appropriate plans for Asset renewal via Rehabilitation or Replacement, for the purchase or construction of new Infrastructure, and for the decommissioning of obsolete Infrastructure. We will ensure that decisions regarding the need for new Assets are made with appropriate due diligence and that these needs are evaluated with a focus on service delivery to the community and expected future customer demand,

5. Innovation and continuous improvement

and supported with a valid business case that articulates benefits, Life Cycle Costs, and risks.

The District of Kitimat views continual improvement as a key part of our Asset Management System and will focus on driving innovation in the development of new tools, techniques, and solutions. We will monitor the effectiveness of our Asset Management System in supporting the delivery of strategic objectives and will adjust, as required, including through the provision of the necessary support, education, and training to staff.

Responsibilities:

Council is responsible for articulating community values and defining priorities which indicate the desired Levels of Service. Council is responsible for approving this Asset Management Policy, as well as approving funds and resources to implement this policy and associated requirements through long-term financial plans.

The Chief Administrative Officer, with support from the Asset Management Steering Committee and Asset Management Working Group, is responsible for leading the implementation of the Policy across the municipality.

Departmental managers are responsible for leading the adoption of the Policy within their departments and for allocating appropriate resources to its implementation and associated requirements.

All staff involved in the application of Asset Management are responsible for observing the requirements of the Policy.

Definitions:

The District of Kitimat will adopt or amend the Federation of Canadian Municipalities' definitions for asset management concepts¹ as follows:

- 1. Asset** An item, thing, or entity that has potential or actual value. The value can be tangible or intangible, and financial or non-financial. Also see "Infrastructure (or Physical Asset or Engineered Asset)" and "Natural Asset".
- 2. Asset Inventory** A record of key information about individual community-owned assets, and the collective systems they make up, including key attributes to support decision-making (e.g., location, age, material, size, condition, replacement value, etc.).
- 3. Asset Management** An integrated approach, involving all District of Kitimat departments, to deliver value to the community through the effective management of existing and new Assets. The intent is to

¹ <https://fcm.ca/en/resources/mamp/asset-management-concepts>

maximize community benefits, reduce risk, and provide defined Levels of Service in a sustainable manner.

- 4. Asset Management Framework**

A high-level overview of the Asset Management System, often in the form of a graphic illustration, showing how the different components connect to each other.
- 5. Asset Management Plan**

A document that specifies the activities, resources, and time scales required for an individual asset, or a grouping of assets, to achieve the organization's agreed upon Level of Service.
- 6. Asset Management Steering Committee**

Responsible for overseeing implementation of the Asset Management System for the District of Kitimat. The Asset Management Steering Committee consists of the following members:

 - Chief Administrative Officer (Chair)
 - Director of Engineering Services
 - Director of Operations
 - Director of Finance
 - Director of Planning
- 7. Asset Management Strategy (or Strategic Asset Management Plan)**

Documentation that specifies:

 - how organizational objectives are to be translated into Asset Management objectives;
 - the role of the Asset Management System in supporting achievement of the Asset Management objectives.
 - the approach to implementing the principles from the Asset Management policy;
 - the approach for developing an Asset Management Plan; and
 - the structures, roles, and responsibilities necessary to establish the Asset Management System and to operate it effectively.
- 8. Asset Management System**

A set of interrelated and interacting elements and tools, including policies, plans, business processes, and information systems, which are integrated to ensure that the Asset Management activities will be delivered.
- 9. Asset Management Working Group**

Responsible for designing and delivering the Asset Management System for the District of Kitimat. The Asset Management Working Group consists of the following members:

 - Deputy Director of Engineering Services (Chair)
 - Deputy Director of Operations
 - Deputy Director of Finance
 - Purchasing Manager

- Information Technology Manager
- Deputy Director of Leisure Services
- Director of Corporate Administration
- Human Resources Manager
- Director of Community Planning and Development

10. Infrastructure (or Physical Asset or Engineered Asset)

Tangible Assets that are purchased, constructed, developed, or otherwise acquired and used by a municipality to support its social, cultural, and economic services that are made up of components to form complex systems (e.g., water systems, sewer systems, roads networks, drainage systems, and buildings).

11. Levels of Service

The parameters, or combination of parameters, that reflect the social, political, environmental, and economic outcomes that the organization delivers. The parameters can include safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.

12. Life Cycle Cost (or Whole Life Cost)

The sum of the acquisition cost and ownership cost of a product over its life cycle – it reflects the evolution of a system, product, service, project, or other human-made entity from conception through retirement.

13. Maintenance

The process of preserving a condition or situation or the state of being preserved. Maintenance can be planned/scheduled or reactive.

14. Natural Assets

The stock of natural resources or ecosystems that is relied upon, managed, or could be managed for the sustainable provision of one or more municipal services (e.g., wetlands, woodlands, streams, ponds, and riparian areas).

15. Rehabilitation

Works to rebuild or replace parts or components of an Asset to restore it to the required functional condition and extend its life.

16. Replacement

The complete replacement of an Asset that has reached the end of its useful life so as to provide a similar or agreed upon Level of Service.