

**DRAFT – For Discussion Only**

**City of St. John’s Corporate and Operational Policy Manual**

<b>Policy Title:</b> Asset Management	<b>Policy #:</b> 01-01-09 (to be assigned)
<b>Last Revision Date:</b> N/A	<b>Policy Section:</b> Organization > Administration
<b>Policy Sponsor:</b> Deputy City Manager, Finance and Administration	

## **1. Policy Statement**

The City is committed to Asset Management and to development of an integrated, organization-wide Asset Management System with the goals of:

- a) delivering services at approved levels of service;
- b) improving decision-making accountability and transparency;
- c) considering long-term impacts of short-term decisions;
- d) improving customer service;
- e) maintaining or reducing lifecycle costs while maintaining levels of service; and
- f) considering service outcomes when making infrastructure investment decisions.

The Asset Management System shall align with the City’s corporate strategy and policies.

## **2. Definitions**

**“Asset Management” (AM)** means the coordinated activity of the City to realize value from its assets, including all activities involved in an asset’s lifecycle.

**“Asset Management System”** means a set of interrelated and interacting elements of an organization, including but not limited to an AM policy and AM objectives, and the processes needed to achieve those objectives.

**“Employee”** means any person employed by the City of St. John’s as a permanent, term, part-time, casual, contract, seasonal, temporary, or student worker.

**“Levels of Service”** means the parameters, or combinations of parameters, that reflect the social, political, environmental, and economic outcomes that the organization delivers and may include, but are not limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.

**“Lifecycle Cost”** means the sum of all recurring and one-time (non-recurring) costs over either the life span, or a specified period of an asset, and may include, but is not limited to, planning, design, construction, acquisition, operation, maintenance, rehabilitation, and disposal costs.

### **3. Policy Requirements**

#### **3.1 Guiding Principles**

The principles that shall guide the City’s Asset Management System objectives are:

- a) holistic approach;
- b) service excellence;
- c) long-term sustainability and resilience;
- d) innovation and continuous improvement; and
- e) investment decision making.

#### **3.2 Holistic Approach**

The City shall:

- a) implement a holistic approach to Asset Management that considers impacts of decisions on stakeholders, and shall make informed, evidence-based decisions using formal and consistent methods;
- b) consider assets and their interrelationships in a larger service delivery context; and
- c) encourage collaboration, cooperation, and information sharing across the organization.

### **3.3 Service Excellence**

The City shall:

- a) create a framework for establishing levels of service and establish levels of service that:
  - i. adhere to applicable legislative requirements;
  - ii. use risk-based and information-driven decision-making processes that consider impact to stakeholders when evaluating decisions regarding maintaining or changing levels of service; and
  - iii. consider affordability and availability of resources;
- b) target investments to maintain and manage assets at established levels of service; and
- c) ensure decisions regarding new assets are supported by a business case that articulates costs and benefits.

### **3.4 Long-term Sustainability and Resilience**

The City shall:

- a) consider resilience when making infrastructure asset investment decisions, particularly capital renewal and maintenance; and
- b) consider current and future socio-cultural, environmental, and economic implications during Asset Management decision making.

### **3.5 Innovation and Continuous Improvement**

The City shall:

- a) seek innovative ways to develop Asset Management tools, techniques, and solutions;
- b) measure the effectiveness of its Asset Management processes and procedures and adjust, as required;
- c) incorporate continuous improvement principles into the Asset Management process; and
- d) determine and provide the necessary training in Asset Management to Employees.

### **3.6 Investment Decision Making**

The City shall develop and maintain plans for capital investment, including, but not limited to:

- a) considering the Lifecycle Cost of an asset;
- b) developing long-term capital investment strategies that enable rational and transparent investment decisions; and
- c) implementing processes to address the operational budget implications of capital investments.

#### **4. Application**

This policy applies to:

- a) tangible capital asset types that deliver services of the City, including, but not limited to, water/sewer/stormwater infrastructure, buildings, fleet, land, roads, sidewalks, bridges, retaining walls, landfill, general equipment, artwork, and parks, and shall include assets of the St. John's Transportation Commission (Metrobus); and
- b) tangible capital assets owned by St. John's Sports & Entertainment Ltd.

#### **5. Responsibilities**

##### **5.1 City Council** shall be responsible for:

- a) approving the Asset Management policy;
- b) approving funding and resources to implement the Asset Management policy and associated requirements; and
- c) articulating strategic direction for Asset Management and defining priorities.

##### **5.2 The Deputy City Manager (DCM), Finance and Administration** shall be responsible for:

- a) ensuring the development and implementation of funding strategies to support implementation of this policy, based on available resources; and
- b) development, implementation, and monitoring of the Asset Management System.

##### **5.3 DCMs and the City Manager** shall be responsible for:

- a) maintaining, based on available resources, the organizational capacity to support effective Asset Management, including but not limited to, resourcing, staff competencies, business process, data, and integrated information systems.
- b) creating and maintaining an Asset Management governance structure and strategy to lead the development and implementation of Asset Management practices across the organization.

#### **5.4 Employees** shall be responsible for:

- a) complying with this policy and all other associated requirements.

### **6. References**

04-06-01 Procurement Policy  
04-06-02 Materials Management Policy  
[City of St. John's Strategic Plan](#)

### **7. Approval**

- Policy Sponsor: DCM, Finance and Administration
- Policy Writer: Policy Analyst; Program Manager, Asset Management
- Date of Approval from
  - Corporate Policy Committee: February 6, 2020
  - Senior Executive Committee:
  - Committee of the Whole:
- Date of Approval from Council:

### **8. Monitoring and Contravention**

The Budget and Treasury Division shall monitor the application of the policy.

The Asset Management System shall be monitored and periodically reviewed, at least biennially, for effectiveness (including meeting service levels), regulatory compliance, and support of strategic objectives.

Any contravention of this policy and/or associated procedures shall be reported to the Department of Finance and Administration, Department of Human Resources, the Office of the City Solicitor, and/or the City Manager for further investigation and appropriate action, which may include, but is not limited to legal action and/or discipline, up to and including dismissal.

## **9. Review Date**

Every three years.

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