

A Letter from Asset Leadership Network Executive Director, Jim Dieter

October 29, 2016

The 3rd Annual Federal Asset Management Week broke ground on many levels. The most important achievements are 1) the articulation of existing, successful asset management statutes, regulations and legislation; 2) listing the gaps; and, 3) stating clear steps forward to fill the gaps.

This achievement is validated by the high-level of participation of leaders and policy makers from multiple Federal Agencies, legislative staff and private companies who serve the U.S. Government.

While those involved this year represent a cross section of asset categories, professional perspectives, and owner orientation, there was agreement that a systematic approach to asset management improvement can yield dramatic benefits for the U.S. Federal Government.



Jim Dieter and Norman Dong, GSA Public Building Services Commissioner.

A growing list of case studies pointed to the likelihood of success when asset management is addressed in a holistic, comprehensive manner. The acceptance of leadership-level asset management to enhance boots-on-the-ground management of assets is firmly in place. Assisting Federal leadership to confidently pursue systematic asset management as exemplified in ISO 55000 is now more imminent and realistic.

Commitment to ongoing discussions with Agencies, leading companies and interested legislators bodes well for the ability of systematic asset management approaches to increase value from assets and save tax payer dollars.



Admiral Thad Allen, USCG (ret.) was the Keynote.

The Asset Leadership Network is proud to assist in moving the conversation forward in a way that provides positive impact on the United States' dire need for improved infrastructure and better management of assets in all categories.

Thanks for communicating with us and each other as this opportunity continues to unfold.

Jim Dieter, ALN, Executive Director

2016 Recommendations to the New Administration and Congress to Significantly Improve Management of Federal Assets

Executive Overview

The American people expect and deserve the best from the U.S. Federal Government. The U.S. Federal Government has over \$1.5 trillion in real property assets and \$1.5 trillion in personal property assets. These assets include federally owned infrastructure, buildings, IT assets, military assets, satellites, software, parks, communications assets, energy assets, etc.

There is currently no coordinated program to manage U.S. assets. This is largely a management, rather than operational, issue. Proven improvements methodologies exist. Leadership awareness of the opportunity, and support of enabling executive and legislative action will both reduce the price of asset management and avoid repeating past mistakes.

Exposure to leading functional, sector, and international thought, and aggressively supporting the use of asset management standards will lead to improved knowledge and decision making by senior federal leaders. The management systems approach to asset management detailed in the ISO 55000 Asset Management standard will:

- Contribute to funding infrastructure renewal;
- Assure renewal projects have lifecycle plans and funding sources; and,
- Improve the public and private sector management of assets.

As a core part of a recent Federal Asset Management Week by the Asset Leadership Network at the National Academy of Sciences Building and other locations, recommendations to the new Administration and Congress for improved Asset Management were drafted by work groups from a broad cross section of interests. Using a conceptual model developed by the Institute of Asset Management (Attachment #1, below), recommendations were developed for each subject area covering the breadth and depth of Asset Management.

Five recommendations present the greatest potential impact:

- Initial planning, funding, and appropriations for assets should address whole life costs;
- Funding and appropriations should be tied to having a documented strategic asset management plan based on ISO 55000 fundamentals and benefits;
- Feedback on project success should be required, and enforced as requisite for additional projects or funding; and,
- Use knowledge and information management with standards to bridge silos and fuel productivity
- Update the Federal Property and Administrative Services Act of 1949 to support actions needed in the 21st century

The valuable recommendations of each of the work groups (Attachment #1, below) provide additional guidance and opportunities. The in-depth white paper includes background information, context, applicable laws and regulations, and relevant case studies.

Attachment 1 – Work Group Recommendations

Asset Management Decision Making Work Group

1. Promote whole life cycle based decisions (ASTM WK53277)
2. Tie funding to having an articulated asset management plan and best practices.
3. Promote alignment and line of sight in resourcing decisions.
4. Promote adoption of ISO 55000

Lifecycle Delivery Work Group

1. Develop and implement Asset Management Plans based on ISO 55001
2. Guidance for completing the missing FMR sections for asset management
3. Process to insure continuity of financial information from planning through lifecycle delivery
4. Improve asset management knowledge at all levels

Strategy & Planning Work Group

Advance the Policies and Strategies of the Federal Government; focus on A-11 to incorporate the following ISO 55000 principles:

1. Align asset management with ISO 55000
2. ISO 55000 assessment on agencies as feasible
3. Evaluate how ISO 55000 principles can be implemented across all sectors
4. Model Strategic Plans after the ISO 55000 Strategic Asset Management Plan (SAMP)

Organization & People Enablers Work Group

1. Value of Knowledge Management
2. Developing, Transferring and Retaining Asset Management Competencies

Risk & Review Work Group

1. Adopt the basic principles of a Strategic Asset Management Plan (SAMP) per ISO 55000 across the Federal Government
2. Utilize an ISO 55000 system which evidences the effectiveness of the asset management system and other management standards as part of the GPRAMA
3. Establish metrics for “score carding” agency adoption of the aforementioned risk management principles and construct for evidence based outcomes
4. Annually report Asset Risk Management Planning and Implementation progress by Agency under GPRAMA with appropriate evidence based results/outcomes

Asset Knowledge Enablers Work Group

1. Information is an asset
2. Decouple the data from the application