



ISO 55000 Overview for Federal Agencies December 2017

The Asset Leadership Network was established by U.S. delegates to the proceedings that developed the ISO 55000 management system for asset management. ISO 55000 is the only international, standardized approach to improving management of any asset type.

Private and public sector entities have used the ISO 55000 system to realize dramatic improvements in their operations and mission performance. The standard leads to use of common language, repeatable business processes and improves communication about complex topics and collaboration on common missions and goals.

This Overview is intended to help Federal agencies understand how to gain executive approval for implementing proven practices that can dramatically enhance measurable success.

This standard has seen greater adoption in the UK and the Commonwealth countries than in the U.S. Particularly, Australia and New Zealand are leveraging ISO 55000. China has also shown a growing interest in adopting it. One of the first significant implementations of the standard in the U.S. was by the Pacific Gas and Electric Company to guide the company's response to fatal incidents in California. The Pacific Gas and Electric Company used the management system to address the problems that led to the fatalities.

Sodexo is a food service and facility management company that initially implemented the standard to manage its own assets, and subsequently decided to offer ISO 55000 training as part of its facilities management consulting business.

We are aware of at least four Federal agencies that have begun to implement ISO 55000. The U.S. Army Corps of Engineers (USACE) Civil Works; Federal Transit Administration; Western Area Power Administration and Bonneville Power.

The USACE Civil Works began to implement the principles in the standard for its own asset portfolio in 2009. This was well before those principles were published formally in 2014 as ISO 55000. The USACE determined on its own that the principles could help it manage its assets more effectively and do a better job justifying its budget requests.

More recently, the Federal Transit Administration within the Department of Transportation began using the principles in the standard to guide its grant making decisions. The agency considers where prospective grantees are along the "asset management maturity scale" in making grant awards. The "asset management maturity scale" is determined based on the entity's compliance with the principles in ISO 55000. This is a very positive way to incentivize state and local government recipients of Federal infrastructure funds to implement the "best in class" asset management principles of ISO 55000. This approach can clearly be applied to other prospective Federal fund awards for all infrastructure projects.

The Asset Leadership Network is working the USACE Civil Works and Booz Allen Hamilton to create a Federal Asset Management Community that shares best practices on a web platform. The web platform is a Department of Defense supported All Partners Access Network website that includes a repository for best practices, case study presentations, web meeting capabilities and more.

What is ISO 55000?

- A set of high level principles collected by asset management professionals from around the world. The principles have been employed successfully to achieve organizational objectives and other benefits.
 - Many, if not most, of these principles will be very familiar to you; part of your normal way of operating.
 - What's different about the standard is how explicit and comprehensive the principles in it are.
- Although the principles were written to guide organizations in taking an enterprise-wide approach to managing their assets, they can also be used to inform specific asset-related projects.
 - Most asset management reform efforts by Congress and the Executive Branch focus on solving specific problems, e.g., accelerating the sale of surplus property. Using a medical metaphor, such focused efforts are “Band-Aids.” Continuing the metaphor, adopting the ISO 55000 principles will lead organizations to make life-style changes that will lead to healthier behavior across the enterprise.
- ISO 55000 isn't additional guidance; rather, its principles inform organizations to develop and implement their own guidance.
 - Two identical organizations could follow the principles in ISO 55000 and end up with very different approaches to managing their assets.
 - Both approaches should ultimately lead to successful outcomes.
- Implementing ISO 55000 puts an organization on a path to achieve successful outcomes over time.
 - Staying on the path, monitoring results, and making continuous improvements will likely achieve the desired outcomes.

Let's look at ISO 55000 in another way before discussing how to apply it to any organization.

- The Institute for Asset Management (IAM) is a U.K.-based organization that provided the core leadership for developing PAS 55, the U.K. standard that was the foundation for ISO 55000.
- The principles in ISO 55000 are presented according to table of contents common to all ISO standards. Unfortunately, that structure isn't the easiest way to understand the substance of the standard.
- A much better way is to follow the grouping of the principles into the six “systems” elements defined in the IAM's Anatomy of Asset Management.
 - Strategy and Planning
 - Decision Making
 - Lifecycle Delivery
 - Organization and People
 - Asset Information
 - Risk & Review
- When organizations address their asset management plans based on these 6, interrelated elements, complex systems can be addressed more readily.



Now let's consider how looking at ISO 55000 principles from this perspective can help any organization manage its assets comprehensively, or address a more specific asset-related improvement effort.

- Determine the scope of the asset-related improvement effort, i.e., project. A project can encompass all of an organization's assets or only a sub-set of those assets. Examples of more focused projects are HQ consolidations, fleet management improvements, expediting the identification and sale of surplus property, opening a new agency campus, etc.
- To determine whether a project is following the principles in ISO55000, we can answer a series of questions associated with each of the elements in the IAM Conceptual Model.
 - A "yes" answer to a question means that TSA is already following the associated ISO 55000 principle.
 - A "no" answer means that the principle isn't yet being followed.
 - Some "no" answers are deal-breakers, you can't proceed.
 - Other "no" answers are inconveniences, but you can still proceed.
- We're not going to address all of the principles in the standard, just enough to give you a sense of how they can be applied to your project. Once you become more familiar with the principles in the standard, you'll be able to come up with better questions for your projects.
- Here are some sample questions organized by IAM system element.

Organization and People.

- Does the project have senior leadership support?

- If not, the project plan needs to include obtaining such support. Until that support is in place, the project success is not secure.
- This is one of the deal-breaker principles
- Does the project have a governance structure that includes all the key stakeholders?
 - People whose approval/input/concurrence is needed to proceed
 - Executives, Managers, Staff, Contractors
 - Unions
 - OMB
 - Congress
 - Other regulatory bodies
 - People who control resources needed to proceed
 - People affected by the project
 - Others, e.g., media who impact opinions about the project
- Does the organization have sufficient expertise in key positions on the project to apply ISO 55000?
 - If not, consider
 - Having the critical staff trained in ISO 55000
 - Reaching out to other agencies that are familiar with ISO 55000 and seek their help
 - Contractor support. If you choose this option; look for available contracts that can be used, before running a new procurement.

Strategy and Planning.

- Has the impact of the project on the organization's mission been evaluated and described?
 - From a cost/benefit perspective
 - From a risk perspective (NOTE: This incorporates principles in the Risk & Review element; there are connections between principles in many elements.)
- Does the organization have a project plan that:
 - Includes all the activities needed to accomplish the goal
 - Appropriately prioritizes those activities
 - Has been approved by all relevant stakeholders
 - Addresses the risks of missing key deadlines
 - Includes multiple "Plan Bs" for unanticipated events that have mission critical consequences

Decision Making.

- Is the organization considering all applicable standards (e.g., Total Cost of Ownership, Return on Investment, etc.) in evaluating its relocation options?
- Is the organization considering all applicable scoring rules and other regulations in evaluating those options?
- Have stakeholder views been identified and considered? Are stakeholders satisfied with your decisions?
- For projects with leases, do the lease terms and conditions address all requirements that are important to the agency?
 - Lessor liability and penalties for performance failures
 - Meeting environmental and resilience standards
 - Ability to expand or reduce space without undue penalties

- Responsibilities for paying for minor and major renovations before move-in and during the lease term
- Etc.

Lifecycle Delivery.

- Are clear lines of communications defined between the organization and external stakeholders, such as landlords?
- Are operational responsibilities of the agency and external stakeholders during the contract period sufficiently well-defined and satisfactory to both parties?
- Are contract termination responsibilities sufficiently well-defined and satisfactory to both parties?

Asset Information.

- Does the organization have sufficient accurate information on the amount, type, condition, and location of assets associated with the project?
- Does the agency have access to sufficient information about offers from the different bidders?

Risk & Review.

- Has the organization considered the risks associated with all aspects of the project?
 - Are there any mission-critical facilities affected by the project, e.g., operations for which special risk mitigation plans need to be made?
- Has the organization adequately defined the metrics by which it intends to hold the organization accountable for its performance?
- Will the organization be implementing sufficient reporting requirements to track those metrics and be able to make any necessary corrective actions on a timely basis?
- Has the agency defined any macro level outcomes it hopes to accomplish from the project, e.g., cost savings, and will it be implementing methods for capturing actual outcome data?

Chances of project success are greatly assisted when using appropriately using ISO 55000 as a guide for U.S. Federal Agencies.

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