Overcoming federal property management challenges

As federal agencies work to optimize operations and balance requirements to do more with less, they still tend to lack full visibility into the real and personal property assets under their control. And this makes it difficult to manage those assets throughout their useful lifecycles.

Increasingly, government organizations struggle with legacy stove-piped, or piecemeal solutions, which give them only limited pockets of asset management capability, making it difficult to clearly see or manage all assets and fully comply with regulatory requirements. Under tight budgets, using aging infrastructure, agencies must somehow find ways to maximize the value of their existing assets. And despite ongoing funding challenges, they must also address demands for more and better constituent services, along with greater accountability.
<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>The challenge</td>
</tr>
<tr>
<td>5</td>
<td>Components of federal property management</td>
</tr>
<tr>
<td>6</td>
<td>Looking forward</td>
</tr>
<tr>
<td>7</td>
<td>Infor EAM: Transforming how government delivers services</td>
</tr>
</tbody>
</table>
The challenge

Agencies must ensure assets are available, safe, reliable, and performing to design standards. However, the sheer size of the government’s federal real and personal property portfolio makes this no easy exercise. The federal government currently utilizes and administers approximately 850,000 physical buildings, structures, and facilities valued at nearly $500 billion. In addition, the government oversees millions of acres of land and spends almost $7 billion dollars every year on leases.1

Unfortunately, there is no readily available combined estimate of the size and scope of federal personal property assets, which would include all IT hardware, software, mobile devices, equipment used for testing and calibration, warehouse parts, chemicals, weapons, ammunition, and other physical items. Fleet property assets, meanwhile, include an estimated 636,000 vehicles (trucks, buses, cars and other types), according to the FY’13 Federal Fleet Report.2

This extensive portfolio is global, with many assets located in remote parts of the world. Given the portfolio’s size and geographic diversity, it’s no wonder agencies lack reliable and accurate inventories.

The Government Accounting Office first acknowledged the challenges in a 2003 report citing how property management practices represented a high risk area. In this report, the GAO indicated a significant portion of the government’s portfolio was in a serious state of disrepair and would cost billions of dollars to remediate.3

Since the GAO’s initial report, two presidential executive orders were passed to address asset management requirements. First, Executive Order (E.O.) 13327 was enacted under the Bush Administration, to promote the efficient and economical use of federal real property. At that time, all executive branch departments and agencies were mandated to appoint a Senior Real Property Officer (SRPO), who is charged with identifying all of the agencies real property assets, defining improvement plans, capturing life cycle cost estimations, managing historical properties, monitoring agency compliance, and reporting agency performance to the OMB and to the Administrator of General Services, once a year. In turn, the General Services Administration (GSA) is responsible for standardizing data reporting requirements and aggregating all of the reported data into a real property database.

The Obama Administration has since also passed E.O. 13514, to enhance sustainability and reduce greenhouse gas emissions. Under this order, each agency was required to appoint a Sustainability Officer and establish sustainability targets, implement a plan to reach those targets, monitor compliance, and then report agency performance once a year to the Council on Environmental Quality.
Additional acquisitions regulations require contractors to maintain an adequate “government property management” business system to support a life cycle approach to asset management. And Part 13.32 of 44 CFR provides guidance on equipment management for all recipients of federal grants and co-op agreements. By requiring grant applicants to provide inventory audit reports, this rule enforces equipment management requirements.

Other legislation, such as Moving Ahead for Progress in the 21st Century Act (MAP-21), passed in 2012, required each state to develop risk-based asset management plans for the National Highway System (NHS) to better track the condition of each state’s transportation assets.

These mandated asset management initiatives have helped agencies address how best to deliver federal government services and achieve maximum value at the lowest possible cost. Meanwhile, additional legislation in the form of the Federal Information Technology Acquisition Reform Act (FITARA) further amplifies requirements to leverage “smarter” technologies to improve government services, protect private and classified information, and reduce costs.

To keep pace with service demands and comply with evolving regulatory and legislative hurdles, many agencies are migrating applications to the cloud. This is taking place alongside ongoing consolidation and sharing of services and technology within and across federal agencies and departments. All of these changes are helping to optimize certain functions, such as financial services and human resources, and enhancing collaboration among agencies. Shared services centers, for example, show how integrated technologies that provide greater visibility into operational data can be used for better, faster decision-making.

By eliminating information silos and opening lines of communication, agencies using shared services centers can better visualize and measure the impact of their actions. These advances are also helping agencies think beyond traditional enterprise resource planning (ERP) systems to examine other “off-the-shelf” solutions that can help optimize everything from the delivery of healthcare services to cybersecurity, and other crucial areas of concern. For example, given the regulatory pressure to improve audit-readiness, more agencies are focusing on user access and monitoring the transactions processed daily.

Modern EAM solutions allow resource-challenged government organizations to make faster and more informed decisions about operations management, maintenance scheduling, energy efficiency, space utilization, and risk reduction.
To address the challenges and comply with federal mandates, government organizations are increasingly turning to enterprise asset management (EAM) systems to track, manage, and monitor the performance of agency assets. In a nutshell, EAM provides a detailed plan for the services that federal agencies (as well as states and local governments) provide to constituents. Beyond the basics of tracking equipment and property inventory, as well as streamlining compliance with regulatory requirements, EAM systems allow government organizations to manage the life cycle of federal property assets to minimize costs and maximize service utilization. These property assets include:

- **Real property**: Buildings, structures, and land.
- **Fleet**: Passenger vehicles, trucks, buses, ambulances, ships, airplanes, etc.
- **Personal property**: IT (hardware, software, mobile devices), equipment (test and calibration, warehouse parts, etc.), chemicals, weapons, ammunition, etc.

When they implement an EAM system, federal agencies typically gain:

- **A reliable inventory that provides a clear view of currently owned property assets**. EAM tools allow users to identify, track, locate, and analyze an agency’s physical assets—and are accessible on mobile devices—to maximize productivity.

- **Targeted planning capabilities for maintenance, repairs, and improvements**. Agency personnel can generate precise maintenance schedules—preventive, corrective, or predictive—to better utilize limited manpower and material resources. The schedules and labor requirements can easily be adjusted as real property needs change over time. This information can also be used to create facility maintenance budgets and track associated costs.

- **Greater transparency and accountability**. Identifying the assets that require immediate attention, versus those that may have repairs deferred, is a juggling act. Fortunately, modern EAM solutions provide analytical capability through a single, integrated data repository to aid both asset management and oversight requirements. Agency personnel can track the ongoing condition of all real property to ensure proper maintenance levels are delivered to maintain compliance with federal oversight requirements.

**EAM solutions typically include:**

- A database of updated physical and fiscal information about all agency assets
- Software to support operational process work flows, capture, and update actionable information about each asset
- Barcodes to identify assets
- Mobile device support to conduct field auditing and maintenance updates
- **Improved operational visibility to inform decision-making.** Thanks to advances via the Internet of Things, today’s interconnected devices, systems, and sensors generate copious amounts of data. By populating an EAM solution with this information, agencies gain greater insight into the precise level of predictive maintenance required, along with performance issues likely to arise in coming weeks, months, or years.

- **The ability to leverage automation to enhance sustainability.** With direct access to the detailed information needed to manage energy consumption and formulate energy performance management strategies, agency personnel can evaluate period-over-period energy consumption behaviors within individual real property assets to determine whether energy policies are having the desired effects.

- **Auditable compliance with government, environmental, and safety regulations.** Agencies gain the ability to generate detailed reports to support ongoing performance and sustainability requirements to comply with federal regulations.

---

**Best practice EAM advice**

To reduce asset management headaches, agencies should:

- Take a more holistic approach to enterprise-wide asset management.
- Seek best-in-class solutions that integrate with prevalent ERP platforms.
- Avoid point solutions that can make connectivity and integration difficult later.

---

**Looking forward**

In five years, it’s likely government agencies will shift away from the limited asset management capabilities found in some traditional ERP software and home-grown solutions, to more robust EAM solutions available in the cloud. Cloud-based EAM solutions can deliver greater functionality at a lower cost, to support the optimization of operational processes, and ease federal oversight compliance requirements.

It’s likely that advances in cloud services, along with analytics and dashboards, mobile technologies, and social media platforms will increasingly be used to help agencies improve sustainability and energy conservation.
Infor EAM: Transforming how government delivers services

Infor® delivers a comprehensive suite of integrated, government-specific solutions that drive optimized asset management, and streamlined regulatory compliance. Infor’s software solutions are currently used by more than 250 leading government agencies worldwide and by more than 60% of the Fortune 500 to improve asset efficiency, conduct condition analysis, and perform advanced asset analysis. Infor’s solutions are compliant with all primary federal requirements including the Code of Federal Regulations (CFR), the Federal Property Management Regulations (FPMR), the Federal Acquisition Regulations (FAR), the Office of Management and Budget (OMB) requirements for handling asset lifecycle events, (FISMA) for security, and (Section 508) for accessibility.

Infor’s EAM solutions address key agency trouble spots, including preventative maintenance, predictive maintenance, emissions and energy demand management, asset tracking and condition-based management, among other areas, and are used by government customers to increase efficiency, citizen satisfaction, accountability, and process transparency.

In addition, the integration capabilities delivered by Infor’s middleware tool, Infor ION™, provide an advantage to federal agencies looking to connect their asset management solutions with other disparate systems. Infor ION connects asset management software to key back office systems such as ERP, finance, procurement, disposal, and other data collection systems, to deliver a truly integrated solution for federal asset and property management.

---

**Federal property assets**

<table>
<thead>
<tr>
<th>Category/subcategory</th>
<th>Quantity</th>
<th>Unit</th>
<th>Cost</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real property1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings (owned)</td>
<td>2.7 billion</td>
<td>Square feet</td>
<td>$15.7 billion</td>
<td>Annual operating cost</td>
</tr>
<tr>
<td>Structures (owned)</td>
<td>500,000</td>
<td>Assets</td>
<td>$8.3 billion</td>
<td></td>
</tr>
<tr>
<td>Land (owned)</td>
<td>40 million</td>
<td>Acres</td>
<td>$137 million</td>
<td></td>
</tr>
<tr>
<td>Fleet management2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger vehicles</td>
<td>235,000</td>
<td>Vehicle</td>
<td>$1.3 billion</td>
<td>Annual asset cost</td>
</tr>
<tr>
<td>Trucks</td>
<td>391,000</td>
<td>Vehicle</td>
<td>$2.9 billion</td>
<td></td>
</tr>
<tr>
<td>Other (Ambulance/buses)</td>
<td>10,000</td>
<td>Vehicle</td>
<td>$163 million</td>
<td></td>
</tr>
</tbody>
</table>

---


2 Fiscal Year 2013 Federal Fleet Report, [http://gsa.gov/portal/content/102880](http://gsa.gov/portal/content/102880)
Because Infor has been working in the cloud for more than a decade, the time is right for putting government’s asset management capabilities into the cloud. Infor’s knowledge and cloud expertise can help agencies run core applications securely and efficiently via the web, providing robust, secure, powerful agency-wide EAM functionality. For cloud services, Infor leverages FISMA-compliant and FedRAMP authorized Amazon® Web Services. Whether solutions are deployed on-premise, in the cloud, or via a hybrid approach, users get a seamless, unified experience with consistent functionality, look-and-feel, accessibility, and security.

Infor’s specialized industry approach has been widely accepted and makes our EAM solutions attractive to government organizations seeking to transform and improve asset management processes.
Key benefits of an EAM solution

With a comprehensive EAM system, agencies can:

- **Provide a single source repository** for all property and asset management information.
- **Manage the hierarchy of assets** through each asset’s lifecycle. This makes it possible to provide a complete history and audit trail for every asset, track where all assets are located, and what they cost with the help of a ‘family tree’ that connects equipment, systems, and locations.
- **Ensure ease of reconciliation** among systems currently in use to further ensure data accuracy.
- **Better manage budgetary expenses** by automating all related budget elements, from set-up to ongoing maintenance and disposal cost elements, and centralizing management of warranties.
- **Track ongoing maintenance** via automatic notification when an inspection exceeds a preset limit, providing real-time information on how to resolve problems, and scheduling preventative maintenance. Provide technicians with mobile access to everything needed to maintain assets, from CAD drawings and specification documentation to inspection checklists.
- **Order the right parts** and stay on top of delivery dates, vendor payments, and the receipt of goods.
- **Manage labor requirements**, track and manage all asset work requests, labor, planning and scheduling.
- **Monitor materials** and control storeroom inventories with tools that include economic order quantity with class calculations and assignments, support parts receipts, issues, returns, and cycle counts.

For more information visit Infor Public Sector

---

1 U.S. General Services Administration (GSA), Overview, http://www.gsa.gov/portal/category/21354

Share this : LinkedIn Facebook Twitter

Copyright ©2017 Infor. All rights reserved. The word and design marks set forth herein are trademarks and/or registered trademarks of Infor and/or related affiliates and subsidiaries. All other trademarks listed herein are the property of their respective owners. www.infor.com.

641 Avenue of the Americas, New York, NY 10011

INF-1461356-en-US-1216-4