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Standard Practice for Property Management System Outcomes¹

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1. Scope

1.1 This practice describes expected outcomes associated with a property management system. It is a measure of achievement rather than process, and is descriptive rather than prescriptive.

1.2 Outcomes are defined as information, events, objects, or states of being produced as a result or consequence of a plan, process, accident, effort, or other similar action or occurrence.

1.3 An output measure is the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner.

1.4 An outcome measure is an assessment of the results of a program activity compared to its intended purpose.

1.5 Consistent with Practice E2452, these outcomes are grouped into process management outcomes and operational outcomes.

1.5.1 Although they may be directly related, strategies and tactics should not be confused with outcomes. Strategies are long-term plans of action designed to achieve a particular goal. Tactics are maneuvers or actions calculated to achieve some end. For example, increasing exercise is a strategy to attain the goal or outcome of fitness. Running is a supporting tactic to achieve the goal or outcome of fitness. Other tactics or groups of tactics may achieve the same outcome. On the other hand, as the definition of *outcome* indicates, tactics are not required for attaining outcomes. For example, fitness may be an unplanned result of a job requiring physical exertion.

1.6 This practice describes the outcomes at a high level, with limited discussion of each outcome or components of each outcome. The intent is to provide a framework for current and potential additional standards. A cross reference relating current standards to the outcomes is provided in Section 5.

1.7 The outcomes further described in Section 5, are listed in the following:

1.7.1 *Process Management Outcomes:*

1.7.1.1 Outcome 1—Mission Support

1.7.1.2 Outcome 2—Accounting and Accountability

1.7.1.3 Outcome 3—Information Management

1.7.1.4 Outcome 4—Planning

1.7.1.5 Outcome 5—Relationships

1.7.2 *Operational Outcomes:*

1.7.2.1 Outcome 6—Property Functionality

1.7.2.2 Outcome 7—Resource Optimization

1.7.2.3 Outcome 8—Property Visibility

1.7.2.4 Outcome 9—Safety and Security

1.7.2.5 Outcome 10—Installation, Movement, and Storage

1.8 In Section 5, a rating scale is provided to quantify in a uniform manner achievement of outcomes and outcome components.

1.9 This practice, in combination with Practice E2279, clarifies and enables effective and efficient control and tracking of property and may provide an enhanced basis for making decisions surrounding both property and property management systems.

1.10 This practice is intended to be applicable and appropriate for all property-holding entities.

1.11 This practice covers tangible property as defined in Terminology E2135. Consistent with the nomenclature used, individual portions of the practice may be applicable to more limited subsets of tangible property, for example to equipment and not to material.

1.12 *This standard does not purport to address all of the safety concerns, if any, associated with its use. It is the responsibility of the user of this standard to establish appropriate safety and health practices and determine the applicability of regulatory limitations prior to use.*

2. Referenced Documents

2.1 *ASTM Standards:*²

E2131 Practice for Addressing and Reporting Loss, Damage, or Destruction of Tangible Property

E2132 Practice for Inventory Verification: Electronic and Physical Inventory of Assets

¹ This practice is under the jurisdiction of ASTM Committee E53 on Asset Management and is the direct responsibility of Subcommittee E53.05 on Property Management Maturity.

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² For referenced ASTM standards, visit the ASTM website, www.astm.org, or contact ASTM Customer Service at service@astm.org. For *Annual Book of ASTM Standards* volume information, refer to the standard's Document Summary page on the ASTM website.

- E2135 Terminology for Property and Asset Management
- E2221 Practice for Administrative Control of Property (Withdrawn 2011)³
- E2279 Practice for Establishing the Guiding Principles of Property Management
- E2306 Practice for Disposal of Personal Property
- E2378 Practice for the Recognition of Impaired or Retired Personal Property
- E2379 Practice for Property Management for Career Development and Training (Withdrawn 2013)³
- E2452 Practice for Equipment Management Process Maturity (EMPM) Model
- E2453 Practice for Determining the Life-Cycle Cost of Ownership of Personal Property
- E2495 Practice for Prioritizing Asset Resources in Acquisition, Utilization, and Disposition
- E2497 Practice for Calculation of Asset Movement Velocity (AMV)
- E2499 Practice for Classification of Asset Physical Location Information
- E2605 Practice for Receiving Property
- E2606 Practice for Receipt Notification as a Result of Tangible Property Movement
- E2607 Practice for Cannibalization/Reclamation of Serviceable Equipment Components to Support Demand Requirements
- E2608 Practice for Equipment Control Matrix (ECM)

3. Terminology

3.1 *Definitions*—For definitions relating to property and asset management, refer to Terminology E2135.

3.1.1 *asset, n*—(1) anything owned having monetary value; (2) tangible or intangible items owned by an entity that have probable economic benefits that can be obtained or controlled by the entity. (E2135)

3.1.2 *best value, n*—expected outcome of an acquisition that provides the greatest overall benefit in response to the requirement.

3.1.3 *information management, n*—collection and management of information from one or more sources and the distribution of that information to one or more audiences.

3.1.3.1 *Discussion*—This sometimes involves those who have a stake in or a right to that information. Management means the organization of and control over the structure, processing, and delivery of information.

3.1.4 *operations, n*—exercise of the tasks that constitute equipment management. (E2452)

3.1.5 *opportunity, n*—concept that denotes a potential positive impact.

3.1.6 *opportunity assessment, n*—assessing external conditions that are helpful to achieving objectives.

3.1.7 *opportunity management, n*—managing external conditions that are helpful to achieving objectives.

³ The last approved version of this historical standard is referenced on www.astm.org.

3.1.8 *outcome, n*—information, event, object, or state of being produced as a result or consequence of a plan, process, accident, effort, or other similar action or occurrence.

3.1.9 *outcome measure, n*—an assessment of the results of a program activity compared to its intended purpose.

3.1.10 *output measure, n*—the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner.

3.1.11 *process management, n*—planning and administering the activities necessary to achieve a desired level of performance and identifying opportunities for improving quality, operational performance, and ultimately, customer satisfaction. (E2135)

3.1.11.1 *Discussion*—It involves design, control, and improvement of key business processes.

3.1.12 *property functionality, n*—set of functions that an asset is able or equipped to perform.

3.1.13 *property management system, n*—subset of existing organizational processes related to the lifecycle management of property. (E2135)

3.1.13.1 *Discussion*—These processes represent sound practice and are compliant with applicable standards, policies, regulations, and contractual requirements.

3.1.14 *record utility, n*—overall measure of structured property records based on the usefulness of stored, standardized, and appropriately available information of sufficient accuracy and reliability to respond reasonably to entity requirements in a timely manner.

3.1.15 *resource optimization, n*—property management system outcome characterized by the minimization of asset holdings while assuring entity requirements for assets are met.

3.1.16 *return on investment, n*—earning power of assets measured as the ratio of the net income (profit less depreciation) to the average capital used (or equity capital) in a firm or project. (Online Business Dictionary⁴)

3.1.16.1 *Discussion*—Usually expressed as a percentage, it is a measure of the profitability that (while not taking the time value of money into account) indicates whether or not a firm is using its resources in an efficient manner.

3.1.17 *risk, n*—concept that denotes a potential negative impact.

3.1.18 *risk assessment, n*—determination of quantitative or qualitative value of risk related to a concrete situation and a recognized threat.

3.1.18.1 *Discussion*—Risk assessment is considered as the initial and recurring step in a risk management process.

3.1.19 *risk management, n*—structured approach to managing uncertainty through risk assessment, developing strategies to manage it, and mitigation of risk using managerial resources.

3.1.19.1 *Discussion*—Strategies include transferring the risk to another party, avoiding the risk, reducing the negative effect of the risk, and accepting some or all of the consequences of a particular risk.

⁴ The Online Business Dictionary, s.v. “return on investment,” <http://www.businessdictionary.com> (accessed February 1, 2009).

3.1.20 *strategy, n*—long-term plan of action designed to achieve a particular goal.

3.1.21 *sustainability, n*—system of actions, projected to be viable on an ongoing basis.

3.1.22 *system level outcome, n*—outcomes based on the policies, procedures, and tools that are in place to manage property, regardless of ownership.

3.1.23 *tactic, n*—maneuver or action calculated to achieve some end.

3.2 Acronyms:

3.2.1 *ECM*—equipment control matrix

3.2.2 *EMPM*—equipment management process maturity

3.2.3 *FAR*—Federal Acquisition Regulation

3.2.4 *LDD*—loss, damage, and destruction

4. Significance and Use

4.1 This practice establishes expected outcomes associated with a property management system.

4.2 Care should be taken not to confuse tactics with the outcomes described in this practice. Tactics are a means to an end. Outcomes are an end.

4.3 What is being measured is achievement, not process.

4.4 This practice encourages an inclusive understanding and communication of the outcomes associated with a property management system. As additional standards are added, comparisons on this basis to other property management systems can be further enabled.

4.5 This practice, in combination with Practice E2279, may provide an enhanced basis for making decisions surrounding both property and property management systems.

4.6 This practice is intended to foster and enable additional standard practices related to or based on the terms and concepts in the outcomes and outcome components.

4.7 In particular, this practice may suggest a standard for personal and management skills useful in efforts to achieve these outcomes.

5. Property Management System Outcomes

5.1 *Process Management Outcomes*—Process management outcomes are system level outcomes.

5.1.1 Outcome 1: Mission Support:

5.1.1.1 *Outcome Component 1.1: Mission Support*—The Property Management System should support the mission of the entity of which it is a part.

5.1.2 *Outcome 2: Accounting and Accountability*—There are four outcome components of Outcome 2: (2.1) property accountability and responsibility, (2.2) best value, (2.3) accounting/financial management, and (2.4) effectiveness and efficiency.

5.1.2.1 *Outcome Component 2.1: Property Accountability and Responsibility*—Property management is concerned with the management of specific rights and responsibilities associated with individual assets and groups of assets available to the entity for use. These specific rights and responsibilities are a subset of the total bundle of rights and responsibilities of the

property owner or assignee that have been conveyed to the entity. This includes internal organizational, sub-organizational, and individual responsibility for property used or assigned.

5.1.2.2 *Outcome Component 2.2: Best Value*—Best value includes the concepts of efficiency and effectiveness. The entity seeks the best value in the long term in the use and maintenance of property (Practice E2279).

5.1.2.3 *Outcome Component 2.3: Accounting/Financial Management*—This includes accurate and timely financial recognition and accounting.

5.1.2.4 *Outcome Component 2.4: Effectiveness and Efficiency*—Property management practices must seek, when viewed in totality, to be effective and efficient, to the point at which benefits exceed the costs of operation (Practice E2279).

5.1.3 *Outcome 3: Information Management*—There are two major components of Outcome 3: (3.1) record utility and (3.2) reporting.

5.1.3.1 Outcome Component 3.1: Record Utility:

(1) Record utility is an overall measure of structured property records based on the usefulness of stored, standardized, and appropriately available information of sufficient accuracy and reliability to reasonably respond to entity requirements in a timely manner. In other words, the outcome is appropriately useful record information based on the control class of the property asset or class of property and other factors. One facet of record utility as an outcome is simply having the right data when it is needed. The optimal record utility outcome is collecting and storing the proper data so when information is requested there is neither a delay nor a special data call required to fulfill the request. Excessive storage, standardization, or availability of information may be inefficient and ineffective.

(2) While conducting a physical inventory is a tactic, an outcome of a physical inventory could be physical inventory accuracy. However, such a potential outcome is a limited snapshot produced by a process that of course has its own accuracy concerns. A more consistent and dependable outcome would then perhaps be record accuracy. In accordance with Practice E2608, not all items are tracked to the same level of control or accuracy. Therefore, extending the concepts of Practices E2279 and E2608, a more meaningful outcome here is record utility. For example, identification (tagging) is a tactic to support record utility. In accordance with Practice E2608, some property may appropriately not be tagged nor have control records created.

5.1.3.2 *Outcome Component 3.2: Reporting*—Fully scalable, flexible, responsive strategic and tactical reporting capability, available as needed, where needed. Reporting includes individual item reports, summary reports, and metrics. It also includes conceptual level presentations and reports derived from property control system information.

5.1.4 *Outcome 4: Planning*—There are two major components of Outcome 4: (4.1) awareness of opportunities and risks and (4.2) anticipate and prepare for the future.