

NASA FACILITIES ENGINEERING DIVISION**9-14-11****RESPONSE TO QUESTIONS FOR RESPONDENTS REGARDING EXPOSURE
DRAFT ON “DEFERRED MAINTENANCE AND REPAIRS, AMENDING STATEMENT
OF FEDERAL, FINANCIAL ACCOUNTING STANDARDS 6, 14, 29, AND 32**

Q1. The Board proposes to eliminate the requirement to report condition information. Refer to paragraphs 13, 14, and 17 of the proposed standards and paragraph A8 in Appendix A - Basis for Conclusions for a discussion and related explanation.

Do you agree or disagree with the Board’s proposal to no longer require condition reporting? Please provide the rationale for your answer.

Disagree. Condition reporting has become the “Standard” to understand the overall condition of facilities. NASA will continue to use condition and track and trend any change in the facility condition. The Deferred Maintenance Estimate is derived from the condition rating. The DM&R estimate can vary with change in the construction climate or inflation. NASA and all the federal agencies are required to report the Condition and DM&R by the Federal Real Property Council Reporting Requirements (FRPCRR).

Q2. The proposed standards would require that DM&R estimates for beginning and ending balances be presented with an explanation of significant changes in estimates. Refer to paragraph 14.f. and g. of the proposed standard and paragraph A20 in Appendix A - Basis for Conclusions for a discussion and related explanation.

a. Do you agree or disagree that DM&R estimates for beginning and ending balances should be presented? Please provide the rationale for your answer.

Disagree. NASA and all the agencies are required by the FRPCRR to report the Fiscal Year End Condition and DM&R estimate. We do not have a budget just for DM&R. We provide an estimate of the DM&R. There are many projects that could be a mix of DM&R and all the other classifications of work, such as rehabilitation, recapitalization, major repair, upgrade, replacement with larger capacity, and new construction.

b. Do you agree or disagree with the requirement to explain significant DM&R changes? Please provide the rationale for your answer.

Disagree. This is not a requirement of the FRPCRR, which is currently a substantial effort. If asked, we can certainly provide additional information.

Q3. The proposed standards state that entities should apply reported methods and reporting formats consistently unless management determines that changes are necessary and if changes to methods or formats are necessary, such changes should

be explained. Refer to paragraph 11 of the proposed standards and paragraphs A10 and A11 in Appendix A - Basis for Conclusions for a discussion and related explanation.

a. Do you agree or disagree that entities should apply reported methods and reporting formats consistently? Please provide the rationale for your answer.

Disagree. This is not a current FRPCRR. If a major change in the Evaluation or Estimating process is made, NASA can provide that info. We plan to continue with the current method, process and format in order to track and trend change.

b. Do you agree or disagree with requiring an explanation if entities change methods or formats? Please provide the rationale for your answer.

Disagree. Same rationale as Q3. above.

I would recommend removing the second and third bullet items from page 22. Appendix A, A10. Condition Assessment Surveys under pros:

* **More timely identification of health & safety issues.**

* **Usually identifies and prioritizes work items / specific repairs.**

These items are not normally provided with a facility condition assessment. These items would typically be a result of a complete facility engineering review, study, evaluation, and estimate.

Q4. The proposed standards would require entities to provide narrative information describing M&R policies and other non-financial information including any significant changes to policies and other factors from the prior year. Refer to paragraphs 13 and 14, items a. through f. of the proposed standards and paragraphs A11 and A17, respectively in Appendix A - Basis for Conclusions for a discussion and related explanation.

Do you agree or disagree with each of the above referenced requirements? Please provide the rationale for your answer.

Disagree. Para. 13 and 14 have listed many additional supplemental items. Please refer to response to questions 1, 2, & 3 above. Again, this is not a current FRPCRR. We also manage our Maintenance and Repair Program with a very rigorous prioritization review.

Q5. The proposed standards state that communication with and consideration of input from professionals in diverse disciplines is necessary to effectively compile and report DM&R. Refer to paragraph 11 of the proposed standards and paragraphs A15 and A16 in Appendix A - Basis for Conclusions for a detailed discussion and related

explanation.

Do you agree or disagree that communication with and consideration of input from professionals in diverse disciplines is necessary to effectively compile and report DM&R? Please provide the rationale for your answer.

Agree. NASA has a very detailed process with our maintenance and budget staffs to report the DM&R as required by the FRPCRR.

Q6. The proposed standards would eliminate the option to report a range of DM&R estimates and the distinction between critical and non-critical amounts. The reported amount of DM&R may be disaggregated in a variety of ways without explicit mention in the standards. Refer to paragraph 14 of the proposed standards and to paragraphs A18 and A19 in Appendix A - Basis for Conclusions for a discussion and related explanations.

a. Do you agree or disagree with eliminating the option to report a range of DM&R estimates? Please provide the rationale for your answer.

Agree. NASA reports the elements as required by the FRPCRR. Each agency can track and trend the data and sub-elements.

b. Do you agree or disagree with eliminating the distinction between critical and non-critical DM&R estimates? Please provide the rationale for your answer.

Agree. NASA reports the elements as required by the FRPCRR. Each agency can track and trend the data and sub-elements.

Q7. The proposed standards would be effective beginning in fiscal year 2015 with earlier implementation permitted.

Do you agree or disagree with the proposed effective date? Please provide the rationale for your answer.

N/A - We recommend no changes to the current FRPCRR and have recommended this in the previous questionnaire and meetings.

Additional comment to Ms. Payne and Mr. Savini – This has been a huge effort for everyone to review and comment on 4 FASAB Standards. Thank you both for all your efforts and allowing everyone to participate and provide comments.

Ron DiLustro