

Title: Asset Management Policy

Category: Strategic – define structure, processes and resources

Key words: Asset management, asset management strategy, asset management plan, operational plan, infrastructure asset, asset lifecycle, useful life of asset, level of service.

File number: A-119-6

Policy owner: Director City Works (Asset Planning and Investigations)

Authorisation: Adopted by Council 26 May 2011 as part of City Plan 2011-12 (Minute Number 123)

Review date: Review by December 2014

Modification history: This is a new policy

Related legislation:

Related policies:

Related procedures:

Related forms:

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1. Purpose

The purpose of this policy is to guide the strategic management of all of Council's infrastructure assets. It will be achieved by:

- a) Developing an Asset Management Strategy
- b) Preparing individual Asset Management Plans for each specific asset class
- c) Preparing delivery, operating and maintenance plans for each specific asset class
- d) Ensuring the Asset Management System is kept up to date

Together these documents, processes, software and asset inventories make up the Asset Management System

2. Objectives

To provide and promote an environment for carrying out asset management in such a way that ensures that:-

- a) Assets are managed in accordance with relevant legislation
- b) Assets are managed in accordance with recognised best practice (eg. International Infrastructure Management Manual)
- c) Future funding needs are identified so that assets can achieve their defined level of service
- d) An asset "whole of life" approach is taken in the development of operational, maintenance, renewal/ rehabilitation, augmentation and investment strategies
- e) Risk is considered in the development of asset strategies
- f) Asset performance is measured against defined levels of service
- g) Assets are brought to account in accordance with the requirements of the appropriate accounting standards and reporting requirements

3. Scope

This policy applies to all infrastructure assets, regardless of their source of acquisition.

4. Definitions

Asset Management

Asset Management is a systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets.

Asset Management Strategy

A strategy for asset management covering the development and implementation of plans and programs for asset creation, operation, maintenance, rehabilitation/replacement, disposal and performance monitoring to ensure that desired levels of service and other operational objectives are achieved at minimum cost. The Asset Management Strategic Plan typically has a 10-25 year horizon and aligns Asset Management with the corporate business plan.

Asset Management Plan

A plan developed for the management of one or more infrastructure asset classes that combines multi disciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost effective manner to provide a specified

level of service. A significant component of the plan is the development of long-term cash flow projections for the activities.

Operational Plan

Operational Plans generally comprise detailed implementation proposals and information with a 1-3 year outlook (short-term). The plans typically cover operational issues to ensure the delivery of the Asset Management Policy, Strategy and Plans. The plans also detail structure, authority, responsibilities, identify defined levels of service and consider emergency preparedness/ responses.

Asset Management Information System

An Asset Management Information System is the foundation of all Asset Management Practices. It is the combination of processes, data and software to provide the essential outputs for effective asset management and takes into account risk and optimum infrastructure investment. The Asset Management Information System will link with the other corporate information systems such as the Property System, Geographic Information System, Finance System and Document Management System thereby integrating Asset Management with the rest of Council's operations.

Asset

A physical component of a facility which has value, enables services to be provided and has an economic life of greater than 12 months. They represent not only physical objects or rights which have some monetary value, but also result from expenditure from which the benefit is yet to be derived.

Infrastructure Asset

Infrastructure assets are typically large, sometimes interconnected networks or portfolios of different asset classes that are usually renewed or replaced individually to continue to provide the required level of service from the network. Some examples are: roads; footpaths and cycleways; bridges; and buildings.

Asset Life Cycle

This is the life (years) of an asset from the planning and design phase through to decommissioning or disposal.

Useful Life of an Asset

The useful or economic life of an asset is the estimated or expected time between placing the asset into service and removing it from service.

Level of Service

The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, statutory functional requirements, environmental, acceptability and cost.

5. Principles

Council is the custodian and trustee of public assets and is responsible to effectively account for and manage these assets to prolong their life and provide for their eventual replacement.

Asset management is a systematic process to guide the planning, acquisition, operation, maintenance, renewal and disposal of assets. The objective is to maximise

asset service delivery potential and manage related risks and costs over the asset's life cycle.

Infrastructure assets are important to the local community and are fundamental to Council's overall service delivery. We will;-

- Develop and every 4 years review the Strategic Asset Management Plan.
- Allow the Community Strategic Plan to inform asset requirements to reflect community priorities.
- Ensure the alignment of the Community Strategic and Corporate Plan with the Strategic Asset Management Plan and vice versa.
- Develop documented service level agreements with key stakeholders to ensure the provision of sustainable assets.
- Use "whole of life" costs as the basis for making decisions regarding asset acquisition, replacement, maintenance and disposal.
- Ensure compliance with Accounting Standards
- Monitor asset utilisation and predict future demand changes.
- Identify, through risk management and condition assessment, initiatives to reduce the exposure to injury, liability and asset failure.
- Develop and maintain life cycle-based asset management plans for each asset class identified in the Asset Management Strategy.
- Develop and maintain operational plans for each asset class, identifying the full life cycle costs, service level requirements, maintenance requirements, risk management plan, refurbishment, replacement and disposal requirements for each item.
- Provide relevant information to support asset management, including the effective collection, collation and analysis of asset data.
- Keep up to date on issues relating to asset management.
- Deliver enhanced services and organisational performance by optimising and rationalising assets in order to provide the best possible quality and value for money.
- Measure and report on asset performance including utilisation and costing to ensure that the costs incurred do not outweigh the benefits derived.

6. Responsibilities

Councillors

- Provide stewardship
- To ensure Asset Management Planning is practiced through out the organisation.
- To make decisions on services that have asset implications in accordance with the adopted Asset Management Policy and Strategy.
- Approve the Asset Management Policy.

Executive

- Ensure that sound business principles are reflected in the Asset Management Strategies and Plans that are developed.
- Approve the Asset Management Strategy.
- Approve the Asset Management Plans.

- Ensure the integration and compliance with the Asset Management Policy and Strategy with other policies and business processes of the Organisation.
- Ensure compliance with legal obligations.

City Works

- Develop and maintain an Asset Management Strategy.
- Develop and maintain Asset Management Plans.
- Review the Asset Management Policy annually.
- Engage up to date technologies, methodologies and continuous improvement processes.
- Facilitate “Best Appropriate Practice in Asset Management”.

7. Procedures

Refer to:

- Infrastructure Renewal Plan
- City Plan
- 4 year delivery program
- Section 94 Contribution Plan
- Asset Management Systems
- Building Facilities Plan
- Open Space and Recreation Plan
- Environmental Management Plan
- International Infrastructure Manual
- Asset Management Plans for Footpaths
- Asset Management Plans for Transport
- Asset Management Plans for Stormwater
- Asset Management Plans for Properties
- Asset Management Plans for Open Space