



ASSET MANAGEMENT MANDATE

STEWARDSHIP OF PUBLIC ASSETS

OCTOBER 2015

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ASSET MANAGEMENT MANDATE

PURPOSE

Municipal services are a vital part of daily life and business. The expectation is that these services are provided at high levels with minimal interruption. The infrastructure, systems, facilities, equipment, and tools (collectively “Assets”) that are used to provide municipal services need to be catalogued and kept in a good state of repair to enable the services to be delivered.

The sound integration of Asset Management principles into municipal governance and processes are key success factors in attaining reliable sustainable municipal services for future generations.

PICTURE

Assets need to be maintained, regularly inspected, repaired, and replaced at the end of their serviceable life to ensure that they remain in good state of repair at the lowest cost over the life of the asset.

The Asset Management Division catalogues all assets and, in collaboration with operating departments, identifies what operating programs and capital re-investments are needed.

Approved capital projects, existing operating programs, and policies are compared with what is needed and being achieved with existing resources. Gaps, associated risks, and mitigation options are identified along with opportunities where industry best practices can provide increased value to municipal service delivery

PLAN

The Asset Management Division will utilize evolving industry standard practices and follow legislative requirements (where they exist) to monitor and document the current state of assets through information gathered through standardized inspection and condition assessment programs, as well as various indicators such as service interruptions and customer feedback.

Operating programs and capital investments that are needed to re-instate or keep assets in a good state of repair into the future are identified through life-cycle modeling efforts along with the risks associated with current or future deferrals.

Each term of Council will be informed of the current state of infrastructure, gaps, and associated risks, and mitigation options for consideration when establishing objectives for their term.

Cambridge will continue to evolve asset management in partnership with other government organizations in collaboration with operating departments.

PART

Education of the purpose, principals, and benefits of asset management to staff, management, elected officials, and the public is a key factor in achieving sustainability of municipal services.

The Asset Management Division will collaborate with operating departments to ensure that business processes are adjusted along with technology services to ensure that business systems capture information needed to support analytics associated with Asset Management activities and associated Key Performance Indicators and Measures (KPI / KPM).

Asset Management will also work with various business units in the organization to make use of information generated from within the business units, through external contracted services, or directly by asset management staff in a consistent and agreed-upon method and standard.

The Asset Management Division is responsible for publishing information to support various industry metrics as well as the Corporation's Asset Management Plan.

Operating departments are directly responsible for the execution of capital re-investment projects as well as the operating and maintenance programs for assets involved in services they are responsible for providing.

PROGRESS

A "State of Infrastructure" report will be prepared and submitted to each new Council to identify current state, risks, and sustainability gaps. Impacts to established level of service expectations will also be provided for Council's consideration.

An annual progress report will be presented to Council highlighting key components of the Asset Management program including such matters as significant adjustments based on new information or changing circumstances.

BUSINESS MODEL

CORE OBJECTIVES

There are 7 core objectives in Asset Management:

- What assets does the city have or is responsible for (inventory) and what services do they support?
- What are those assets worth (replacement value)?
- What condition (state of repair) are the assets currently in and do they support the demand/function now and in the future?
- What work needs to be done (Capital and Operating) to re-instate or keep assets in good state of repair now and into the future?
- When should the work be done and what is the impact of deferral?
- How much will it cost and what resources are required?
- How will the work be funded now and into the future?

GUIDING PRINCIPLES

- Collaboration between Asset Management and Operating Departments who are responsible for delivering public services is essential.
- Individual expertise and skills across the organization will be leveraged in the spirit of collaboration.
- Asset Management's role is to collect, analyze, and provide information to Council, the public, industry, and other levels of government

KEY PERFORMANCE INDICATORS AND MEASURES

A significant number of measures are utilized within asset management, however, the indicators that provide the highest measure of success are as follows for each asset class:

\$ Funded / \$ Needed	Provides a ratio of sustainability
\$ Backlog per household	Quantifies the magnitude of the accumulated work
\$ Deficit per household	Quantifies the magnitude of the current funding gap
Average remaining service life in years	Provides a timeline
\$ of hours service unavailable due to asset failure X # of users affected / # of hours service is provided X number of users	Provides a service reliability metric

SCOPE OF ASSETS

Assets included within this mandate are as follows:

- Water distribution system and its components
- Sanitary sewer collection system and its components
- Drainage system and its components
- Transportation network for vehicles, cyclists, and pedestrians
- Parking Facilities
- Recreation Facilities, parks, and open spaces and their components
- Green infrastructure and supporting components
- Buildings and property used for administration, operations, storage, 3rd party lease, and their components
- Fleet and Equipment
- Computer business systems
- Computer servers, network, and communications equipment and components

Assets excluded from this mandate are as follows:

- Financial Assets (investments)
- Land/Realty/buildings held for economic development purposes
- Consumables