



Administration Policy

Policy Title: **Asset Management**
Adopted by: **Executive Leadership Team (ELT)**
Effective Date: **December 6, 2012**
Last Updated: **September 4, 2024**
Responsible Service(s): **Infrastructure & Engineering**

1. PURPOSE

1.1. *The purpose of this administration policy is to:*

- a) Establish key principles to guide the City's asset management objectives and strategies;
- b) Establish a consistent Asset Management System for current and long-term strategies;
- c) Enhance efficiency, risk management, compliance, sustainability, and asset stewardship across organization; and,
- d) Promote asset management practices that demonstrate leadership and commitment to the practice of Asset Management.

2. POLICY STATEMENT

2.1. The City will provide infrastructure assets that ensure safe, inclusive neighborhoods and foster civic participation.

2.2. The City will continuously improve its Asset Management System to support Council Priorities and organizational goals.

2.3. The City's Asset Management System and practices will be aligned with ISO 55000 suite of standards.

2.4. The following asset management principles for decision-making on City-owned Infrastructure Assets will be implemented across the organization:

- a) The City will take a holistic, integrated, and systematic approach to Asset Management, involving:
 - i. Including consideration of the entire lifecycle—encompassing planning, acquisition, operation, maintenance, renewal, and disposal; and
 - ii. Cross-functional collaboration and seamless information sharing to support the execution of asset management strategies.
- b) In support of service excellence, the City will:
 - i. Define and manage Levels of Service;

- ii. Recognize LOS may change over time; and,
 - iii. Monitor and align with industry standards, laws, and regulations.
- c) The City will optimize investments taking into account triple bottom line considerations, sustainability, and resilience within its long-term planning and infrastructure investment decision-making, including:
- i. A robust risk management framework to assess and mitigate risks related to asset investments; and,
 - ii. Evaluation of asset investment choices based on the full life cycle cost from planning through disposal.
- d) Promote a culture centred on innovation and continuous improvement to realize maximum value from its assets by:
- i. Encouraging innovative strategies to optimize asset performance, efficiency, and value while minimizing risks; and,
 - ii. Leveraging Asset Management Maturity Assessments for ongoing improvement in asset management practices.

3. DEFINITIONS

3.1. *In this administration policy:*

- a) **“Asset”** means an item, thing or entity that has potential or actual value to an organization. The value can be tangible or intangible, financial, or non-financial and includes consideration of risks and liabilities.
- b) **“Asset Management”** means the coordinated activity of an organization to realize value from assets. It encompasses all asset types, tangible and intangible, individual components or complex systems, and all activities involved in the asset’s life cycle - everything from initial identification of requirements or opportunities, acquisition/creation, operations or utilization activities, asset stewardship or care/maintenance responsibilities through to renewal or disposal and any remaining liabilities. Asset management is holistic as it considers the whole picture rather than just individual contributions.
- c) **“Asset Management Guidelines”** means a citywide set of principles and processes for the effective and sustainable management of the City’s assets. These guidelines cover the entire lifecycle of assets, from acquisition and maintenance to disposal, aiming to maximize value, optimize performance, and minimize costs. They ensure compliance with relevant regulations, incorporate sustainability practices, and involve all relevant parties to align asset management with the City’s strategic objectives and community needs.

- d) **“Asset Management Plan”** means plans that detail the assets, activities and programs for each service area, and the resources required to provide a defined level of service in the most cost-effective way. The output from individual Asset Management Plans forms the input into infrastructure asset investment plans.
- e) **“Asset Management Strategy”** means a citywide document that outlines the high-level long-term approach to asset management, including the scope of the Asset Management System, engagement with involved parties, asset management objectives, role of asset management in achieving the Council Priorities, Governance Structure, and continuous improvement process.
- f) **“Asset Management System”** means a management system for Asset Management that is a set of interrelated or interacting elements of an organization to establish policies and objectives as well as processes to achieve those objectives.
(Source:ISO55000:2024)
- g) **“Asset Stewards”** means the employees within the Department and/or Business Unit that are responsible for the long-term sustainability of infrastructure, including decisions about purchase, construction, maintenance, and renewal. They make infrastructure and trade-off decisions, taking into account the triple bottom line and political considerations.
- h) **“Employee”** means any person employed by The City and reporting to a City of Calgary business unit, department, the Office of the Chief Administrative Officer, the Office of the Chief Operating Officer, the Office of The Mayor, the City Auditor’s Office, the Calgary Housing Company, and the Calgary Police Service, including those working under an employment contract with The City.
- i) **“Levels of Service (LOS)”** means the defined performance standards that specify the desired output for a particular activity, specific service, or service area provided by City business units and associated infrastructure. Levels of Service includes Customer Levels of Service, representing the level of service provided to customers, and Asset Levels of Service, denoting the performance standards that assets can provide to the organization.
- j) **“Resilience”** means the ability to withstand and recover from disruptions, shocks, or stresses while maintaining essential functions and services. Resilient asset management involves anticipating and mitigating risks, building redundancy and flexibility into systems, and adapting to changing conditions to ensure continuity of operations and service delivery.
- k) **“Risk”** means, in the context of Asset Management, the probability of an adverse event occurring that could impact the performance or value of assets.



- l) **“Service Director”** means the individual accountable for the overall direction and service strategy and representing the service to Council.
- m) **“Strategic Asset Management Plan”** means a governance document, which outlines the process by which organizational objectives are translated into Asset Management Objectives, defines the approach for developing Asset Management Plans to achieve those objectives.
- n) **“Sustainability”** means the ability of assets to meet present needs without compromising the ability of future generations to meet their own needs. It involves managing assets in a way that minimizes negative environmental impacts, maximizes social benefits, and ensures long-term economic viability.
- o) **“Triple Bottom Line”** means a decision-making, planning and reporting framework that has emerged as an important tool for achieving sustainable development. It is a framework for evaluating an organization's performance based on three pillars of sustainability - economic, social, and environmental.

4. APPLICABILITY

- 4.1. This administration policy applies to all City of Calgary Employees including those working at the Calgary Police Service (CPS).
- 4.2. Employees working at the CPS must additionally adhere to any enhanced Asset Management policies or guidelines in effect.

5. LEGISLATIVE AUTHORITY

- 5.1. This administration policy is established in accordance with:
 - a) The Municipal Government Act (Alberta) which describes the responsibility of the Chief Administrative Officer (CAO) to implement the policies and programs of the municipality;
 - i. Asset Management ISO 55000 suite of standards; and
 - ii. Professional Practice Management Plan under the Engineering and Geoscience Professions Act of Alberta.
- 5.2. This administration policy is established in response to:
 - a) Triple Bottom Line Policy Council Policy (CS003);
 - b) Integrated Risk Management Council Policy (CC011);
 - c) Transparency and Accountability Council Policy (CC039);
 - d) Multi-Year Business Planning and Budgeting Policy for The City of Calgary (CFO004)



- e) Calgary Environment Strategy (UCS2021-0841); and
- f) Calgary Climate Strategy (CD2022-0465).

6. ROLES AND RESPONSIBILITIES

- 6.1. Employees that plan or manage assets are responsible for assessing and monitoring the condition, risk, service levels, and criticality of their assets.
- 6.2. Executive Leadership Team will delegate responsibility to one of its members to act as an asset management champion within the ELT.
- 6.3. The division responsible for asset management planning will:
 - a) Monitor and report city-wide asset management practices and results;
 - b) Establish an Asset Management Program, including a Level of Service Framework; and
 - c) Support Service Owners and Asset Stewards in developing and implementing Asset Management Plans.
- 6.4. The division responsible for capital investment planning will use Asset Management Plans and related information to prioritize The City's capital investments.
- 6.5. Service Directors that manage assets will:
 - a) Report asset performance against defined Level of Service;
 - b) Make investments and manage risks to their asset portfolio to meet defined Level of Service targets for their service line; and
 - c) Identify Asset Stewards.
- 6.6. Asset Stewards will:
 - a) Develop and maintain Asset Management Plans using the City's Asset Management Guidelines;
 - b) Support the Capital Investment Planning role in prioritizing investments; and
 - c) Provide infrastructure asset information that includes inventory, condition, and financials.

7. CONSEQUENCES OF NON-COMPLIANCE

- 7.1. Employees who fail to adhere to this Administration policy may be subject to corrective action, including dismissal from employment, in accordance with the Labour Relations policy, the Exempt Staff policy, the specified terms outlined in their employment contract, or The Alberta Police Act and its associated Regulations, for police officers.



8. REVISION HISTORY

Policy Action	Review Date	Report Number	Description
Minor Revision	2024 September 4	N/A	Convert to new template; reflect current definitions and roles. Approved by Service Director, Infrastructure & Engineering.
Updated Policy	2016 December 6	ALT2016-0829	Updates
New	2010 July 27	ALT2010-056	Establish a policy as a foundation for the Corporation's common, corporate-wide asset management program.