

NASA Facilities Engineering Division Response, Ron DiLustro, June 18, 2010**RESPONSE TO QUESTIONS REGARDING DEFINITION CHANGES RELATED TO DEFERRED MAINTENANCE AND REPAIRS**

The Board proposes redefining the term “maintenance” as it currently exists in SFFAS 6, paragraph 78 and repeated in the insert below:

We ask that you refer to the proposed definition shown below as you read through the questions and formulate your responses.

The proposed definition is:

Maintenance and repairs are activities directed toward keeping fixed assets in an acceptable condition. Activities include preventive maintenance, replacement of parts, systems, or components, and other activities needed to preserve or maintain the asset. Maintenance and repairs exclude activities directed towards expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, its current use.

Q1. The Board proposes adding “repairs” to the title and body of the revised definition in order to clarify that deferred “repairs” as well as deferred “maintenance” need to be reported.

Do you agree or disagree that the maintenance definition (title and body) should be changed to explicitly include “repairs” (refer to paragraphs A8 – A27 for a detailed discussion and related explanations)? Please provide the rationale for your answer.

Response: Agree. The maintenance definition (title and body) should be changed to explicitly include “repairs”. This will help to clear the confusion regarding the proper treatment of repairs. Maintenance and “Repair” typically includes work required to restore a facility or component thereof to a condition substantially equivalent to its originally intended and designed capacity or capability.

Q2. The second sentence of the existing standard provides (1) an illustrative list of activities which are not meant to be all inclusive and (2) the terms “acceptable services” and “expected life.” First, the Board proposes that the list of activities contained in the second sentence of the existing definition be updated to better reflect current federal and industry practices as well as encompass maintenance and repair (M&R) activities related to equipment and other personal property in addition to buildings, building components, or service systems. Second, the Board believes that the terms “acceptable services” and “expected life” should be eliminated from the definition. The second sentence would read as follows:

“Activities include preventive maintenance, replacement of parts, systems, or components, and other activities needed to preserve or maintain the asset.”¹

- a. **Do you agree or disagree with each change to the list of activities (refer to paragraph A16 through A17 for a list of changes and related explanations)? Please provide the rationale for your answer to each change.**

Response: Agree. The proposed change to the list of activities includes preventive maintenance, replacement of parts, systems, or components, and other activities needed to preserve or maintain the asset. At NASA, this also includes scheduled periodic inspection (including safety), adjustment, cleaning, lubrication, and minor repairs. A weak or nonexistent PM program could result in safety and/or health risks to employees, much more emergency work, and costly repairs.

- b. **Do you agree or disagree with the elimination of the phrase “so that it continues to provide acceptable services and achieves its expected life” (refer to paragraphs A18, A19, and A27 for detailed discussions and related explanations)? Please provide the rationale for your answer to each reference/phrase.**

Response: Agree. Eliminate the phrase “so that it continues to provide acceptable services and achieves its expected life.” The NASA maintenance definition phrase states; “preserves facilities in such condition that they may be used for their designated purpose over an intended service life.” Due to budget constraints and a well run maintenance management program, many of the systems and components have a long service life, which equates to “acceptable services.”

Q3. The Board proposes changing the last sentence of the definition to exclude the reference to needs “originally intended” to be met by the asset. Instead, *“activities directed towards expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, its current use”* is proposed (underscoring added for emphasis).

As such, the proposed revised last sentence would read as follows:

“Maintenance and repairs exclude activities directed towards expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, its current use.”

Do you agree or disagree with the aforementioned change (refer to paragraph A20 for a detailed discussion and related explanation)? Please provide the rationale for your answer.

Response: Agree. Exclude the term “originally intended” from the definition. The purpose of Deferred Maintenance and Repair (DM&R) is to preserve and maintain the asset to a condition for which they are currently being used, and not necessarily to the original intent or last Construction Addition, Rehabilitation, or Modification project.

Q4. The Board is not proposing a change at this time but rather, is seeking input on the impact that agency capitalization thresholds might have in the reporting of deferred maintenance and repairs. Because PP&E is subject to various capitalization thresholds and actual maintenance requirements are not, some believe it is more appropriate to report deferred maintenance and repairs (DM&R) in the broader context of fixed assets rather than only for capitalized PP&E.

Do you believe Deferred Maintenance and Repair (DM&R) reporting should be limited to DM&R related to capitalized PP&E or directed broadly to fixed assets? Please provide the rationale for your answer. Refer to paragraph A21(c) and A24 for a detailed discussion and related explanation.

Response: We believe DM&R reporting should be directed broadly to fixed assets. The NASA Deferred Maintenance Assessment (DMA) and DM&R reporting process involves the review of all assets that are listed in the real property inventory per the Federal Real Property Council Guidance for Real Property Inventory Reporting and the NASA Procedural Requirements for Real Estate Management.

Q5. The Board encourages respondents to not only provide input concerning any and all aspects of the proposed changes thus far discussed, but also other changes, points, issues and/or considerations which may not have been specifically addressed in this exposure draft. In addition, the basis for conclusions explains the Board’s goals for this project (see comments beginning at par.A8) and also discusses other issues raised by task force members (as an example, see paragraphs A11 through A13).

Please provide any comments or suggestions you have regarding the goals for this project, other issues identified in the basis for conclusions, or areas which have not been addressed.

Response: An important benefit to NASA within the DMA process is the ability to track and trend the DM by using the same process and procedures across the Agency. Each agency should be using a process that is auditable and repeatable, in order to track and trend their DM. We also recommend that the Federal Real Property Council and GSA require agencies to report their Active and Inactive DM. This would highlight the inactive, not required, or to-be-demolished facilities. The Inactive issue was identified as a possible overstatement of the DM backlog in the October 2008, GAO report, “Government’s Fiscal Exposure from Repair and Maintenance Backlogs Is Unclear.”