Purpose:

1   The City of Red Deer 2009 – 2011 Strategic Plan identifies the implementation of an Enterprise Asset Management Program as one of The City's strategies to achieve medium and long term financial sustainability of the organization.

2   The purpose of this policy is to facilitate logical, methodical, and informed decision-making for the life cycle planning of assets to achieve greater asset sustainability and effective allocation of resources. Specifically, this policy addresses the need to:
   (1) provide a consistent and accurate means of tracking and reporting The City's assets;
   (2) provide the framework which enables the organization to implement plans and achieve enterprise asset management objectives; and
   (3) meet legislative reporting and organizational financial planning requirements.

Policy Statement(s):

3   The City will operate an Enterprise Asset Management (EAM) program, promoting the use of asset management principles in all City departments. The program will assist departments to optimize processes for the creation, operation, maintenance, and disposal of assets. The program will promote the provision of services at a level that balances customer expectations with cost and business risk.

4   The program will include:
   (1) An Asset Registry:
       (a) The asset registry will maintain an inventory of The City's tangible capital assets including their value, performance characteristics, and estimated remaining life (depreciation).
   (2) Corporate Work Management Systems (WMS):
       (a) WMS will:
           (i) track workflow from service request to task completion and integrate existing major information systems to track asset performance over time; and
           (ii) improve quality and reliability of data in the asset registry.
   (3) Asset Management Plans:
       (a) Asset management plans will be developed within departments for groups of assets specific to those departments. The plans will leverage:
           (i) the data in the registry and known best practices to identify and implement; and
           (ii) improvements in business processes in order to balance a level of service that meets customer expectations with the costs and risks associated with providing the service.

5   EAM Objectives:
   (1) Establish and maintain a record of the value and depreciation rates of all tangible assets owned by The City.
   (2) Review, on an on-going basis, business processes related to asset acquisition, asset maintenance, asset disposition, and service provision.
   (3) Establish a set of corporate standards to promote consistency in how assets are managed.

(4) Modify current business processes where justified to improve operational effectiveness and efficiency.

(5) Ensure legislative requirements including Energy & Utilities Board, Public Sector Accounting Board, and other regulatory standards are met.

(6) Support the development and improvement of decision-making tools that promote doing the right thing to the right asset at the right time.

(7) The development of enhanced communication tools to illustrate complex concepts in plain language.

(8) Achieve continuous improvement in asset management process through ongoing improvements to data quality to provide increased forecast reliability.

Definitions:

6   Asset Management: The combination of management, financial, economic, engineering, and other practices applied to physical assets, with the objective of providing the required level of service in the most cost-effective manner. Concerned with decision making and actions throughout the life cycle of physical assets.

7   Enterprise Asset Management (EAM): The application of asset management practices on a corporate level to maximize consistency among diverse business units. EAM creates efficiency by harmonizing service levels and business processes wherever possible.

8   Asset Management Plans: Department specific plans, renewed every three years, which tell how departments can implement strategies and achieve asset objectives and targets. Asset Management Plans will provide an understanding of:
(1) existing and desired service levels;
(2) demands on the assets;
(3) financial commitments needed to maintain assets;
(4) policies and programs needed to be sustainable; and
(5) business risk of asset failure

9   Life Cycle: The cycle of activities that an asset goes through while it retains an identity as a particular asset.

10   Life Cycle Cost: The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation, and disposal costs.

11   Physical Asset/Tangible Capital Asset: Property, plant, and equipment which meet all three criteria:
(1) Used in the production or supply of goods and services or for the development, asset construction, maintenance, or repair of other capital assets;
(2) Acquired, constructed, or developed with the intention of being used on a continuing basis for greater than one year; and
(3) Not intended for sale in the normal course of operations.

References/Links:

1   Asset Management Strategy and Roadmap

2   Municipal Government Act (Section 276)

3   PSAB Key Considerations and Road Map

4   PSAB 3150 Road Map

5   PSAB 3150 Reporting Guideline

6   Public Sector Accounting Board (PSAB) Directive 3150 (issued under the authority of the Canadian Institute of Chartered Accountants)

7   The City of Red Deer 2009 – 2011 Strategic Plan (SUST 4.1)

8   5324-CA Capitalization of Tangible Capital Assets

Scope/Application:

1   This policy applies to all staff using or managing tangible assets to provide services for The City.

Authority/Responsibility to Implement:

1   City Manager:
    (1) The City Manager maintains the authority to approve changes to this policy.

2   Corporate Leadership Team (CLT):
    (1) CLT has the responsibility and authority to ensure the program is implemented as a corporate wide enterprise program.

3   Enterprise Asset Management Program Coordinator (EAM Coordinator):
    (1) The EAM Coordinator is delegated the authority by the City Manager, through the Director of Corporate Services, to lead in the management of an Enterprise Asset Management Program. This includes promotion of the EAM program and providing support to department managers to develop asset management strategies and implement changes identified by the program.
    (2) The EAM Coordinator will consult the Advisory Committee (Appendix A) as appropriate on decisions that have a significant impact on operations or processes.
    (3) The EAM Coordinator will engage the members of the Advisory Committee to increase cooperation with (reduce resistance to) changes identified through the asset management planning process, and facilitate the continuous improvement of asset management practices.

4   Department Managers:
    (1) Department managers will act as Asset Management Stewards responsible for the implementation of improvements to processes identified in the asset management plans or through implementation of the enterprise work management software.
    (2) Department managers will ensure asset management plans and long term financial plans meet legislative requirements. They will consult regularly with the EAM Coordinator on the progress of improvements as well as capital plans and processes to facilitate continuous improvement of the asset management planning process.

Inquiries/Contact Person:

1   Enterprise Asset Management Program Coordinator

Document History:

Date	Signature	Title
Approved: March 16, 2010	"Craig Curtis"	City Manager

Administrative Revisions:

Date:	Description:
July 26, 2017	Updated to newest template

Appendix A: Advisory Committee

The Enterprise Asset Management Advisory Committee will provide advice on an ad-hoc basis for matters concerning corporate asset management initiatives. The committee will be chaired by the EAM Coordinator and meetings will be held at the call of the chair. The whole or part of the committee may be convened as appropriate for the matter at hand. Committee members include:

- Recreation, Parks and Culture Manager
- Public Works Manager
- Environmental Services Manager
- Financial Services Manager
- Engineering Services Manager
- IT Services Manager
- Electric Light and Power Manager
- Corporate Services Director
- Corporate Controller – Budgets and Investments
- GIS Supervisor
- Development Systems Supervisor
- Recreation Superintendent