

**Asset
Management
Overview
For
National Dredging
Meeting**
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AM History/Drivers

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- **Asset Management initiatives at the Federal level became requirements of Public Law 101-576, the “Chief Financial Officers Act of 1990 and amended by Public Law 103-256, the “Federal Financial Management Act of 1994”**
- **USACE Campaign Goal 3C, the Presidents’ initiative through Executive Order 13327, Federal Real Property Asset Management, 2004, and DoD’s Business Enterprise Architecture and inventory instruction, DoDi 4165.14, 2006**
- **USACE owns and manages a diverse and extensive portfolio of infrastructure assets whose value ranks among the top five of all Federal agencies**

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Why Asset Management?

WE OWN IT

WE MANAGE IT

“Short list”
15000 Structures
285000 Tracts of land
12000 Buildings

Includes (approx):
1000 Coastal Structures
600 Dams
2500 Recreational Areas
250 Locks
75 Hydropower

VALUE: \$200 BILLION+

Lifecycle Infrastructure Management:
Campaign Goal 3c- The Right Business Practices

Executive order 13327-
Right-sizing inventory

Budget Performance Integration- Program Assessment Rating Tool
Right performance

It's the RIGHT thing to do!



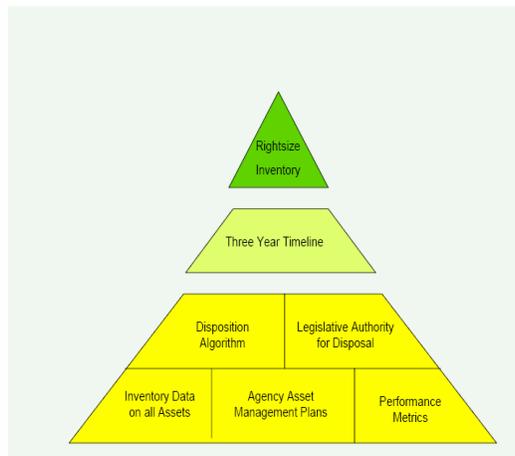
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Executive Order 13327 FRPC Vision...

The Real Property initiative can be thought of as a layered pyramid, where each successful layer builds upon the developed tools and measures to create a rightsized Federal inventory.



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Executive Order 13327 **What are EO metrics?**

1) **Utilization:** Currently only applies to buildings (ratio of occupancy to design capacity)

2) **Facility Condition Index:** $(1 - \text{\$repair/PRV}) \times 100$

Plant Replacement Value (PRV): The cost of replacing the asset at today's standards

Repair Needs: \$ needed to restore asset to a condition substantially equivalent to originally intended capacity, efficiency, or capability

3) **Mission Dependency:** Critical, Dependent, Non-dependent

4) **Annual Operating Costs:** recurring maintenance, utilities, janitorial, grounds

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"Getting To Green" **OMB's expectations...**

- National approach to asset management
- Evidence that real property management is consistent with agency strategic plan, Asset Management Plan, and performance measures
 - Utilized in daily decision
 - Drives budget decisions
- Accurate and current inventory
 - Utilized in daily decision making

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HQ - AM Recent Activities

- OMB Requirements
 - ✓ OMB Progress remains green
 - ✓ OMB Status remains yellow
 - ✓ Three Year Timeline with quarterly milestones approved
 - ✓ **“Constructed Asset” approach approved by DA, DUSD(I&E) and OMB**
 - ✓ Submitted USACE Data Quality Management Plan (QMP) SOW
 - ✓ Submitted report on results of the QA/QC of FY06 FRPP Final anomaly report
 - ✓ Finalized planned disposition lists for FY07/08/09 and provided report of assets disposed to date
- **Began upgrading FEM to Enterprise version**
- **Established AM Framework Steering Committee**

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USACE “Constructed Asset” The move from little “a” to BIG “A”

- Real Property System of Record (REMIS) is designed to be a transaction system focused primarily on the day-to-day support and financial aspects of the entire Corps Civil Works real property mission.
- The “financial” assets (little “a”) are not necessarily all equal to an FRPC “Constructed Asset” (Big “A”)
- There are about 55,000+ little “a” financial assets, some typical examples:
 - ✓ campgrounds, comfort stations, kiosks, toilets, fountains, picnic pavilions, etc for **Recreation** [literally, thousands of these!!!]
 - ✓ 5'x5' gauge stations, outlet and intake works, etc for Dams
 - ✓ lock man shelters, tow haulage shelter, mooring cells, etc for Locks

...are these “Constructed Assets?” OR are the following “Constructed Assets”...

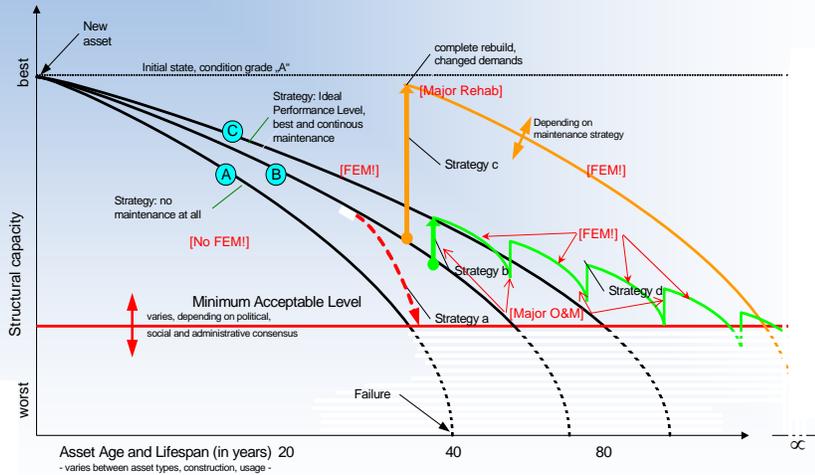
- ✓ Locks
- ✓ Dams
- ✓ Recreation Areas
- The latter is what is proposed as the USACE Big “A” Constructed Asset

This approach maintains alignment with the Corps Financial Management Regulation and better meets the intent of the FRPC “Constructed Asset”



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FEM and Asset Management

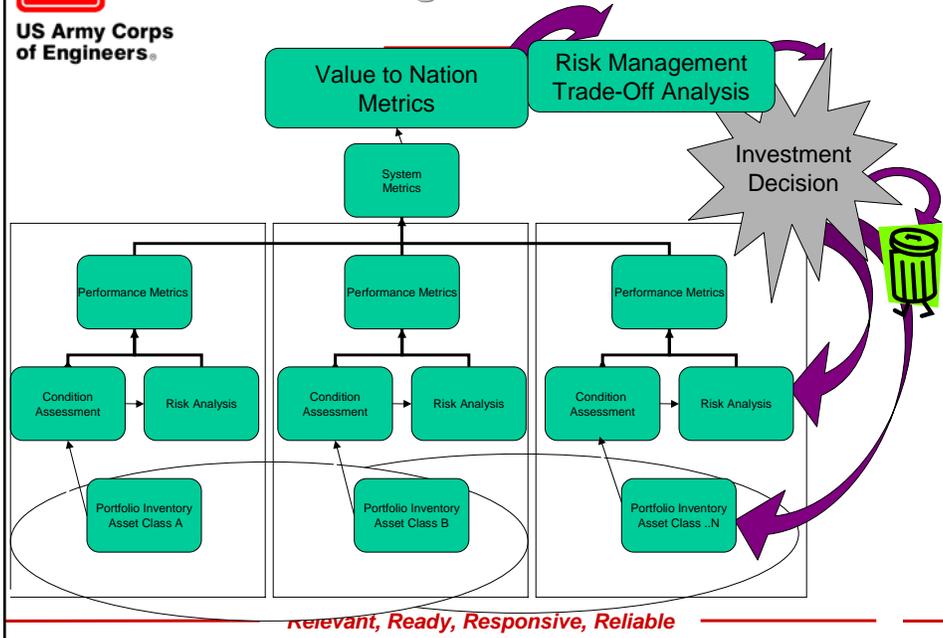


FEM is integral to success no matter which strategy!!!



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Asset Management Framework





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HQ - AM -- What's Next...

- Continue to meet OMB requirements
- Continue Development of AM Framework
- Continue coordinating and integrating AM principles into Business Line processes
- Continue meeting DOD real property inventory requirements
- Develop Data QMP and continue data QA/QC
- Begin updating Asset Management Plan (AMP)
- Begin MSC AM "Road-Show"
- Provide national perspective on condition assessments
- Establish Permanent AM Team

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Pop Quiz

- Do you "manage" the Corps Dredging Program?

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Pop Quiz

- Do you “manage” the Corps Dredging Program?
- Do you “manage” the Nation’s navigable waterways, both inland and coastal?

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Pop Quiz

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OR

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OR

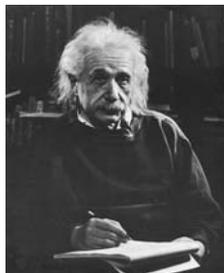
- Do you “maintain” the Nation’s navigable waterways to enable Interstate commerce?

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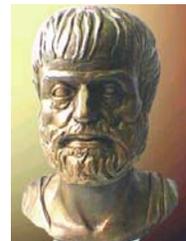
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Parting thoughts...



“The world will not evolve past its current state of crisis by using the same thinking that created the situation.” -- Albert Einstein

“It is the mark of an instructed mind to rest satisfied with the degree of precision which the nature of the subject permits and not to seek an exactness where only an approximation of the truth is possible.” -- Aristotle



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