



Federal Asset Management

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About GAO

- An independent, nonpartisan agency serving the Congress
- Helps to improve the performance and ensure the accountability of the federal government
- Core values include Accountability, Integrity, and Reliability
- To ensure its independence, the Comptroller General (CG) is appointed to a 15-year term by the President



High Risk List

Identifies federal programs and operations that are especially vulnerable to waste, fraud, abuse, and mismanagement, or that need transformative change. (See <https://www.gao.gov/high-risk/overview>)



GAO High Risk Area – Real Property

Since 2003, GAO has identified federal real property management as a High Risk issue

- Deferred maintenance and repair
- Excess and underutilized property
- Costly leasing
- Lack of reliable data
- Inadequate security of federal facilities



Source: GAO analysis. | 2017 High Risk List GAO-17-317



**Federal Real
Property Asset
Management:
Effective Asset
Management
Frameworks and
Key
Characteristics
(GAO-19-57)**

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United States Government Accountability Office
Report to Congressional Requesters

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**FEDERAL REAL
PROPERTY ASSET
MANAGEMENT**

Agencies Could
Benefit from
Additional Information
on Leading Practices

GAO-19-57

Asset Management Framework









Source: GAO analysis of leading practices. | GAO-19-57

Asset Management Key Characteristics

- Identified 6 key characteristics of an asset management framework based on:
 - 32 in-depth interviews with experts and organizations;
 - ISO 55000 standards;
 - leading practices such as those from the International Infrastructure Management Manual (IIMM);
 - review of asset management literature.

Key Characteristics of an Asset Management Framework

Characteristic	Description
Establishing formal policies and plans 	Organizations should have a clearly defined governance regime that includes a strategic asset management plan that ties to the organization's mission and strategic objectives, defines the asset management scope, and defines the roles and responsibilities for each part of the organization.
Maximizing an asset portfolio's value 	Organizations should develop an asset management policy to identify the value of their assets to achieve their mission and strategic objectives, and invest in those assets in such a way as to derive the greatest value from them.
Maintaining leadership support 	Organizational leadership should clearly articulate its support for asset management and provide the necessary resources for asset management to succeed.
Using quality data 	Organizations should collect, analyze, and verify accuracy of asset data, including the organization's inventory of assets and data on each asset's condition, age, maintenance cost, and criticality to the organization.
Promoting a collaborative organizational culture 	Organizations should promote a culture of information sharing and enterprise-wide decision-making regarding their assets.
Evaluating and improving asset management practices 	Organizations should evaluate the performance of their asset management system and implement necessary improvements.

Agency Asset Management

- Reviewed 6 federal agencies:
 - U.S. Coast Guard
 - U.S. Army Corps of Engineers
 - General Services Administration (GSA)
 - National Park Service
 - National Aeronautics and Space Administration (NASA)
 - U.S. Forest Service

- Each of the six federal agencies' asset management practices included some of the key characteristics of an effective asset management framework.

Agency Asset Management

- Each of the six agencies had some asset management “policies and plans” formally documented:
 - The Corps’ 2014 Program Management Plan for Civil Works Asset Management.
 - Coast Guard’s Civil Engineering program was developing a series of manuals, process guides, and technical orders describing an asset management approach.

Agency Asset Management

- The six agencies each had a process for “maximizing asset portfolio value” by prioritizing asset investments using criteria such as risk, condition, and cost:
 - GSA categorizes assets into tiers and is now using an Asset Repositioning Tool to rank assets within each tier.
- Each agency also had a process for centralizing decision-making for certain high-value projects:
 - The Corps’ Operations & Maintenance (O&M) 2020 process bases funding decisions for maintenance and repair projects on a portfolio-wide comparison using risk as the primary criteria.

Agency Asset Management

- Each of the six agencies was “using quality data” collecting some inventory and condition data on their assets and using these data to make decisions:
 - Forest Service requires its units to inventory assets over a 5-year cycle including condition and deferred maintenance information.
 - The Corps, in 2017, developed a new policy for operational condition assessments that uses visible attributes and performance to determine condition.

Agency Asset Management

- Two of the six agencies are “evaluating and improving asset management practices” with continuous evaluation processes laid out in their asset management plans:
 - GSA’s asset management plan describes the data GSA uses such as operating costs, asset condition, and asset utilization.
- Five of the six agencies are in the process of developing major changes to their asset management policies.
 - Park Service is working on improving the efficiency of its data collection process and changing its investment strategies.

Federal Asset Management Guidance

- Federal guidance covers several areas of asset management.
 - OMB circulars, guidance, memos, and a 2004 Executive Order.
- Federal guidance does not direct agencies to develop a comprehensive approach to asset management reflecting ISO 55000 and the key characteristics identified.
- Federal guidance does not reflect information on successful asset management practices that could be helpful to federal agencies in developing their individual frameworks.

Federal Asset Management Guidance

- GAO recommended that OMB improve information on asset management to reflect leading practices and key characteristics and make it readily available to federal agencies.
 - This could be done in various ways, such as, updating guidance or developing a source of information on successful asset management practices from federal agencies.

Questions

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