ASSET MANAGEMENT

INTRODUCTION

Asset Management establishes the basic direction, philosophies, and values for the management of the Road Commission of Kalamazoo County (RCKC) services through existing and new assets, in order to support achievement of RCKC's vison and goals.

SCOPE

Application:

- This Asset Management Policy applies to all RCKC that manage or influence service-providing assets or asset systems.
- This policy's scope includes but is not limited to the following asset categories: stormwater management, roads, bridges, facilities and grounds, equipment, etc.

Alignment:

- The RCKC's Asset Management approach should guide policies, strategies, planning, budget management systems, and processes.
- The Asset Management approach does not replace any existing strategies, but rather works to compliment and align these initiatives.

Implementation and Review:

- The RCKC will strive for all related processes to follow the direction and principles outlined in this Asset Management Policy.
- The progress of the RCKC's asset management efforts and implementation of the policy principles will be reviewed as needed to ensure the viability of the policy.

RELATED POLICIES AND DOCUMENTS

- [RCKC Compliance, Pavement and Bridge Asset Management Plans](#)
- 5-year Planning documents including equipment, facilities and grounds, retention basins, traffic signals, Pavement Surface and Evaluation Rating (PASER), pavement marking, sign retro-reflectivity, storm sewer drain and drywell, traffic data, tree and woody vegetation, etc.
- When implementing principles from this Policy, the RCKC will ensure their efforts align with other relevant policies, particularly those that relate to finance, service, and risk management.

PRINCIPLE STATEMENTS:

In each of the following areas, the RCKC will:

Responsible Decision Making:

- Make decisions on services and assets based on balancing level of service; risk; and whole life cost in alignment with the RCKC's vision, mission, values and objectives.
- Integrate financial risk, land use, community, environmental, social, technical, and budgetary plans and perspectives, working across the organization.
- Consider assets in their service delivery context and interrelationships across the network and

system to avoid isolated decisions.

- Ensure that we identify the service need, considers options with appropriate whole life costs and revenues (creation, operation, maintenance, replacement, decommissioning), and provides documented evidence for a final decision.

- Enable process and decision making by using service and asset data with supporting information systems.

- Continually review and increase data quality to improve data-based decision making.

Service Delivery:

- Strive to establish levels of service that balance the desires of stakeholders, risk, time/resource allocation, and cost-effective asset management processes.

- Implement realistic discussions with internal and external stakeholders regarding the state of the infrastructure, level of service, and the cost to provide the service.

- Integrate feedback and data into asset management efforts and decision making.

Long-Term Sustainability:

- Strive to manage assets to deliver services that are sustainable for the community and local environment, meet the anticipated challenges of fulfilling the community's expectations, legislative requirements, and needs of future generations.

- Consider sustainability in the context of financial, social, cultural, and environmental in risk and decision-making processes.

- Develop long-term financial plans that identify and adequately plan for required levels of operations, maintenance, and replacements associated with new and existing infrastructure, and use available resources effectively to minimize whole life costs of assets.

Risk Considerations

- Develop a good understanding of its operational risks in order to adequately invest in risk-mitigation activities needed to effectively manage service levels.

- Manage the risk(s) associated with attaining agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost / benefit.

- Assess risks by quantifying the probability and consequence of failure, including financial, social, environmental, and personal safety factors.

Change and Resiliency Preparations

- Consider financial impacts and forecast how they may impact service levels.

- Review future growth and demand expectations to ensure the RCKC can meet the service level needs of future generations.

Systematic Improvement

- Operate with a clear structure of organizational accountability.

- Have clear roles and responsibilities for the collection and maintenance of data and information related to service delivery, risk management, and the inventory, use, and performance of assets.

- Measure and report to the Board of County Road Commissioners of the County of Kalamazoo (Board) periodically on the opportunities, effectiveness, and challenges of the RCKC in areas as determined.

TERMS AND CONDITIONS: additional definitions can be found in the [RCKC Compliance, Pavement and Bridge Asset Management Plans](#)

Asset is an item, thing, or entity that has potential or actual value to an organization. The value can be tangible or intangible, and financial or non-financial. An organization may choose to manage its assets as a group, rather than individually, to accommodate its needs and achieve additional benefits. Such groupings of assets may be organized by asset type, asset system, or asset portfolio.

Asset Management (AM): A process that uses data to manage and track road assets in a cost-effective manner using a combination of engineering and business principles. Public Act 325 of 2018 provides a legal definition: "an ongoing process of maintaining, preserving, upgrading, and operating physical assets cost effectively, based on a continuous physical inventory and condition assessment and investment to achieve established performance goals".

Asset Management (AM) System (the management system for asset management) is a set of interrelated and interacting elements of an organization, whose elements include the AM policy and AM objectives, and the processes needed to achieve those objectives. In this context, the elements of the AM system should be viewed as a set of tools, including policies, plans, processes, and information systems, which are integrated to ensure that the AM activities will be delivered.

Asset Management (AM) Policy articulates the intentions and direction of an organization as formally expressed by its top management. The principles by which the organization intends to apply AM to achieve its organizational objectives should be set out in an AM policy.

Asset Management (AM) Strategy also referred to as a strategic asset management plan (SAMP), is documentation that specifies how organizational objectives are to be translated into AM objectives; the approach for developing AM plans; and the role of the AM system in Supporting achievement of the AM objectives. The approach to implementing the principles from the AM policy should be documented in the AM strategy. An organization's AM strategy should be used to guide the setting of its AM objectives, and to describe the role of the AM system in meeting these objectives. This includes identifying the structures, roles and responsibilities necessary to establish the AM system and to operate it effectively.

Asset Management (AM) Framework is a basic structure underlying a system, concept or text. Many municipalities used the term "AM framework" to refer to a high-level overview of their AM system, often in the form of a graphic illustration, showing how the different components connected to each other.

Asset Management (AM) Governance, refers to how the RCKC organizes itself to make decisions about its AM objectives, AM system, and application of AM practices. Governance in general refers to how society, or groups within it, organize to make decisions.

Asset Management Plan (AMP) is documentation that specifies the activities, resources**,** and time scales required for an individual asset, or a grouping of assets, to achieve the organization's asset management objectives. An AMP should define the activities to be undertaken with regard to assets, and should have specific and measurable objectives (e.g., time frames and the resources to be used). The asset management system provides information to support the development of AMPs and the evaluation of their effectiveness.

Levels of Service are the parameters, or combination of parameters, that reflect the social, political, environmental, and economic outcomes that the organization delivers. The parameters

can include safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental, acceptability, cost and availability.

Maintenance is the process of preserving a condition or situation or the state of being preserved. Maintenance can be planned/scheduled or reactive.

Natural Assets are the stock of natural resources or ecosystems that are relied upon, managed, or could be managed or other form of local government for the sustainable providing of one or more municipal services.

Sustainability in the context of asset management means that infrastructure assets shall be managed using a balanced approach to meet the long-term economic, social and cultural, physical, and environmental needs of the community.

Whole-life Cost (WLC), also sometimes referred to as life cycle cost, is the total cost of owning an asset over its entire life. Whole-life cost includes all costs such as design and building costs, operating costs, associated financing costs, depreciation, and disposal costs. Whole-life cost also takes into account certain costs that are usually overlooked, such as environmental impact and social costs.

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