

February 4, 2008

MEMORANDUM

TO: Heads of State Agencies and Institutions of Higher Education

FROM: Ric Brown, Director, Department of Planning and Budget
Rich Sliwoski, Director, Department of General Services

SUBJECT: Facility Deferred Maintenance

Item C- 194.10 of Chapter 951 (2005 Acts of Assembly) provided for the completion of a comprehensive collection and analysis of information on the scope of facility deferred maintenance across the Commonwealth's agencies and institutions. The same section, among other things, directed the Commonwealth to issue criteria defining which facilities shall be the subject of the data collection. This memorandum reinforces guidance previously sent June, 2005.

Definitions:

- **Deferred Maintenance** occurs when the facility owner leaves unperformed planned maintenance, repairs, replacement, and renewal projects due to a lack of resources or perceived low priority and when the deferral of the activity results in a progressive deterioration of the facility condition or performance. The cost of the deterioration including capital costs, operating costs, and productivity losses that are expected to increase if the activity continues to be deferred.
- **Facility** means any existing, purchased or constructed, roofed or walled structure that is located, built, installed, or established on property owned by the Commonwealth's agencies and institutions for which the agency or institution is responsible for maintenance and operation.
- **Facility Condition Assessments (FCA)** are detailed periodic physical inspections of a facility by qualified personnel to fully determine and document the condition of the facility or item of equipment and to identify repair, rehabilitation, and replacement needs and costs. A Facility Condition Assessment should be completed for any facility greater than ten (10) years old, within the limits of available resources.

- **Life Cycle Assessments (LCA)** are physical inspections of a facility by qualified personnel to inventory and collect information about the building's capital components, size of the building, and age of the building and equipment. This assessment can be used to quantitatively adjust the lifespan of the components to reflect the real condition of them. The assessment information collected by such inspection is entered into a cost model to estimate the existing deferred maintenance and future renewal requirements for the capital components. A Life Cycle Assessment should be completed if the facility is less than (10) years old and mission critical, within the limits of available resources.
- **Facility Condition Index (FCI)** is a ratio which compares the estimate of the deferred maintenance deficiencies to the current replacement value of the facility or equipment item. The ratio measures the condition of the facility or equipment item at a specific time. The higher the ratio, the worse the condition of the building.

In accordance with Chapter 951 (2005 Acts of Assembly), all state agencies and institutions were required to obtain information on their facilities and their condition. By this time, all buildings/assets as previously defined should have such information entered on FICAS, either from a Facility Condition Assessment or a Life Cycle Assessment. If this information is not in FICAS, agencies and institutions of higher education should take immediate action to record this information. The Department of Planning and Budget has begun to use the FICAS information as a tool for evaluating both capital and maintenance reserve funding requests. If an agency or institution does not have up to date information in FICAS, its subsequent funding for deferred maintenance could be impacted.

For your information, it should be noted that the FICAS Implementation Committee has been re-established. The committee met in December, 2007 and February 2008. Additional information and guidance will be forthcoming from the committee.

If you have questions, please contact us or the FICAS Implementation Committee chair, Bert Jones, Director of Engineering and Buildings at 804-786-3263. If you have questions on how DPB is using the FICAS data, please contact your budget analyst.

cc: The Honorable Jody Wagner, Secretary of Finance
The Honorable Viola Baskerville, Secretary of Administration