

ASSET MANAGEMENT POLICY GUIDE

The Asset Management Toolkit was developed by the Northwest Territories Association of Communities. Work was completed by Kerr Wood Leidal Associates Ltd. in 2018. It has been updated by Jacobs, in partnership with KWL, in May of 2023 to reflect the realities of how the climate is impacting the ability of NWT communities to deliver services.

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Funded by:



Prepared by:



1. About this Guide

The Asset Management Policy Guide (“The Guide”) was developed by the Northwest Territories Association of Communities (NWTAC).

This Guide is part of a Toolkit of resources that have been developed to help communities build their capacity in asset management. The resources that make up this Toolkit include:

- ▶ Asset Management Policy Template & Supporting Guide
- ▶ Asset Management Plan Template, Inventory Template & Supporting Guide
- ▶ Lifecycle Cost Workbooks (2) & Supporting Guides
- ▶ Levels of Service Template & Supporting Guide
- ▶ Playbook Worksheet, Climate Vulnerability Assessment Worksheet, Annual Schedule Template & Supporting Guide
- ▶ Smart Management Practices (6)

Each component is designed to be used together with the other components of the Toolkit, which can be found online at: www.nwtac.com

Purpose

This Guide is intended to provide information and resources to support communities in the Northwest Territories as they develop an Asset Management Policy that is tailored to their local context. It is designed to help communities interpret and adapt the Asset Management Policy Template that accompanies this Guide.

Intended Audience

The Guide has been developed for representatives of communities in the Northwest Territories, including staff, senior management, and decision-makers such as Mayor, Chief, and Council. This Guide may also be of interest to members of the public who would like to learn more about asset management practice in their community.

Guide Structure

The Guide is designed to accompany the Asset Management Policy Template, which provides a starting place for communities to develop their own Asset Management Policy. It includes sections describing each component of the Policy and resources to help local governments tailor the template to meet their needs. The Guide is made up of four major sections:

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| 1. About this Guide | Information on the purpose of this Guide and how it can be used by communities to build asset management capacity. |
| 2. Background | Details on what an Asset Management Policy is and how it fits in with existing strategies and practices in the Northwest Territories. |
| 3. Developing Your Policy | <p>A description of each section of the Asset Management Policy Template, as well as resources and tools to help communities tailor the Policy to their needs.</p> <p>Sections in the Guide mirror those in the Policy Template and include “Policy Purpose”, “Asset Management Principles & Policy Statements”, “Context and Integration”, and “Responsibilities for Managing the Asset Management Policy”.</p> |
| 4. Putting it into Practice | An overview of next steps for finalizing your Policy and adopting it into practice. |

2. Background

Asset Management Policies

A Policy articulates Council's commitment to asset management and provides statements that guide staff in carrying out all elements of the organization's asset management program.

Asset management policies are intended to guide asset management practice consistently across the organization. A Policy should:

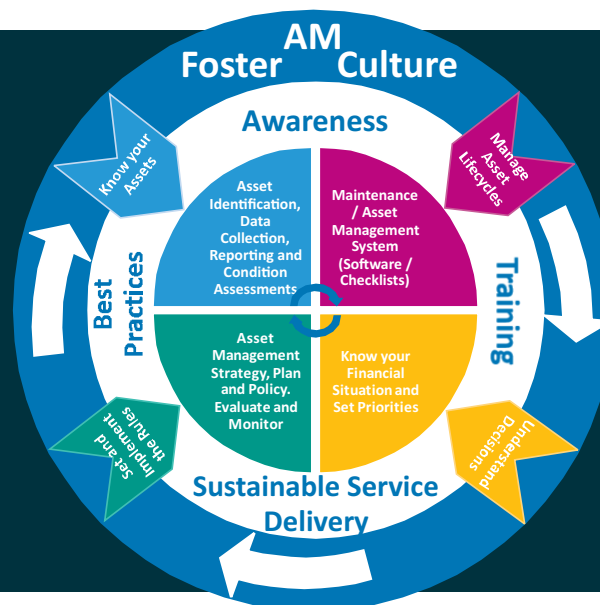
What is Asset Management?

Asset management is an integrated process for making informed decisions, considering the present and future needs of users and the services they provide. Tools and resources, such as this Guide and Policy Template, are often used to support the sustainable and proactive management of community infrastructure assets.

- ▶ Clearly outline how asset management will be integrated within the organization in a way that is consistent, cost effective, and organizationally sustainable.
- ▶ Articulate its purpose (why asset management is being implemented), principles and statements (how asset management will be practiced), and the staff responsible for implementing the Policy (who will make it happen).
- ▶ Once an Asset Management Policy is adopted by Council, it is expected that its implementation will be enabled through the development of supporting tools, resources, and processes. The community should establish a schedule for regular review and update of the Policy (e.g. on a five year cycle) to ensure it continues to reflect community needs.

Asset Management in the NWT

NWTAC has partnered with MACA to assist communities with asset management and support them in complying with the requirements of Gas Tax Agreements. A four stage process has been developed to foster a culture of asset management, as shown in the figure to the right. This Guide focuses on the “Set and Implement” stage in the process, which includes developing an Asset Management Policy.



Asset Management Framework

Infrastructure Impacts of Climate Change in the Northwest Territories

In the North, the climate is warming at approximately 4 times faster than the rest of the world. As a result, our communities are becoming more vulnerable; we don't always have the ability to cope with variability and extremes in our climate resulting in impacts (eg. permafrost melt). This change has been affecting our infrastructure (eg. structural integrity of our community buildings and our roads) and will continue to do so into the future, challenging our ability to deliver essential and relied upon services (eg. recreation and water delivery). Most of our existing infrastructure was built to perform in a climate that no longer exists.

Considering climate change within our asset management program provides an avenue for becoming more resilient and ultimately sets a path forward for how we can continue delivering services sustainably to future generations. The first step is ensuring leadership, through an asset management policy. This demonstrates that leadership recognizes the vulnerabilities that the community is facing and is willing to commit to using asset management as a tool to begin addressing local concerns.



3. Developing Your Policy

About the Asset Management Policy Template

The Asset Management Policy Template is designed to be “implementation ready” and communities can choose the degree to which they tailor the template to their needs. Each sub-section presented below directly mirrors the sections in the Policy Template. Yellow highlights in the Template show areas that communities will need to update to make the Policy their own. While some communities may choose to make very few changes, only adding in their community name and relevant documents, others may choose to make changes to text or add new sections.

Wherever you choose to start, your Asset Management Policy is a document that can be built on and adjusted over time as community goals and capacity in asset management are developed.

Guiding Questions

As you develop your Asset Management Policy, think about the following questions:

- ▶ Does your community have defined levels of service? If so, what are they?
- ▶ Is it important for your community prioritize core infrastructure needs over wants?
- ▶ Who will be responsible for implementing the Asset Management Policy and program?
- ▶ What strategic goals does your community already have that should inform the Asset Management Policy?
- ▶ Do you understand your vulnerabilities from a changing climate and the impact on your ability to deliver services into the future? Are you able to follow through on and implement the policy statements, and what are the implications of doing so (eg. price, resources)?



Key Considerations as you Develop Your Policy

To help ensure your Asset Management Policy will be implemented fully and consistently over time, consider the following tips:

- ▶ **Keep it simple!** Using clear and simple language and concepts enable the Policy to be understood and consistently implemented over time.
- ▶ **Start small and build.** Beginning with a basic Asset Management Policy means your community can focus on implementing core features of asset management well. More complex features can be built into your asset management program gradually overtime as asset management capacity develops.
- ▶ **Set realistic goals.** Design your Policy to build on the procedures and frameworks your community already has in play. Establish policy statements that can be realistically implemented at all points in the year and political cycles.
- ▶ **Focus on core infrastructure and services.** Focusing on core services like water, sewer, buildings, and solid waste management first with ensure that basic community needs are being met as decisions about infrastructure are made.

Climate Change Impacts in Tuk

Tuk is a traditional community. Location chosen based on traditional activities like whaling. We need to find a new location that allows for this.



TUK ISLAND IS PROJECTED TO GET ERODED/FLOODED MORE AND MORE.

MANY THINGS ARE BEING DONE :

- Move houses
- Raise Roads
- Move rocks and sand to beach
- Restrictions on where people can build.



THREATS:

- RAISING SEA LEVELS
- INCREASE IN STORM SURGES
- BIGGER STORMS

In the future:

- Move Cemetery → Very upsetting
- Move entire community



LONG-TERM PLANNING

- Where to build new infrastructure?
- What happens to sewage lagoon and dump?
- We need to think 50yrs ahead.



Template Section 1: Policy Purpose

The Policy purpose establishes the core objectives of the document. It sets the stage for why asset management is important to the organization. Your Asset Management Policy Purpose should clearly establish Council's commitment to effective asset management.

Core Themes. The Policy Template lists the five fundamental purpose statements that should be included in an Asset Management Policy. These statements reflect the following essential elements:

- ▶ Service-delivery;
- ▶ Supporting decision-making;
- ▶ Consistent processes;
- ▶ Linkages and consistency with existing strategic or organizational goals; and
- ▶ Risk Management (including climate-related vulnerabilities)



Levels of Service

Your policy purpose should describe the core infrastructure services that your community is responsible for. This sets the context for the asset management program and practice overall. All communities in the Northwest Territories own, operate and maintain a wide array of infrastructure assets that deliver essential services. These assets are expected to function efficiently and effectively for many years.

Local governments have a mandate to provide core services to the community. There are three primary drivers that will influence a community's decisions about levels of service:

- ▶ compliance with legislated requirements;
- ▶ protection of public safety, community well-being, and the environment; and
- ▶ meeting the informed expectations of stakeholders and the public.

Decisions about levels of service have implications for the cost to provide each service. Further details on levels of service are included in the Asset Management Plan Guide, which makes up part of this Toolkit.

Tailoring your Policy. There may be other elements that are important to your community that you may want to add to the core purpose statements already included in the Policy Template.

Template Section 2: Asset Management Policy Statements

Asset Management principles and policy statements are an essential piece of any Asset Management Policy. They establish Council's direction for how asset management will be practiced, including the specific tools and resources that will be developed, maintained, and implemented.

In the Asset Management Policy Template, policy statements have been written and associated with principles to guide asset management practice. These principles are short phrases designed to be easy to reference and remember.

Core Principles and Policy Statements. The Policy Template lists six essential principles and statements that should be included in an Asset Management Policy. Each of the four statements represents a distinct and fundamental element for implementing an asset management program. The list below outlines why each principle is important.

- ▶ **Realistic Levels of Service** – At its core, asset management is about delivering services in a way that meets established service level goals.
- ▶ **Informed Decision-Making** – A key function of asset management is to provide tools and resources to support decision-making based on the most up-to-date and accurate information available.
- ▶ **Minimum Sustainable Cost** – By taking a proactive approach to financial planning, communities can develop strategies to anticipate costs and spread these costs overtime in a sustainable way.
- ▶ **Risk Management** – a key element of providing sustainable services is understanding and strategically managing risks through evidence-based decision-making, including those that are a result of a changing climate. This impacts the (Community Name)'s ability to provide necessary services and protect community health and wellbeing.
- ▶ **Continuous Improvement** – Asset management is designed to be a process that communities build on over time as information is gathered and processes are defined.
- ▶ **Collaboration** – Resources are limited, especially in our smaller communities. By working together instead of recreating what's already been done, we can become more efficient. This could be sharing lessons or tools, or perhaps even partnering to share specialized resources.



Tailoring your Policy. Your community may want to add additional statements to emphasize specific elements mentioned in the core policy statements shown in the Policy Template, or to bring in other elements that are important to your community.


Work Together!

Consider getting together with staff from across the organization to consider which principles and statements should be added to your Policy. Cut out the principles listed on the bottom of this page and work together as a group to put these principles in order of most important to least important.

Look at this list and decide as a group whether there are any elements missing that are important for your community. *Hint: refer to your community vision, plan, or strategy for ideas.* Write each additional principle on one of the blank boxes provided (feel free to bring in extra paper as needed!).

Now work as a group to arrange all of the principles in order of importance. Remove any principles that aren't relevant. **Remember that decisions for this exercise should be made by consensus.**

Once you've created your prioritized list, select the principles the group feels should be added to the Policy. This could be all items in your prioritized list, or just a few from the top. **Ultimately, it's up to you to design your Policy to meet your organization's needs.**

	Training	Financial Planning	Resilience	Cultural Practices
Public & Stakeholder Participation	Lifecycle Costs	Social & Environmental Responsibility		

Once you've identified additional principles to include in the Policy, the next step is to create statements that define what the application of this principle will look like. Sample statements are listed below as a starting point to build on and adjust.

Training	The success of our asset management program involves continuously developing the capacity of staff to implement the (Community Name) 's priority initiatives.
Public & Stakeholder Participation	Service levels and trade-offs between costs and risks are established in consultation with the public and stakeholders. The performance of asset management in achieving target service levels is routinely reported to the public.
Financial Planning	The (Community Name) plans for the provision of stable long-term funding to operate, maintain, renew and/or decommission infrastructure assets. Full lifecycle cost analysis is required for all engineering contracts, and occurs prior to planning or implementing any new major capital assets.
Lifecycle Costs	Decision-making about community assets will consider the full cost of each asset over its entire lifetime, from design, construction, operation, maintenance, and decommissioning.
Resilience	All infrastructure renewal, enhancement and additions have considered opportunities to adapting to a changing climate and reduce our future greenhouse gas emissions.
Cultural Practices	Asset management will reflect our cultural traditions and incorporate traditional knowledge and practices.
Social & Environmental Responsibility	Assets are managed in a manner that achieves compliance with statutory requirements and strategic objectives for a healthy and secure community, clean water, ecological health, air quality and climate action.

Delivering Services in the Face of a Changing Climate

Our communities are experiencing significant challenges to our ability to continue delivering services at current levels with the resources at hand as a result of a changing climate. The Asset Management Policy is an opportunity to recognize the shared responsibility, and important role, that each local government has in ensuring the reliability and longevity of our infrastructure and systems through adaptation. Our communities must work together to understand where we are vulnerable and how we can most effectively and resiliently deliver services into the future. This involves putting potential climate impacts front and centre when considering infrastructure renewal, enhancement/retrofits and new infrastructure.

Case Study: Firebreak Farms

In Kakisa, Ka'a'gee Tu First Nation (KTFN) wildfires have increased in numbers, size and intensity over the last decade due to the changed climate. This has impacted land-based resources such as wildlife, berries, and medicines as well as community safety.

Although KTFN are the smallest community in NWT, they recognize the impact that climate change hazards are having on the community and have taken action to adapt.

One of the projects they've undertaken is piloting firebreak farms – the concurrent use of fire breaks with community gardens. Primary purpose of the guard is via Fire Smart program to protect the community from wildfires. From an asset-management perspective, while fire guards are passive low-maintenance natural assets, they require work for lasting Fire Smart protection (such as removing extra fuel from overgrowth). But Elders also recognized that Traditional Knowledge says that the ground should not be cleared and left empty. KTFN used this as an opportunity to cultivate fresh local produce such as potatoes and berries in the cleared areas, thereby controlling vegetation growth to maintain the fire break while receiving benefits from increased food security.

The community has several other climate change adaptation projects under way to tackle permafrost thaw and flooding, and increase overall community resilience. KTFN has built relationships with other communities in the Region and partnerships with researchers, which has helped build momentum.

KTFN received the Climate Change Resilience Award in 2022 from the NWTAC for taking a proactive approach to overcoming challenges caused by climate change. They are an example of how a small community can make a big impact.

More information about this project can be found here: <https://researchcentres.wlu.ca/centre-for-sustainable-food-systems/research/fire-break-agriculture>



Template Section 3: Context and Integration

An Asset Management Policy should outline the context for how asset management practice will be integrated throughout the organization and aligned with existing goals and objectives that have been documented.

Tailoring your Policy. You may want to include a list of other policies, plans, reports, or bylaws administered by your organization that influence, or are influenced by, the Asset Management Policy. Relevant documents could include:

- ▶ Community Plan
- ▶ Strategy Plan
- ▶ Financial Plan
- ▶ Capital Plan
- ▶ Area Development Plans
- ▶ Climate Change Adaptation Plan
- ▶ Energy Plan
- ▶ Annual Report
- ▶ Asset Management Plans
- ▶ Annual Infrastructure Development Plan
- ▶ Infrastructure Servicing Plans or Master Plans
- ▶ Design criteria and specifications

Adding a list of documents into your Policy will support integration of documents and processes across the organization. However, it will take more time and energy to keep the Asset Management Policy up to date as documents are added, changed, or removed.

Template Section 4: Responsibility

An Asset Management Policy should clearly establish Council's role and authority for approving, updating, amending, or rescinding the Policy. Refer to the legislation that governs policy development to understand Council's authority to delegate responsibilities.

Core Responsibilities. At minimum, your Policy should state Council's responsibility to:

- ▶ Approve, update, amend, or rescind the Policy;
- ▶ Provide adequate resources to implement the Policy; and
- ▶ Delegate implementation responsibilities to staff as desired.

Tailoring your Policy. Council may wish to delegate certain responsibilities for implementing the Policy to staff. The table provided in the Policy Template provides a list of typical tasks that are involved in implementing an Asset Management Policy.

Walk through each area of responsibility in the list and consider which body in the organization should be responsible. Responsible bodies may include specific roles (e.g. SAO), a specific department, or staff in general. Avoid listing the names of specific staff members to prevent the need to update the Policy whenever staff positions and responsibilities change.



4. Putting It Into Practice

Once you have developed your draft Asset Management Policy, it will need to go through your community's standard policy adoption process. While this differs among communities, the process typically involves the following steps:

