

ASSET MANAGEMENT POLICY

FEBRUARY 2023

CITY OF FORT COLLINS

An aerial photograph of a complex highway interchange with multiple lanes, overpasses, and ramps. The image is overlaid with a network of white lines and dots, suggesting a data or connectivity theme. Several circular icons are placed over the image: a bridge, a car, a truck, a person walking, a train, and a traffic light. The background is divided into large, overlapping geometric shapes in shades of green, blue, and black.

PLANNING, DEVELOPMENT, AND
TRANSPORTATION

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1.0	Jan 2023	First Draft	IPWEA / Rob Mosbey	AM Committee	Brad Buckman
1.1	Feb 2023	AM Committee Updates City Engineer Updates	IPWEA / Rob Mosbey	Drew Brooks	Caryn Champine

1.0 Purpose

To ensure that a holistic asset management system is in place which supports the management of physical assets and delivery of infrastructure services to the community:

- a) which supports Fort Collins City Plan (20 year vision) and Strategic Plan (2 year strategy);
- b) which supports Council priorities; and
- c) in a financially sustainable manner.

2.0 Scope

The scope of this policy is to set guidelines for implementing consistent asset management processes and framework to strategically manage City of Fort Collins Planning Development and Transportation (“PDT”) infrastructure assets while delivering sustainable services, reducing risk, and providing value to our customers.

3.0 Definitions

Asset – an item or thing that has potential or actual value or benefit to an organization, council, or community.

Asset Class – a collection of assets which share similar construction, maintenance, condition, and availability standards. Roadways, sidewalks, street signs, and water mains are all types of asset classes.

Asset Management (AM) – provide effective control and governance to infrastructure assets to realize value through managing risk and opportunity, in order to achieve the desired balance of cost, risk & performance.

Asset Management Objectives – asset management objectives capture the outcome or performance required from an asset in order to deliver (or support) achievement of these organizational objectives.

Asset Management Strategy – a high-level action plan that defines AM objectives and gives effect to an organization’s AM policy. A strategic asset management plan (SAMP) is a form of, and meets the requirements for, an AM strategy.

Asset Management System – a way in which an organization undertakes asset management to achieve its mission, city plan, policies, objectives, asset and service management plans, operational plans, supporting activities, control activities, and other relevant processes.

Capital Infrastructure Asset – infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, sidewalks, bridges, tunnels, drainages systems, water and sewer systems, dams, and lighting systems.

Financial Strategy – a strategy for budgeting available resources to provide the defined level of service across the full life cycle of all managed assets, typically through the funding and implementation of a long-range plan that emphasizes cost-effective periodic maintenance activities.

Level of Risk – The level of risk is its magnitude. It is estimated by considering and combining consequences and likelihoods of those risks occurring. A level of risk can be assigned to a single risk or to a combination of risks. A consequence is the outcome of an event and has an effect on objectives. Likelihood is the chance that something might happen.

Level of Service – A quantifiable measure of a combination of parameters that reflect social, economic, and environmental outcomes that the organization delivers. Levels of service statements describe the outputs or objectives an organization or activity intends to deliver to customers. Parameters can be aspects or characteristics of a service such as accessibility, affordability/cost, efficiency, quality, quantity, reliability, responsiveness, and safety.

Lifecycle Cost – means the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, depreciation, rehabilitation, and disposal costs.

Manager – includes persons appointed to positions with the title, Team Manager, General Manager, Principal, Director and Chief.

Risk Management – coordinated activities to direct and control an organization with regard to risk. To document the results and recommendations resulting from regular identification, assessment and treatment of risks associated with providing services.

Strategic Asset and Service Management Plan – Documented information specifies the management of one or more infrastructure assets and services that combines multi-disciplinary management techniques (including financial and technical), resources, activities, and time scale over the life cycle of the asset in the most cost-effective manner to provide a specified level of service. A significant component of the plan is a long-term financially informed projection of the activities and objectives.

Strategic Plan – a plan containing the long-term goals and strategies of an organization. Strategic plans have a strong external focus, cover major portions of the organization, and identify major

targets, actions, and resource allocations relating to the long-term survival, value, and growth of the organization.

Sustainability – infrastructure that meets the needs of the present without compromising the ability of future generations to meet their own needs. In the context of AM it is about meeting the needs of the future by balancing social, economic, cultural, and environmental outcomes or needs when making decisions today.

Value – assets exist to provide tangible, non-tangible, financial or non-financial benefits to council and community in accordance with council objectives.

4.0 Objectives

To ensure adequate provision is made for the long-term replacement of major assets by:

- Ensuring that services and infrastructure are provided in a financially sustainable manner, utilizing equity-driven values, with the appropriate levels of service to customers and the environment, and congruent with the organization's Strategic Plan.
- Safeguarding infrastructure assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Identifying opportunities to incorporate equity and social justice to improve overall quality of life through infrastructure assets levels of service.
- Creating an environment where all employees take an integral part in overall management of infrastructure assets by creating and sustaining an asset management awareness throughout the organization by training and development.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated by integrating with the Budgeting for Outcomes (BFO) process.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

5.0 Policy

5.1 Background

Asset management practices impact directly on the core business of PDT and appropriate asset management is required to achieve our strategic service delivery objectives. Adopting asset management principles will assist in achieving Strategic Long-Term Plan and Long-Term Financial objectives.

Sustainable Service Delivery ensures that services are delivered in a socially, economically, and environmentally responsible manner in such a way that does not compromise the ability of future generations to make their own choices.

Sound Asset Management practices enable sustainable service delivery by integrating customer values, priorities, and an informed understanding of the trade-offs between risks, costs and service performance.

5.2 Principles

PDT's sustainable service delivery needs will be met by assuring adequate provision is made for the long-term planning, financing, operation, maintenance, renewal, upgrade, and disposal of capital assets by:

1. Ensuring that PDT's capital assets are provided in a manner that respects financial, cultural, economic, and environmental sustainability;
2. Meeting all relevant legislative and regulatory requirements;
3. Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices;
4. Implementing sound Asset Management plans and strategies as well as providing sufficient financial resources to accomplish them by:
 - a. Asset Management plans will be completed for all major asset / service areas.
 - b. Expenditure projections from Asset Management Plans will be incorporated into the City of Fort Collins Long-Term Financial Plan.
 - c. Regular and systematic reviews will be applied to all asset plans to ensure that assets are managed, valued, and depreciated in accordance with appropriate best practice.
 - d. Regular inspection will be used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities.
 - e. Asset renewals required to meet agreed service levels and identified in adopted asset management plans will form the basis of annual budget estimates with the service and risk consequences in defined asset renewals and budget resources documented.
 - f. Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
 - g. Future service levels with associated delivery costs will be determined in consultation with council and the community.
 - h. Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated; and
 - i. Creating a city culture where all employees play a part in overall care for the organization's assets by providing necessary awareness, training, and professional development.

6.0 Related Documents

- ISO 55000:2014 Asset Management – Overview, principles, and terminology
- ISO 55001:2014 Asset Management – Management systems – Requirements
- ISO 55002:2014 Asset Management – Management systems – Guidelines for the application of ISO 550001
- ISO 31000:2018 Risk Management - Guidelines
- International Infrastructure Management Manual (IIMM)
- City of Fort Collins Strategic Plan (2022)

7.0 Responsibility

City of Fort Collins Mayor and Council are ultimately responsible for adopting policy, allocating resources, and providing high level oversight of the delivery of the organization's strategy and plans. The council is also responsible for ensuring that organizational resources are appropriately allocated to ensure sustainable service delivery.

The City Manager is responsible for carrying out council's policy direction through the day-to-day management of city functions, including the oversight of city operating departments. In addition, the City Manager is responsible for implementation of the annual budget and to ensure the effective delivery of services consistent with city council direction.

The PDT Director has overall responsibility for approval of asset management strategy, plans and procedures, and reporting on the status and effectiveness of asset management within Planning, Development, and Transportation group.

8.0 Review Date

This policy has a life of four years or less at the discretion of the PDT Director. It will be reviewed in January of 2027.