POLICY RESOLUTION 3-16

ITEM: **Asset Management Policy**

PURPOSE:

The legislation O.Reg. 588/17 requires all municipalities and agencies of municipalities to have an asset management plan and an asset management policy.

The Toronto Parking Authority (TPA) is committed to the continuous improvement of asset management practices which complies with the requirements of O.Reg 588/17 and supports the delivery of sustainable services.

The purpose of this Policy is therefore to:

- Comply with the requirements of O.Reg. 588/17
- Guide TPA employees in the execution of asset management practices
- Support organizational objectives and meeting Environmental, Social and Governance (ESG) requirements, through increased risk awareness and management, and improved lifecycle planning
- Better identify and resolve infrastructure challenges and opportunities and find innovative solutions to achieve and maintain sustainable service delivery.

SCOPE:

This policy applies to the delivering, or supporting the delivery of, TPA services and is particularly relevant to employees who are in positions that make, or influence, decisions related to service delivery and infrastructure investment.

EFFECTIVE DATE:

The effective start date for this policy is May 15, 2025.

DEFINITIONS:

Asset Management

Asset Management is defined in the ISO 55000 international asset management standard as, "the coordinated activity of an organization to realize value from its assets".

Asset Management Policy

The Asset Management Policy establishes TPA's commitment and expectations around the management of infrastructure assets and their associated services. It describes the organization's intentions and directions for asset management and describes the principles and framework adopted in applying asset management to achieve the organization's strategic objectives.

Asset Management Strategy

An Asset Management Strategy defines TPA's approach to achieving the Asset Management Policy. It includes detail on the objectives and performance targets for asset management, stakeholder needs and approach for decision-making, alignment with corporate goals, detail on roles and responsibilities, continuous improvement, and guidance on processes and practices.

Asset Management Plan

An Asset Management Plan is a business plan developed for the management of infrastructure assets, focusing on delivering a specified level of service. It combines multi-disciplinary management strategies (including technical and financial) applied in a cost-effective manner over the life cycle of the assets. It identifies the activities required to deliver the specified level of service and achieve the organization's asset management objectives. It also provides a long-term program of works and a cash flow projection for these required activities.

Infrastructure Assets

Infrastructure assets are those that provide and support the provision of TPA services. TPA assets fit into the following categories:

a) Engineered assets are typically defined as the "built environment." This includes buildings, transportation assets, fleet, and other physical assets supporting service provision, including IT assets (hardware, software and data).
b) Green assets are "engineered assets" that help to reduce energy consumption or promote biodiversity. These include green roofing, bioswale drainage systems, electric vehicles and charging equipment, and solar panels.

Levels of Service

Levels of Service describe the service delivered to customers by the TPA. Examples include: their service experience (quality, cleanliness, reliability), or overall perceptions based on known metrics like the Net Promoter Score (NPS), or more technically focused such as time to address maintenance defects.

GUIDING PRINCIPLES FOR ASSET MANAGEMENT:

The following guiding principles adopted from the Infrastructure for Jobs and Prosperity Act, 2015, will apply to the implementation and improvement of asset management at TPA.

Forward looking

Make appropriate decisions to ensure assets will meet future challenges, including changing demographics/population, customer expectations, legislative requirements, technology, fuel sources and environmental factors.

Safety and Reliability

Maintain all assets and technologies in a state of good repair to ensure they are safe and reliable. Maintain, in accordance with regulations, a safe work environment for employees enabling the service.

Accessibility and Inclusion

Have clearly defined appropriate levels of service that consider accessibility, inclusion, and equity and apply asset management practices to achieve and maintain the level of service.

Sustainability and Resilience

Make appropriate decisions and manage TPA assets with consideration to climate vulnerabilities, service risks, and cost of service to work towards achieving and maintaining sustainable service delivery.

Customer Focussed

Set performance targets, monitor key indicators, and report key results to build and maintain customer confidence in how TPA assets and services are managed.

Improvement and Innovation

Incorporate continuous improvement processes in asset management planning and practices and encourage consideration of innovative solutions to enhance service delivery, efficiency, and customer experience.

Transparency and Accountability

Have clearly defined decision processes that include consideration of measured data, appropriate research, analysis, and equitable prioritization methods.

Value-Based

Choose practices, interventions and operations that aim to reduce the lifecycle cost of TPA assets, while satisfying agreed levels of service. Base decisions on balancing service levels, risks, costs, and customer experience.

Holistic Approach and Collaboration

Seek to synchronize asset management planning for interconnected infrastructure assets, even where some assets are not TPA owned and have different ownership structures. Wherever feasible and advantageous, consult with related organizations and municipal bodies to identify and consider collaborative opportunities.

CONNECTION TO FINANCIAL PLANNING:

Harmonize asset management planning with budget and long-term financial plans. Monitor and report on total cost of service and long-term forecast funding needs to sustainably deliver the agreed level of service.

Long-term forecasts shall include for the replacement of all existing assets , except where an asset is noted in its relevant asset management plan to not require replacement. Where the value of an asset replacement is below the cost threshold set in the TPA tangible capital asset policy it will be included in the operational budget forecast as an expense. All other asset replacements will be included in the capital forecast.

ROLES AND RESPONSIBILITIES:

The following responsibilities are set for establishing, implementing, improving, and maintaining TPA's asset management planning and practices.

Board of Directors

a) Approve asset management policy
b) Articulate customer and community values
c) Approve funding and resources through budgets and long-term financial plans to achieve and maintain agreed levels of service
d) Define corporate purpose, role, and vision

President and Executive Team

a) Establish an Asset Management Steering Committee and appoint representatives from relevant departments to serve on this committee, including appointing a senior leader to chair the committee
b) Adopt a Corporate Asset Management Strategy and a prioritized Improvement Plan
c) Where practical, strive to go beyond minimum legislative solutions to make TPA assets more resilient to changing influences such as climate,

cultural, social, legislative, economic, and other environmental conditions

d) Seek funding and service delivery opportunities to address infrastructure investment pressures
e) Provide regular updates to the Board on the state of the TPA's assets and forecasted trends (including long-term financial forecasts)

Asset Management Steering Committee

a) Collaborate on asset management improvements and implementation
b) Oversee development and implementation of asset management strategy
c) Develop and maintain an asset management roadmap and prioritized improvement plan

Department Managers and Service Leads

a) Lead the adoption of asset management policy and asset management strategy
b) Allocate resources and funding to implement asset management planning and practices
c) Monitor and report on level of service performance, costs, and asset management improvement

CONTINUOUS IMPROVEMENT: TPA is committed to developing, implementing and maintaining continuous improvement processes for asset management planning and practices. These processes will include development of a prioritized asset management improvement plan and the annual review and updating of that plan within the practical limitations of approved funding and available resources.

STAKEHOLDER ENGAGEMENT: TPA will provide opportunity for relevant stakeholder engagement, feedback, and input at least annually during budget considerations, and at other times when appropriate.

IMPLEMENTATION: The TPA asset management policy will be reviewed and, if necessary, updated at least once every 5 years.