

**HALIFAX REGIONAL MUNICIPALITY
ADMINISTRATIVE ORDER NUMBER 2024-003-ADM
RESPECTING MUNICIPAL INFRASTRUCTURE DECISION-MAKING**

BE IT RESOLVED AS AN ADMINISTRATIVE ORDER of the Council of the Halifax Regional Municipality under the authority of the *Halifax Regional Municipality Charter*, as follows:

Short Title

1. This Administrative Order may be known as the “*Corporate Asset Management Policy*”.

Interpretation

2. In this Administrative Order,

(a) “asset” means a physical item, thing or entity that has potential or actual value to the Municipality, where the value may be tangible or intangible, and financial or non-financial;

(b) “asset class” means a group of assets having a similar nature or function in the operations of the Municipality;

(c) “asset lifecycle” means the succession of stages and activities that an asset goes through while it retains an identity as a particular asset and includes but is not limited to planning, design, operation, decommission and disposal, which may be expressed by the diagram at clause 4(4) of this Administrative Order;

(d) “asset lifecycle management” means a process which is designed to ensure assets are appropriately managed throughout their lifecycle including but not limited to planning, design, operation, maintenance, decommission and disposal of assets, having an intention to realize the complete value from assets at all stages over their entire lifecycle and which may be expressed by the diagram at clause 4(4) of this Administrative Order;

(e) “asset management” (AM) means a systematic and multi-disciplinary approach to managing an asset over the different stages of its asset life cycle while minimizing whole life costs;

(f) “Asset Management Office” means the business unit within the Finance and Asset Management Department or such other Department the CAO determines which has the responsibility to coordinate asset management activities corporately;

(g) “asset management plan” means a document for assets that outlines the asset activities and programs for a service area and resources applied to provide a defined level of service in the most cost-effective way;

(h) “business unit” means a division of a department;

(i) “CAO” means the Chief Administrative Officer of the Municipality;

(j) “Capital Steering Committee” means the committee comprised of the CAO and all department Executive Directors tasked with overseeing capital planning for the Municipality;

(k) “Council” means the Regional Council of the Municipality;

(l) “Department” means a department of the Municipality established by the CAO;

(m) “Executive Director” means the position determined by the CAO to be the head of a department of the Municipality, and who is accountable to the CAO under section 36 of the *Halifax Regional Municipality Charter*;

(n) “Finance & Asset Management” means the department which oversees financial activities including taxation, budgeting, accounting, and asset management;

(o) “IT” means the business unit which oversees information technology on behalf of the Municipality;

(p) “Member” means a Member of the Council;

(q) “Municipality” means the Halifax Regional Municipality;

(r) “municipal infrastructure” includes infrastructure that supports the provision of municipal services, and includes street lighting, traffic lights, traffic signs and other municipal signs;

(s) “natural asset” means a natural feature, resource or ecosystem that is relied upon, managed, or could be managed by a Municipality for the provision of one or more municipal services, and includes but is not limited to parks, trees, and wetlands.

(t) “Service Level” means the parameters that describe the activity outputs or objectives the Municipality delivers and includes safety, customer satisfaction, capacity, reliability, and frequency;

(u) “street” means a street as defined by 3(bu) of the *Halifax Regional Municipality Charter*; and

(v) “traffic control signal” means a traffic control signal as defined by clause 3(bt) of the *Motor Vehicle Act*.

Purposes

3. The purpose of this Administrative Order is to guide asset management, including,

(a) providing a systematic approach to ensure that the Municipality’s diverse portfolio of assets is safe, reliable and managed in a cost-effective manner;

(b) acknowledging that the Municipality has a large and diverse portfolio of assets which represent a significant investment in the communities of the Municipality and are integral

to delivery of municipal services;

- (c) complementing and supporting the requirements contained in applicable municipal legislation;
- (d) providing notice to the Members and the citizens respecting the Municipality's asset management procedures;
- (e) demonstrating how asset management will be integrated into the Municipality;
- (f) emphasizing the long-term consideration of short-term decisions by considering the impacts on the entire asset lifecycle;
- (g) improving decision-making accountability and transparency;
- (h) reducing life cycle costs while maintaining appropriate levels of service;
- (i) linking asset investment decisions to desired service outcomes;
- (j) mitigating and managing risk associated with owning and operating assets; and
- (k) creating and sustaining asset management awareness throughout the organization by providing training and development to all employees.

Application

4. (1) This Administrative Order applies to all the departments that manage the Municipality's assets.
 - (2) Assets included within the scope of this policy include,
 - (a) streets, including bridges and sidewalks;
 - (b) traffic control signals and other municipal infrastructure;
 - (c) structures, including buildings;
 - (d) parks, sport fields, playgrounds, and trails;
 - (e) vehicles, vessels equipment, and machinery;
 - (f) natural assets; and
 - (g) any other physical asset used by any department.
 - (3) This Administrative Order is complimentary to existing strategic initiatives, business planning and budgeting, and applies to all activities associated with asset lifecycle management.

(4) For greater certainty, asset lifecycle and asset lifecycle management may be expressed as follows:



Roles and Responsibilities

Capital Steering Committee and Asset Management Office

5. The Capital Steering Committee shall:

(a) review and recommend to Council long-term financial plans to support asset lifecycles as part of the capital budget process;

(b) with support by the departments, report to citizens on the status of the Municipality's assets and asset management program;

(c) with support by the Asset Management Office, review this Administrative Order every two years and may recommend amendments to Council for its consideration.

6. The Asset Management Office:

(a) may determine the scope of the application of any part of this Administrative Order applicable to a Department;

(b) may make a recommendation to the CAO regarding the applicability of this Administrative Order to a Business Unit;

(c) with support from the Capital Steering Committee, shall develop and maintain an Asset Management Strategy.

7. The Asset Management Strategy shall

- (a) establish, and adhere to, industry recognized asset management protocols;
- (b) define levels of service that balance customer expectations with risk, affordability and timing constraints;
- (c) adopt risk-based decision-making processes that consider the likelihood of asset failure and the consequence of a failure with regards to impacts on safety and levels of service;
- (d) develop asset management knowledge and competencies aligned with recognized competency frameworks to be determined by the Asset Management Office;
- (e) require asset lifecycle costing when evaluating competing asset investment needs across municipal assets;
- (f) monitor the performance of the assets and track the effectiveness of asset management practices with a view to continuous improvement;
- (g) set the timelines for the departments to complete asset inventories, create management asset plans, and future reviews of the complete plans.

Departments

8. (1) Once the asset management strategy is developed, each department, with the support of the Asset Management Office and IT, shall create, develop and maintain asset inventories.

(2) Once the asset inventory is created, the department, supported by the Asset Management Office, shall develop and maintain asset management plans by asset class.

9. Each department shall:

- (a) with support from the Asset Management Office and IT, assess infrastructure condition and service levels relevant to the assets falling within their responsibility;
- (b) establish asset replacement strategies using the asset lifecycle costing principles and levels of service;
- (c) with support from Finance & Asset Management, develop and maintain financial plans to support the operations, maintenance, rehabilitation, replacement, and decommissioning of assets.

10. Departments shall dispose of surplus assets in accordance with all applicable policies and legislation of the Municipality, including Administrative Order Number 50, the *Disposal of Surplus Real Property Administrative Order* and Administrative Order Number 2020-003-ADM, the *Surplus Assets Policy*.

CAO

11. The CAO:

(a) shall maintain a department, or a business unit, to lead the development of asset management tools and practices and to oversee their application across the Municipality; and

(b) may, in the event of a conflict between this Administrative Order and any other legislation or policy of the Municipality, determine the applicability of this Administrative Order;

(c) may seek funding and service delivery opportunities to address infrastructure investment pressures; and

(d) may provide updates, from time to time, to Council on the state of the Municipality's assets and forecasted trends every two years, unless otherwise directed by the Asset Management Office.

Key Asset Management Principles

12. The Municipality shall, with respect to this Administrative Order:

(a) Make financially informed decisions associated with asset decisions, identifying all revenues and costs, including operation, maintenance, replacement and decommission;

(b) Integrate corporate, financial, business and technical planning for assets;

(c) Establish organizational accountability and responsibility for asset inventory, condition, use, maintenance and performance by documenting those responsibilities and reporting on performance;

(d) Consult with internal and external stakeholders where appropriate;

(e) Define and articulate service, maintenance, and replacement outcomes in asset management plans;

(f) Manage assets such that they are financially, environmentally, and socially sustainable based on levels of service as approved by Council;

(g) Minimize total asset life cycle costs through preventative maintenance while maintaining levels of service as established by Business Units and approved by Council;

(h) Consider goals relating to environmental, resiliency and climate change when acting pursuant to this Administrative Order;

- (i) Consider social and sustainability goals as well as intergenerational equity when acting pursuant to this Administrative Order;
- (j) Minimize risks and liabilities when acting pursuant to this Administrative Order;
- (k) Pursue best practices where available, as determined by industry standards; and
- (l) through the Asset Management Office, report the performance of its asset management function to the Capital Steering Committee annually.

Done and passed in Council this 18th day of June, 2024.

Mayor

Municipal Clerk

I, Iain MacLean Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed at a meeting of Halifax Regional Council held on June 18, 2024.

Iain MacLean, Municipal Clerk

Notice of Motion:
Approval:

June 4, 2024
June 18, 2024