



# Asset Management Policy

**Title:** NSUSC Asset Management Policy

**Owner:** Manager Capital Works

**Date of Approval:** 25<sup>th</sup> November, 2010 by the Board Committee.

Adopted in Board meeting held on 10<sup>th</sup> December, 2010

**Sponsor:** Director Operations and Services

## PROLOGUE

The **ASSET MANAGEMENT POLICY** has been authored by the NSUSC. It was first placed for Board approval in the 10<sup>th</sup> Board meeting held on 10<sup>th</sup> August, 2010 where in following Board Committee was constituted with the mandate to review, clear and approve the Policy:

### COMMITTEE

- |                                |             |
|--------------------------------|-------------|
| 1. Mr. Usman Ghani Khatri      | Chairman    |
| 2. Dr. (Mrs.) Zeenat Issani `` | Member.     |
| 3. Mr. NK Shahani`             | Member.     |
| 4. Mr. Jabbar Memon            | Member.     |
| 5. Mr. Tariq Mahmood (MD)      | Facilitator |
| 6. Mr. A.W. Rahi               | Secretary   |

The Committee was able to clear and approve this Policy on 25<sup>th</sup> November, 21010 in its meeting held in the office of SCIP, with certain changes and modifications which have been duly incorporated.

Subsequently the Policy was unanimously adopted in the 11<sup>th</sup> Board meeting held on 10<sup>th</sup> December, 2010 and thus the Policy is now to be implemented, as part of the Policies, Systems and Procedures, in the Company.

# **North Sindh Urban Services Corporation – Asset Management Policy**

## **1. Policy Statement**

North Sindh Urban Services Corporation (NSUSC) Business Plan has a focus on sustainable service delivery. The current levels of service are specified in Services and Asset Management Agreement between Taluka Municipal Administration and NSUSC. The goal of asset management is to meet these required levels of service, in the most cost effective manner, through the management of assets for present and future customers; and to demonstrate this to customers and stakeholders. Asset management benefits relate to accountability, risk management, financial efficiency and service management in the most sustainable way.

## **2. Responsible Officer**

The Director Operations and Services is responsible for the implementation and maintenance of this Policy under the oversight of a Committee of the Board formed for the purpose.

## **3. Key Definitions**

### **3.1 Asset**

A physical component of a facility which has value enables services to be provided and has an economic life greater than 12 months.

### **3.2 Asset Register**

A record of asset information considered worthy of separate identification including inventory, historical, condition, and construction, technical and financial information about each asset. Physical inventory will be verified annually.

### **3.3 Asset Management (AM)**

The combination of management, financial, economic, and engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.

### **3.4 Asset Management Information System**

An asset management system is a combination of processes, data and software applied to provide the essential outputs for effective asset management such as reduced risk and optimum infrastructure investment.

### **3.5 Levels of Service (LOS)**

The defined service quality for a particular activity, against which service performance may be measured against Key Performance Indicators (to be developed). LOS usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

### **3.6 Lifecycle Cost Analyses**

The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, and rehabilitation and disposal costs.

## **4 Statutory Obligation**

NSUSC will manage its assets in accordance with clause 14.2.3 of SAMAs, which is as follows:

*The company warrants that the contracted services will be performed in a competent, Professional and satisfactory manner and shall meet the level of services specified in Schedule 5 hereof. .Schedule 5 is attached as Annexure to the Policy)*

## **5. Strategic Approach**

Principles and key elements are:

- Consult TMA, community and stakeholders to develop LOS;
- Provide the defined LOS and monitor and report performance;
- Develop cost-effective management strategies for the long term;
- Understand and meet the impacts of growth through demand management and infrastructure investment;
- Undertake Lifecycle Cost Analysis on all asset decisions;
- Undertake risk identification, assessment and control;
- Use physical resources sustainably;
- Ensure that a comprehensive Asset Register is maintained and asset condition assessments are undertaken;
- Ensure that sufficient and accurate information is captured in an Asset Management Information System to enable effective asset management, performance measurement and depreciation estimations;
- Undertake continuous improvement in asset management practices; and
- Ensure that an infrastructure funding renewal gap is not created for future generations of customers.

Business/operational plans will integrate these principles in operational planning.

## **6. Responsibility**

Asset management is the responsibility of all staff and this policy is a reference for all NSUSC employees. The policy has been designed for the use by all NSUSC staff, and is particularly relevant to the Senior Management Team, and those employees directly involved in the formal application of asset management. This Asset Management Policy provides the framework, together with the Business Plan, to enable asset management strategy, objectives, targets and performance indicators to be produced for approval by the Board of Directors

## **7. Review**

This policy will be reviewed annually by the Board as and when warranted.

## **SCHEDULE 5**

### **Levels of Services and Monitoring and Evaluation** **(Clause 4.2.2 & 4.1.4)**

NSUSC will deliver the following Levels of Service, in terms of business processes and delivery outputs, with respect to the Contracted Services:

- (i) Delivery of business plan, annual budgets and installation of Management Information System within one year of SAMA effectiveness.
- (ii) Water supply, wastewater, drainage and solid waste management (SWM) customer survey on annual basis.
- (iii) Water production metering as bulk meters are procured.
- (iv) Monitor raw water quality on weekly basis within one year of SAMA effectiveness.
- (v) Monitor treated water quality on monthly basis at customer taps within one year of SAMA effectiveness.
- (vi) Data reporting for observed and/or reported sewerage blockages, sewerage overflows.
- (vii) Data reporting for number of customer complaints for water supply/wastewater/SWM services.
- (viii) Data reporting for the average time from application to installation for all new connections.

The Levels of Service will be monitored by the TMA, with advice from the Independent Verifier, a consultant firm hired under the Sindh Cities Improvement Investment Program (SCIP).