



**Asset Leadership Network**

**Recommendations to the New Administration and Congress  
to Significantly Improve Management of Federal Assets:  
Manage America's Assets and Invest in America's Infrastructure**

A Letter from Asset Leadership Network Executive Director, Jim Dieter  
October 31, 2016

The 3<sup>rd</sup> Annual Federal Asset Management Week in October 2016 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) identification of clear steps forward to fill the gaps.

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

Key note speeches from Federal leaders and corporate executives presented solid technical and procedural asset management knowledge. All pointed to cultural challenges as the main impediment to predictable improvements. Diverse Work Groups addressed six core elements of successful asset management with concise, precise ideas addressing many asset types summarized in this document.

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 can yield dramatic benefits for the U.S. Federal Government.

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.

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*

Executive Director  
Asset Leadership Network

## Executive Overview

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

**There is currently no coordinated program to Manage America's Assets. Crucially, this is largely a management rather than operational issue. Proven improvement methodologies exist. Leadership awareness of the opportunity will reduce the price tag of future assets and asset renewals. We must avoid repeating past mistakes. Standards based executive leadership decisions and enabling legislative action will optimize results as we Invest in America's Infrastructure and supporting assets.**

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 while minimizing regulatory burden. The management systems approach to asset management detailed in ISO 55000 Asset Management will:

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

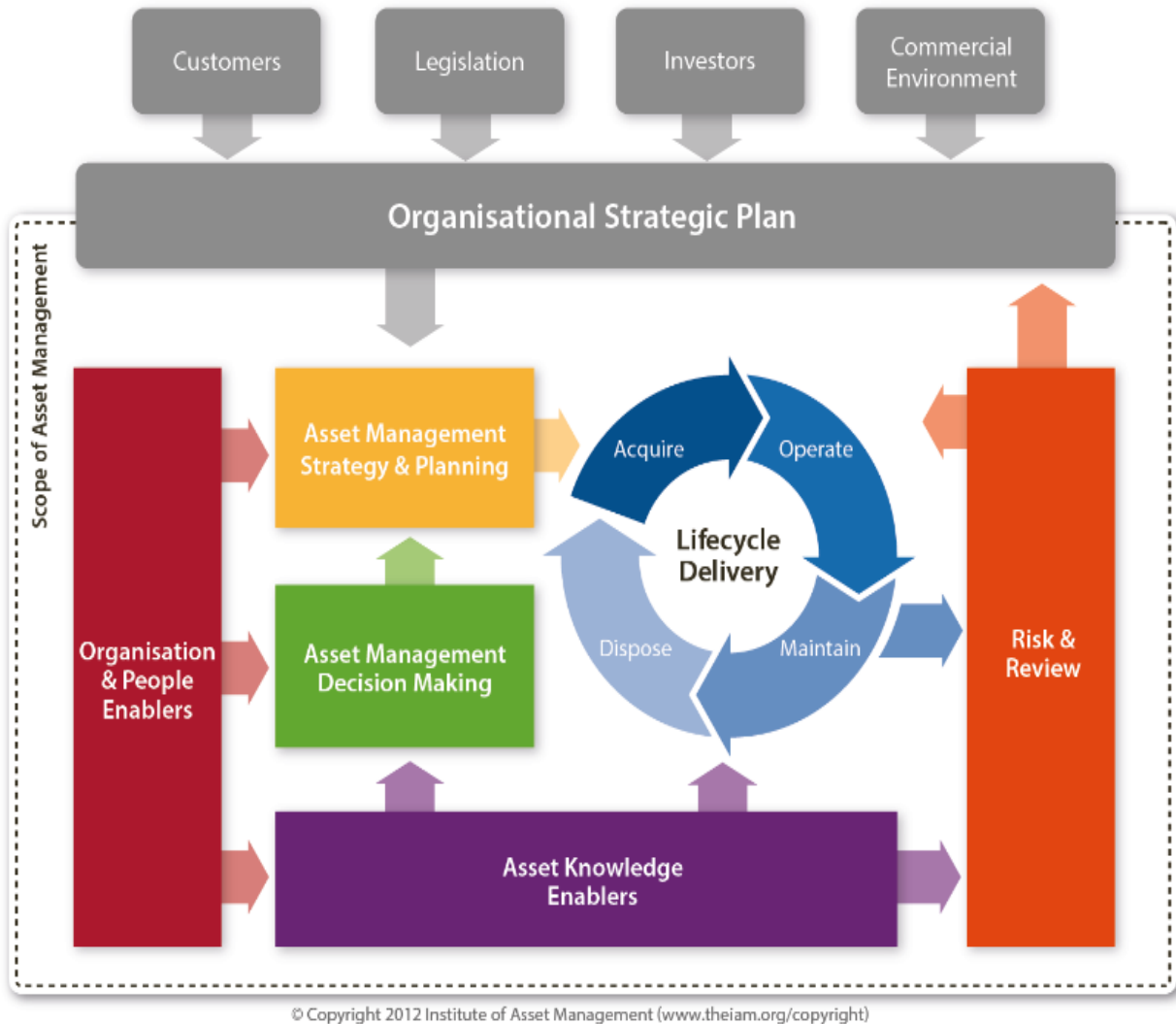
As a core part of a recent Federal Asset Management Week by the Asset Leadership Network at the National Academy of Sciences Building and other locations, recommendations to the new Administration and Congress for improved Asset Management were drafted by work groups from a broad cross section of interests. Using a conceptual model developed by the Institute of Asset Management (Attachment #1), 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 organizational 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.**
- **Encourage the use and sharing of standards based knowledge and information management to bridge silos and fuel productivity.**
- **Update the Federal Property and Administrative Services Act of 1949 to support actions needed in the 21<sup>st</sup> century.**

The valuable recommendations of each of the work groups (Attachment #2) provide additional guidance and opportunities. The in depth white paper includes background information, context, applicable laws and regulations, and relevant case studies.

## Attachment 1 - Institute of Asset Management Conceptual Model



## Attachment 2 – 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 ISO55000

### 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

### **Asset Management 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

*The Asset Leadership Network (ALN) is a not-for-profit trade association focused on the advancement of a systems approach to asset management across all industries, markets and sectors. The Asset Leadership Network identifies and promulgates universal guiding principles and best practices that impact the management and service value of assets. [www.AssetLeadership.net](http://www.AssetLeadership.net)*