

Policy Title: Strategic Asset Management

Policy Number: 03-13-01

Section:	Corporate Administration	Subsection:	Corporate Asset Management
Effective Date:	June 5, 2019	Last Review Date:	[Last Review]
Approved by: Council		Owner Division/Contact: Corporate Asset Management, Finance Division, Corporate Services Department	

Policy Statement

The City of Mississauga owns a variety of infrastructure assets which support the delivery of our services. These assets require responsible management, including planning, acquisition, operation, maintenance, rehabilitation and eventual replacement and/or disposal. The City's Asset Management System ensures strategic alignment between the services our assets deliver and the City's strategic plan.

Purpose

This policy:

- Provides direction to guide Council, management and staff in carrying out the City's business strategies, plans and activities
- Sets out the City's commitment to meet the requirements of Ontario Regulation 588/17 (O. Reg. 588/17) in managing the City's assets, and
- Outlines the City's guiding principles and objectives in managing those assets

Scope

This policy applies to all employees and elected officials directly or indirectly involved with the management of existing and future assets owned and/or managed by the City.

Several key strategic documents form part of the City's overall approach to asset management, including but not limited to the:

- *Planning Act*, including statements issued under subsection 3(1)
- Mississauga Official Plan, including amendments
- Strategic Plan, supported by Master Plans
- Business Plan and budget
- Long-range financial plan
- Asset Management Plans of the City
- Development Charges Background Study

Definitions

For the purposes of this policy:

“Asset” means an item, thing or entity that has potential or actual value to the City, including but not limited to tangible assets, natural assets, heritage or culturally significant assets and information assets.

“Asset Management (“AM”) means the coordinated activities of an organization to realize optimal value from its Assets. AM involves balancing costs, opportunities and risks against the desired performance of Assets to achieve the City’s objectives.

“Asset Management Activities” means the collection of activities required to manage and maintain a particular Asset or collection of Assets.

“Asset Management Plan” (“AM Plan”) means the documented information that specifies the Activities, resources and timeframe required for an individual Asset, or group of Assets, to achieve the City’s Asset Management objectives.

“Asset Management Steering Committee” (“AMSC”) means the committee comprised of directors and/or senior management across the organization.

“Asset Management System” (“AMS”) means the complete set of interrelated or interacting elements used to meet the objectives of the City in managing its Assets. The elements of the AMS include but are not limited to documents, processes and procedures, resources, framework, tools, technologies, data and the Assets.

“Asset Management Working Group” (“AMWG”) means the cross-departmental/divisional team of Subject Matter Experts that governs and maintains the City’s Assets in compliance with the Strategic Asset Management Policy.

“Capitalization Threshold” means, at a minimum, the threshold outlined in Corporate Policy and Procedure – Finance and Accounting - Tangible Capital Asset Accounting and Reporting.

“Climate Change” means a change in global or regional weather patterns that persists for an extended period, usually decades or longer.

“Executive Lead” means the individual who will demonstrate and encourage support for Asset Management at a corporate level to ensure the objectives of the Asset Management Policy are achieved.

“Level of Service” (“LOS”) means defined measure(s) for a particular activity or service. LOS will be either technical or community in nature.

“Lifecycle” means the phases involved in the management of an Asset from acquisition to disposal.

“Lifecycle Costs” means the total cost over the life of an Asset, which includes but is not limited to capital, operating, maintenance, renewal, replacement, environmental, user-delay and retirement and/or repurposing costs.

“Resilience” means the ability to anticipate, endure, adapt, respond and thrive within a disruptive and changing environment.

“Risk Management” means the application of a formal process to assess risks in order to determine risk tolerance, the range of outcomes, their probability of occurrence and actions that may be taken to address overall risk exposure.

“Service” means the delivery of an output that addresses the needs of a client or a community.

Legislative Requirements

This policy complies with the *Infrastructure for Jobs and Prosperity Act, 2015*, specifically Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure, both as amended.

Background

The City of Mississauga is responsible for the provision of a diverse array of Services which depend on a large portfolio of Assets. Effective Asset Management ensures Levels of Service, Risk Management and Lifecycle Cost are balanced throughout the delivery of the Service. Ultimately, adopting effective and comprehensive strategies across the organization will support long-term sustainability while addressing Service needs.

Guiding Principles

In order to achieve the goals and benefits of AM, the City will apply the following guiding principles across all aspects of the AM System:

1. **Community Focused** – The City will deliver Services that our community values.
2. **Resiliency and Sustainability** – Decision making will proactively consider the potential direct and indirect impacts of climate change, demographics, social, political and economic changes, now and for future generations (i.e. how they may directly affect Levels of Service; systematically incorporate adaptive measures and technologies to improve infrastructure resilience).
3. **Continuous Improvement and Innovation** – The City will consistently monitor, assess and improve its practices and processes.
4. **Safety** – The City values the safety of its employees, communities and those who use its Services.
5. **Transparency and Accountability** – The City will clearly identify the decision-making rationale for what we are doing, how we are doing it and why we are doing it.
6. **Optimization and Alignment** – The City will tie decisions to Service requirements and outcomes, informed by Council-approved strategic priorities; Capitalization Thresholds in the AM Plans and Tangible Capital Asset reporting will be aligned.
7. **Collaboration** – The City will ensure decisions are made within a consistent framework and methodologies and informed through discussion with internal and external partners.

Strategic Objectives

The City will ensure it meets the goals of the City's Asset Management System by achieving the following objectives:

- Define all Asset categories and develop a comprehensive inventory of all Assets within each category
- Develop Asset Management Plans for all appropriate Asset categories
- Establish, deliver and monitor LOS
- Establish a framework to prioritize and adjust LOS based on criteria such as risk, Lifecycle Costs, safety and stakeholder input
- Provide opportunities for the community to provide input into Asset Management Planning
- Establish and apply a common Risk Management framework across all Asset categories to ensure the City can transparently prioritize its resources across all Assets
- Identify the true cost of providing City services at established LOS
- Optimize the Lifecycle activities of our Assets and continuously look for opportunities for coordination of activities across departments and with our external stakeholders where municipal infrastructure Assets connect or are interrelated

- Align Asset Management Activities with the City's Business Plan and Budget processes, so that AM Plans and progress made on the plans are considered annually in the creation of the City's capital and operating budgets and long-range financial plans
- Align AM planning with Ontario's land-use planning framework, in accordance with the *Planning Act*, to ensure future infrastructure demands are addressed
- Ensure staff have the necessary resources to support our Asset Management Activities
- Build capacity, competency and leadership throughout the organization, and
- Build awareness and inform our community and stakeholders of the City's Asset Management programs

Roles and Responsibilities

Council

Council is responsible for:

- Approving the direction of the Asset Management System
- Approving funding for both capital and operating budgets associated with Asset Management through the annual budget and business plan
- Maintaining the financial needs of the community while balancing local needs and concerns which affect the entire City, and
- Approving LOS for all Asset categories

Leadership Team

The Leadership Team is responsible for:

- Championing Asset Management across the City
- Approving AM Plans
- Recommending Asset funding for Council consideration through the annual budget process to ensure financial sustainability for Asset Management
- Approving an Asset Management System governance structure, and
- Recommending LOS for all Asset categories

Executive Lead

The Executive Lead is responsible for demonstrating and encouraging support for Asset Management at a corporate level.

Asset Management Steering Committee (AMSC)

The AMSC is responsible for:

- Endorsing Asset Management Plans and strategies, including LOS
- Being Asset Management ambassadors
- Ensuring alignment of Strategic and Business Plans in relation to Asset Management, balancing needs across service areas

- Ensuring the City has the appropriate tools and resources to develop a robust Asset Management System that addresses corporate requirements and the needs of individual service areas, and
- Ensuring roles and responsibilities throughout the organization are clearly defined

Corporate Asset Management Office, Financial Strategies Section

The Corporate Asset Management Office (CAM Office), Financial Strategies Section, is responsible for:

- Coordination, implementation and reporting of AM Plans, in accordance with legislated requirements
- Encouraging opportunities to improve coordination of efforts across the City's departments through the AMWG, to ensure standardized and consistent methodologies are followed in the areas of data, business processes and resource sharing related to Asset Management, and
- Coordinating activities with external partners

Asset Management Working Group (AMWG)

The AMWG is responsible for:

- Ensuring direction from the AMSC and the CAM Unit is reflected in individual AM Plans, to ensure compliance with Ontario regulations
- Promoting cross-collaboration within the City to ensure there is a consistent approach to Asset Management planning throughout the City through the application of standard policies and procedures
- Establishing and facilitating an Asset Management Community of Practice
- Providing a forum for cross-departmental collaboration on initiatives or projects related to Asset Management
- Identifying data requirements and providing expert advice on the direction the City should be taking with respect to AM data management and business systems, to ensure a comprehensive Asset Management System
- Assisting in developing and applying a Risk Management framework to help inform decisions
- Providing Asset Management requirements as inputs to the annual budget process and long-term financial forecasts
- Championing Asset Management requirements for Assets under their portfolio, and
- Coordinating activities at the individual Asset level with external partners

Review Period

Legislation requires this policy to be reviewed a minimum of once every five years.

Reporting

City Staff will provide Council with an annual progress report of the Asset Management System on or before July 1 of each year, beginning in 2020. The report must address the City's progress

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in implementing its Asset Management Plan(s) and any protocols to achieve compliance with Provincial legislation and regulation timelines.

Revision History

Reference	Description
GC-0315-2019 – June 5, 2019	