



Facility Assessment = Your Building Condition Index

An organization or institution will, over time, want to monitor the overall condition and performance of a building in order to plan for future needs. A tool that can be used to provide an objective assessment is the Facility Condition Index (FCI) approach.

Published in 1991, the book *Managing the Facilities Portfolio* by the National Association of College and University Business Officers, introduced the concept of FCI to the educational community. From there the approach has been used by a wide variety of organizations and institutions outside the educational community.

While the data collection is time consuming, the benchmarking exercise becomes very simple to determine the piece of equipment’s operating condition, as well as physical condition. The asset report will state the current operating and physical condition of the unit and divide this cost by the replacement cost of the unit. The lower the cost factor the better the equipment service life should be.

For example, if an air-handling unit is in relatively good condition requiring a coil replacement due to winter frozen coil repair, the current operating and physical condition may be valued at \$5,000.00 repair value. The replacement cost of this equipment is estimated to be \$60,000.00.

The FCI equation is:

$$\frac{\$ 5,000 \text{ Repair}}{\$60,000 \text{ Replace}}$$

This equates to a 0.08 FCI.



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The *Managing the Facilities Portfolio* publication benchmarks the following condition ranges:

- Under 0.05 = Good Condition
- Between 0.05 and 0.10 = Fair Condition
- Over 0.10 = Poor Condition

This would imply that the equipment condition at 0.08 is in Fair Condition.

Another FCI approach is to title the equation as “deferred maintenance cost” divided by the replacement cost with a benchmark range as follows:

- <0.05 = Showpiece Facility
- Between 0.05 and 0.15 = Comprehensive Stewardship
- Between 0.15 and 0.29 = Managed Care
- Between 0.29 and 0.49 = Reactive Management
- >0.50 = Crisis Management

This second approach has been used in the past and

the benchmarking range, although different from the first example, provides the surveyor with a broader range to benchmark the work within the associated categories e.g., “managed care” appear to express the survey intent better for some users. It is important to note that the first category “showpiece facility” simply states the existing or new equipment condition but this benchmark is not a category a facility management would strive for. Building infrastructure is intended to support the facility by being reliable and operating as intended when designed. There is no need to have the infrastructure be a focus of the building as a showpiece of appearance.

The entire facility assessment initiative is intended to be cataloged so that one can understand the equipment operating and physical condition and define the facility infrastructure status. This process is to quantify the extent of the asset issues and concerns and identify potential conditions if there is a perceived problem. It is also formatted to offer 1) Recommendations 2) Monitor, measure, and update over a specific period of time, and 3) To plan the facility infrastructure future. As a facility management group it is reasonable to strive for “comprehensive stewardship”. As the equipment gets older the goal should be to achieve “managed care” status where the equipment operating performance is adequate to maintain occupant health and human comfort and safety.

As the equipment becomes problematic and possibly unreliable, the FCI status equating to “reactive management” will show up as the benchmark based on the surveyed conditions and cost estimates to repair or replace. When the building’s infrastructure becomes unreliable it can also become a financial liability to the building owner with occupant complaints. Certainly a piece of equipment benchmarked at “crisis management” is now an issue that must be addressed as the infrastructure is now considered a liability as it pertains to system performance.

It is recommended a facility assessment be updated every 5-years to continue to monitor the operating conditions and physical conditions of this infrastructure. While the initial survey will take more time to complete and to document, once the data is inputted then the follow up survey(s) can be finished in less time. Each time a facility assessment is completed, the facility management group can begin a 5 or 10 year master plan to proactively provide “managed care” status while anticipating the future of the infrastructure, and providing the financial group the information they need to continue to monitor the property value, its long-term use, and the financial liability, and risk associated with the property management of each building owned.

The Diocese of Cleveland Facilities Services Corporation is available to provide a facility assessment service to all the locations throughout the Diocese. DCFSC will work with you to review your site, identify capital improvement opportunities and help you build a 5-year capital plan. Contact DCFSC if you would like to schedule a facility assessment for your location.

For more information:
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