

# Asset Management Policy

## What is a Policy?

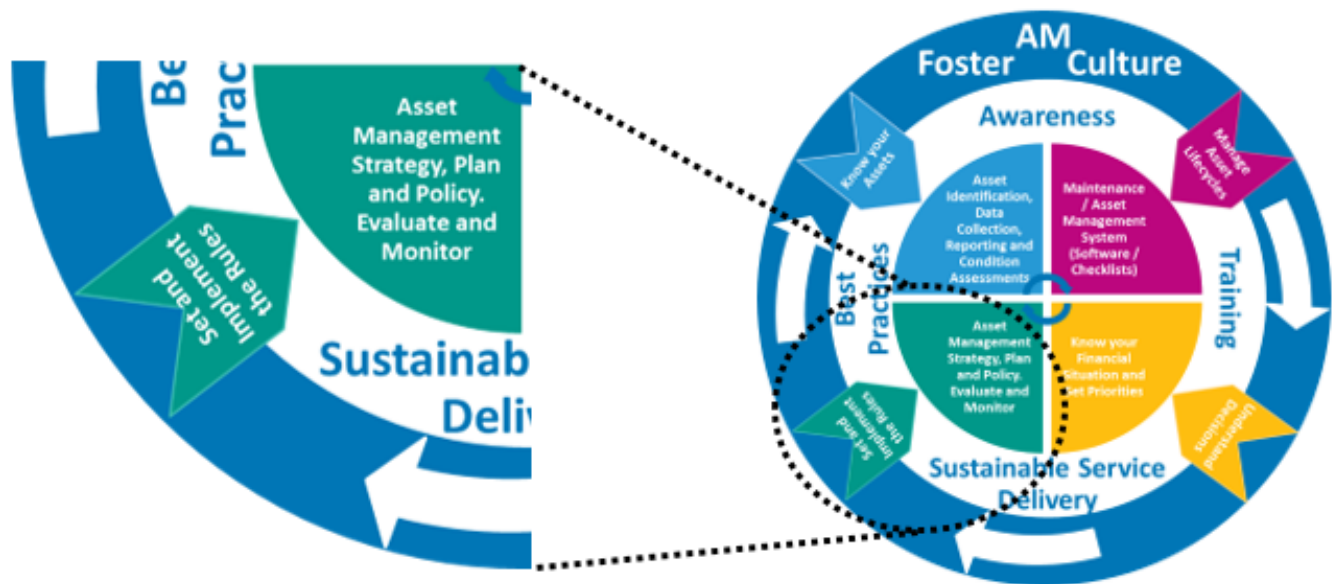
An Asset Management Policy articulates **Council's commitment to asset management** and provides **direction for staff** in carrying out all elements of the organization's asset management program.

## Why is it important?

- ▶ Signifies a community's commitment to asset management
- ▶ Informs consistent asset management practices across the organization
- ▶ Sets clear expectations for developing and implementing a program

## NWT Asset Management Framework

An Asset Management Policy is a core component of the Territorial Asset Management Framework, and acts as a guide for setting up the 'Rules for Asset Management' in your community. This Framework was established in partnership by the Northwest Territories Association of Communities (NWTAC) and Government of Northwest Territories' Municipal and Community Affairs.



## Can we help with your Asset Management Program?

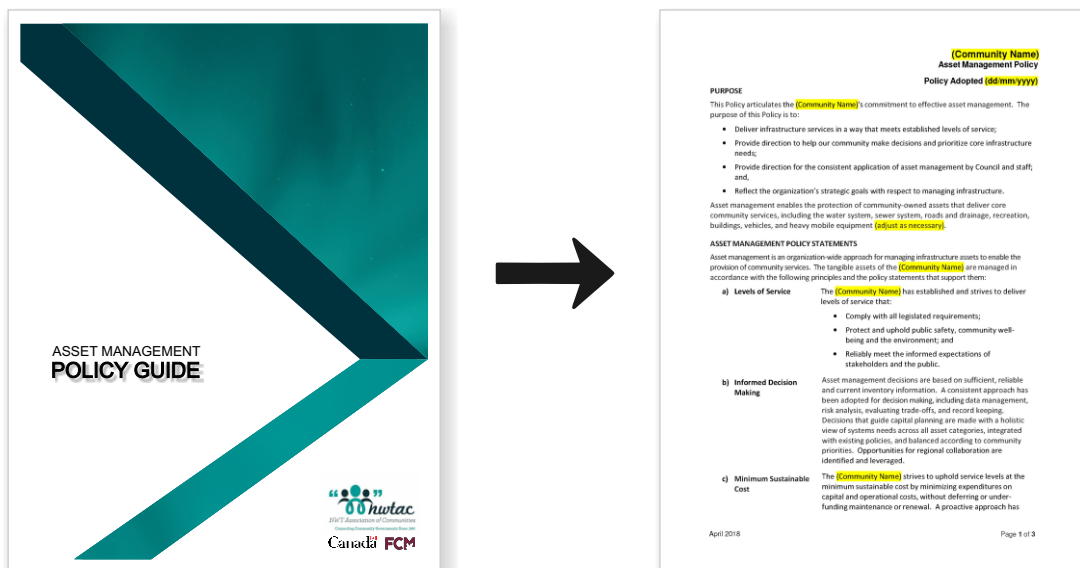
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## Components of a Policy

Policy should include at a minimum:

- Purpose
- Policy Statements
- Context & Integration
- Responsibilities for Managing the Policy

A template, and associated guide, have been prepared to support communities in developing an Asset Management Policy.



## Asset Management Plan

### What is an Asset Management Plan?

An Asset Management Plan (AMP) is a document that describes how one or more **groups of assets** are to be managed over their full lifecycles in order to **deliver** an agreed upon **standard of service**.

### Why is it important?

- ▶ Supports implementation of the Asset Management Policy and the delivery of expected levels of service, at acceptable cost and risk
- ▶ Serves as a mechanism for transparent and informed decision-making
- ▶ Enables communities to maximize the value of existing infrastructure that delivers core community services

An AMP is a core component of the Territorial Asset Management Framework, and upholds the mandate of the Government of the Northwest Territories 2016-2019 (Revised, Appendix A, Section 5.4.4), which calls for all communities to have AMPs. The Northwest Territories Community Government Accountability Framework identifies AMPs as one of twelve indicators that will be used in measuring the performance of individual communities.

### Essential Elements of Asset Management Plans

Seven essential elements of asset management are commonly presented as questions which relate to key components of any community's asset management program. These can be answered through the AMP process.

#### 7 Essential Elements

What do you own?	→	Inventory
What is it worth?	→	Valuation
What is its condition?	→	Condition / Remaining Life
What needs to be done?	→	Levels of Service / Initial Plan
When do you need to do it?	→	Risk Assessment & Prioritization
How much will it cost?	→	Revenue Requirements
How will you pay for it?	→	Long Term Financial Plan

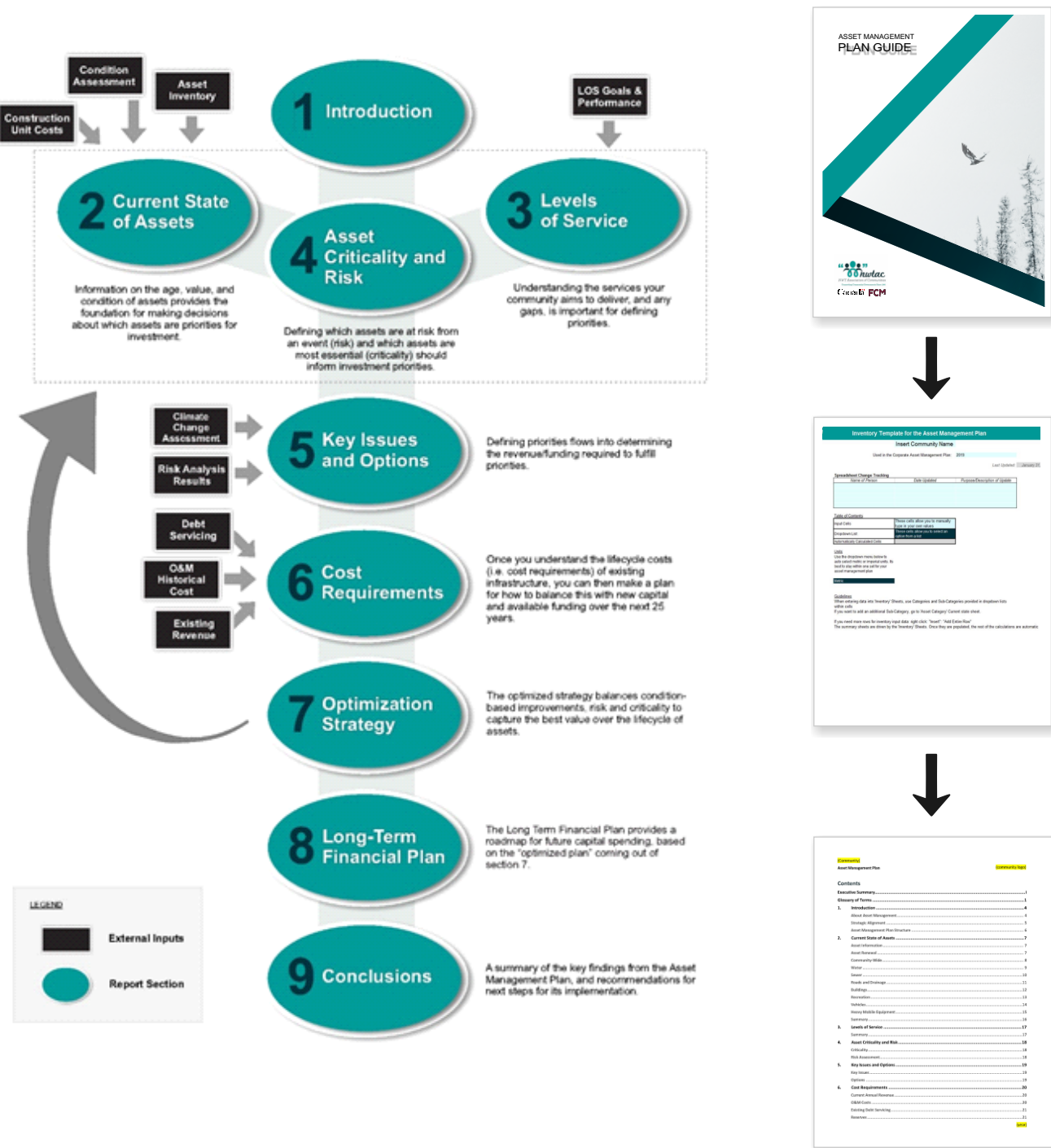
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# Components of an Asset Management Plan

An AMP should follow the process illustrated below, and include the content identified within the nine report sections.

An AMP template, and associated guide, have been prepared along with an asset inventory template to support communities in developing an Asset Management Plan.

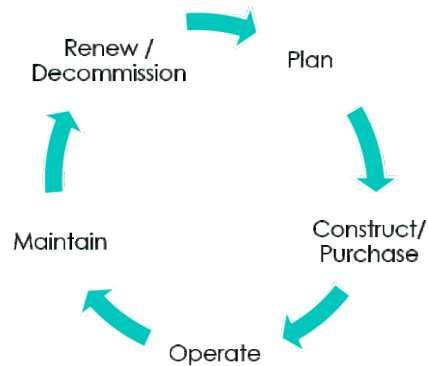




## Lifecycle Costing

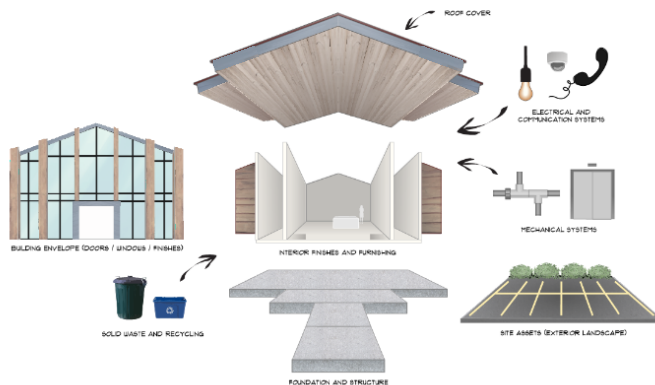
### What are Lifecycle Costs?

Lifecycle Costs are the true costs involved in **owning and utilizing** a community asset over its useful life.



### Why is it important?

- ▶ Provides a basis for maximizing the cost-efficiency of infrastructure-dependent services
- ▶ Enables fact-based decisions regarding a best value approach for providing services
- ▶ Helps understand and compare servicing alternatives, even when they may have markedly different initial capital costs and annual operation and maintenance costs
- ▶ Provides consistency and transparency in decision processes



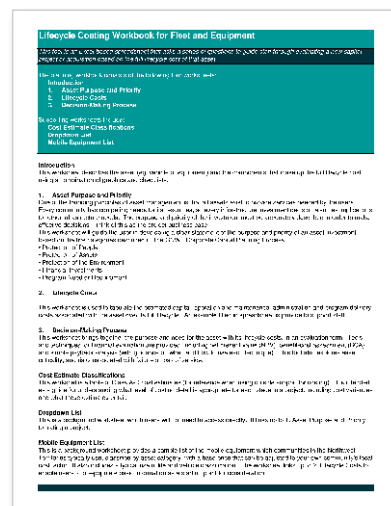
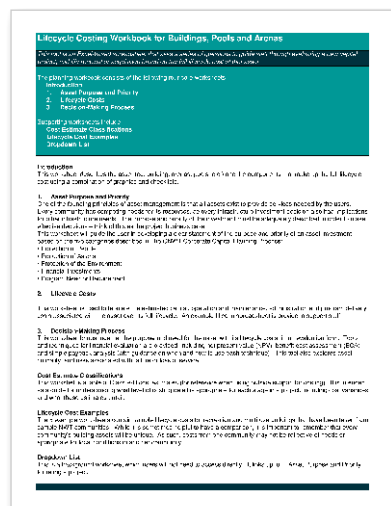
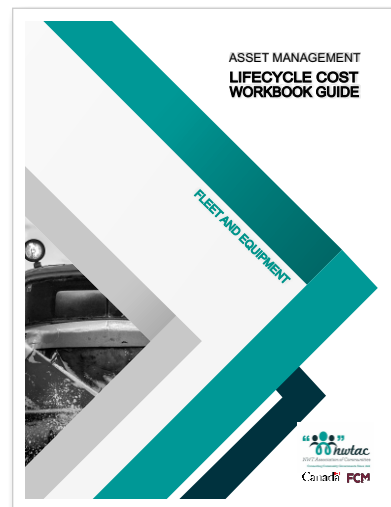
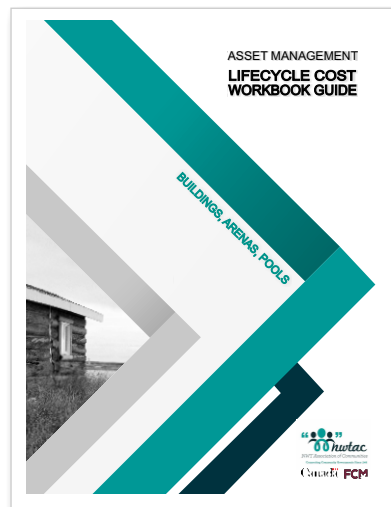
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## Each Lifecycle Costing Tool includes:

- Introduction
- Asset Purpose and Priority
- Lifecycle Costs
- Decision-Making Process

Two spreadsheet-based tools (Fleet and Equipment; Buildings, Arenas and Pools), and associated guides, have been prepared to support communities in assessing lifecycle costs for new projects. This supports the asset management planning process by enabling staff to understand and present true asset costs in the Asset Management Plan for new assets being considered as well as enhancing existing assets as they are being renewed.



## Levels of Service

### What are Levels of Service?

Levels of Service (LOS) are specific parameters that describe the extent and quality of services that the municipality provides to users.



### Why is it important?

- ▶ Provides a clear and objective means of communicating the value that is provided by infrastructure
- ▶ Helps to communicate the requirement to comply with laws and regulations
- ▶ Helps community members understand the limitations of what services can be provided

Assets should all be defined by their purpose in delivering expected services and service levels. If an asset does not serve a purpose, it is a liability because you are spending money to own it without yielding any value from it.

Ask yourself what happens to the ability of the assets to provide the services expected by the community as they age, and what happens to risks. Are current revenues sufficient to address upcoming renewal needs with only inflationary adjustments? In addition to asset deterioration, we need to consider factors such as land development, regulatory changes and climate change.

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## Levels of Service Hierarchy

The best way to document service levels is from the top down, by referencing legal requirements and corporate commitments to the public.

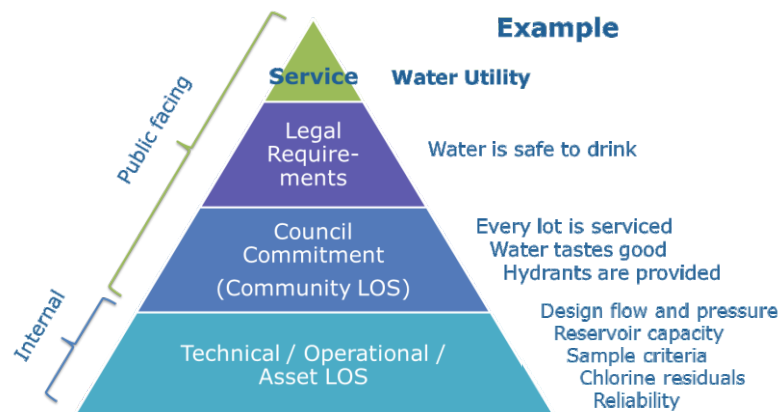
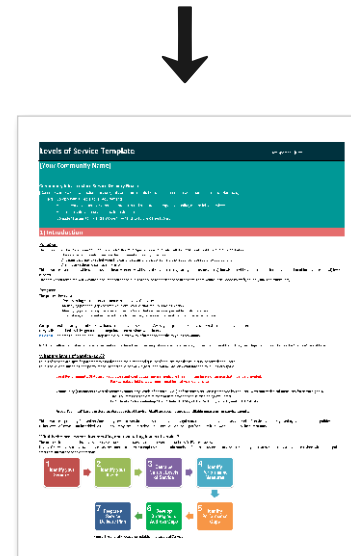
1. What services do we currently provide?
2. What are we legally required to do?
3. What have we committed to the public to do?
4. What engineering and operational criteria must be met? What assets are required? How must they be operated and maintained?



## Components of the Levels of Service Template

1. Introduction
2. Services and Assets
3. Describing Levels of Service
4. Evaluation of Services
5. Action Plan
6. Reporting Out

A template, and associated guide, have been prepared to support communities in documenting customer Levels of Service commitments to the public.





# Implementing Asset Management by Becoming More Climate Resilient

## What are Climate Vulnerabilities?

Climate vulnerabilities are our inability to cope with impacts and stresses from changes and extremes in our climate (i.e. climate hazards).

## Why are they important to understand?

- ▶ Our community services and systems (infrastructure and ecosystems) are affected by climate hazards
- ▶ Most existing infrastructure was built to perform in a climate that no longer exists
- ▶ Outcomes of climate risks are often significant and irreversible
- ▶ Past experiences can't be used to predict the future; however, we have valuable knowledge that can help guide our future decisions

## NWT's Common Climate Change Hazards

**Hazards** are any source of potential damage, harm or adverse health effects on something.

**Risk** is the chance that something or someone will be harmed if exposed to a hazard.



Source: NWTAC 2018 Climate Change Forum and Charrette

In recent years there have been more extreme wildfires than ever seen before. There have been record highs and lows for water levels, resulting in both flooding and drought. Permafrost is thawing, and there has been heavier, wetter snow. As a result, the stability of our community buildings and infrastructure is a concern. The coastline is eroding and so are rivers, affecting where we live and how we travel. The ecology is changing, and distressing our native food sources. There have been more tornados, and an increase in storm surges. There is also less sea ice. We're expecting these trends to continue at an alarming rate.

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# What is a Climate Vulnerability Assessment?

A Climate Vulnerability (or Risk) Assessment is a tool for understanding our community's weaknesses and creating a plan for adapting to reduce or eliminate them; in other words, how our community can reduce its exposure to, or risks from, local climate change impacts.

Key steps include:

- ▶ Understanding the local climate change situation, and in particular the hazards your community experiences
- ▶ Evaluating how the infrastructure systems or services could be affected, and to what degree
- ▶ Determining what measures have, or can be, put into place to reduce the potential impact from each hazard
- ▶ Preparing and implementing a plan for taking action to reduce your community's climate vulnerabilities

A worksheet has been prepared to support communities in undertaking a climate vulnerability assessment.

## 1. Collective Knowledge

This step involves identifying a group of people who collectively bring knowledge about your community's services, infrastructure, challenges and needs. Engaging decision makers as well as operators and community knowledge holders will provide the greatest depth of discussion and also result in a higher likelihood that action can be taken.

Participants:

## 2. Local Climate Change Data

This step involves understanding the local situation, and in particular the climate hazards your community experiences.

Documents available to understand the local climate situation:

- ☐ Climate change report (note: each community has a climate change profile which can be accessed here: [Climate Change Toolkit](https://climate-change-toolkit.nwtac.com/))
- ☐ Northern Communities Guide on Integrating Climate Change Measures into Municipal Planning and Decision Making (note: pages 12-14 of which is part of NWTAC's climate change toolkit and can be accessed here: [climate-change-toolkit.pdf](https://climate-change-toolkit.nwtac.com/))
- ☐ Other \_\_\_\_\_

Climate threats/hazards relevant to your community:

- ☐ Permafrost Thaw
- ☐ Heavier Snow
- ☐ Extreme Weather
- ☐ Flooding
- ☐ Drought
- ☐ Lower Water Levels
- ☐ Coastal or River Erosion
- ☐ Sea Level Rise
- ☐ Storm Surges
- ☐ Wildfires
- ☐ Plateau Shrinkage
- ☐ Species Migration
- ☐ Thinner Ice
- ☐ Other \_\_\_\_\_



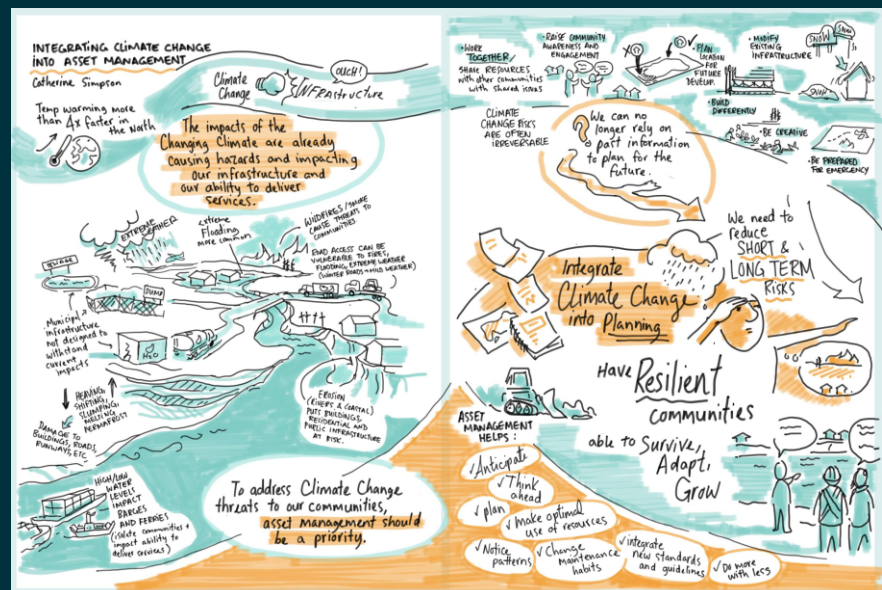
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## Actioning a Change

Considering climate change within our asset management program provides an avenue, or tool, for becoming more resilient.

It enables us to set a path forward so we can continue delivering services sustainably to future generations.

Image source: NWTAC's 2022 Climate Change and Asset Management Conference



## Implementing Asset Management

### What is Asset Management Implementation?

Implementing your program is about making asset management part of your every day business. It's about establishing a governance structure that enables you to have 'boots on the ground'.

### Why is it important?

- ▶ Outlines asset management business processes
- ▶ Maps roles and responsibilities with actions and timeframes
- ▶ Used for inter-departmental coordination
- ▶ Flexible (set up as a living document or process)

### What is a Playbook?

The Playbook is a tool for **doing** asset management, which involves implementing processes that enable the whole organization to be more effective and efficient – in an iterative way. Think of it as the framework for your asset management governance system.

### NRRM's Concept for an Asset Management Playbook

The Playbook concept was an evolution of Northern Rockies Regional Municipality's (NRRM) asset management program. It was originally brought up by Northern Rockies' Director of Finance (Toni Pike) because there was a desire to represent decisions in a way that everyone can visualize. The concept resonated with the team, and became the basis for filling an operational gap in their asset management program.

The "Playbook" theme and name may not resonate with every team or community, but the concepts for organizing asset management governance and mapping processes together using visuals should be universal. It's about clearly illustrating the key actions required to translate your strategy into action.

NRRM developed their governance framework around the Playbook. They initiated the process following completion of their core Asset Management Plans. The Playbook is centred around a flowchart-based document for inter-departmental business planning. It is used by the asset management team as well as and others across the organization that deal with sustainable service delivery.

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## Tools and Resources for Operationalizing Asset Management

Think of your municipal management team like a football team: everyone has a specific role, but if one person doesn't execute the whole play falls apart. Consider what will resonate best with your community.

Tools and resources to “implement” will likely include the following:

- ▶ Coordination of departmental roles or sub-teams via an Asset Management Team and/or Steering Committee
- ▶ Annual calendar of tasks, timing and dependencies
- ▶ Documenting the scope of each task/meeting/deliverable
- ▶ Identifying who is responsible for each task

A Playbook template, worksheet, and associated guide, have been prepared to support communities in developing operationalizing asset management.

