

# What Should be Included in a Condition Assessment report?

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# What is a Condition Assessment?

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- The standardized inspection process by which a person or entity inspects a property, interviews sources, and reviews available documentation for the purpose of developing an accurate and supportable result and preparing a property condition report (condition assessment report [CAS]) of a real estate's current physical condition.

# What is a Condition Assessment Report?

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- A written report that outlines the consultant's observations, accurate and supportable results as to the subject property's condition, and accurate and supportable results of probable costs to remedy the material physical deficiencies observed.



# Drivers and Guidance

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- DOE O 430.1B (Real Property Asset Management) RPAM

- and



- ASTM Designation: E2018-08, “Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process”



# DOE 430.1B RPAM

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**U.S. Department of Energy**  
Washington, D.C.

**ORDER**

DOE O 430.1B

Approved: 9-24-03

This directive was reviewed and certified as current and necessary by James T. Campbell, Acting Director, Office of Management, Budget and Evaluation/Acting Chief Financial Officer, 9-24-03.

**SUBJECT: REAL PROPERTY ASSET MANAGEMENT**

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1. OBJECTIVE. Establish a corporate, holistic, and performance-based approach to real property life-cycle asset management that links real property asset planning, programming, budgeting, and evaluation to program mission projections and performance outcomes. To accomplish the objective, this Order identifies requirements and establishes reporting mechanisms and responsibilities for real property asset management. This Order implements Department of Energy (DOE) P 580.1, *Management Policy for Planning, Programming, Budgeting, Operation, Maintenance and Disposal of Real Property*, dated 05-20-02 (reference p).



# DOE O 430.1B RPAM

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## □ Condition Assessment Systems

- An effective facility management strategy is to know the condition of your facilities and how much it will cost to replace and repair facility systems and components.
- The assessment or inspection process supports the vital process of identifying facility conditions that are founded on recognized, fully defined industry based inspection and deficiency standards (RS Means Cost Works)
- An assessment program is an essential tool in determining realistic requirements needed to obtain budgetary funding. It provides a picture across a site that can be used along with mission and other prioritization criteria to direct limited resources to crucial areas.
- A condition assessment program is the basis for developing supportable asset management projects and funding requests.



# DOE O 430.1B RPAM

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## □ **Minimum Condition Assessment Characteristics**

- (1) A standardized, documented inspection process that provides accurate, consistent, and repeatable results.
- (2) A detailed, ongoing inspection of real property assets, including facilities; infrastructure; and large, in-place nonprogrammable equipment that is validated at predetermined intervals.
- (3) Standardized cost data using CAIS or another nationally recognized cost estimating system to determine repair and replacement costs.
- (4) A user-friendly information management system or process that prioritizes current and anticipated maintenance and repair requirements to maximize the utilization of resources (labor and dollar) and return on investment and minimizes the cost of irreversible loss of service life and total penalty cost.
- (5) A facility condition assessment program that identifies deficiencies in order to take timely, cost-effective corrective actions. Condition assessments must involve inspections by craft or engineering specialists of all architectural, civil/structural, mechanical, and electrical components of each asset to determine asset deficiencies and must provide a comprehensive evaluation that can be used to make informed facilities management decisions.



# DOE O 430.1B RPAM

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## □ **Minimum Condition Assessment Characteristics**

(6) Condition assessments must provide for the following.

(a) Inspection of all assets using applicable codes and accepted industry standards.

(b) A tailored approach based on facility status, mission and importance and the magnitude of the hazards within the facility.

(c) A valid estimate of deferred maintenance costs.

(d) A 5-year maintenance plan based on projections of serviceability, economic life, the mission of facilities and projected funding for deferred maintenance reduction.

(e) Identification of safety and health hazards.

(f) Accurate and supportable information for budget planning and justification.

(g) Comparison of conditions and costs between sites and programs.

(h) Supportable cost estimates and funding priorities for General Plant Project (GPP), Institutional General Plant Project (IGPP), line item projects, and other site funded maintenance projects.



# DOE O 430.1B RPAM

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- Use the DOE CAIS database or another nationally recognized cost estimating system to estimate deficiency costs. (See Table 1 for minimum characteristics).
- The costs must include contractor overhead/burdon.
- The database or cost estimating system must accommodate site craft, engineering service contractor, or other data entry.
- Each must
  - (a) break out asset deferred maintenance cost by asset components or systems, (b) calculate a facility condition index by system, and (c) have the ability to separate rehabilitation and improvement costs from deficiency costs.

# DOE O 430.1B RPAM



**Table 1. Characteristics of a National Cost Estimating System**

1	Costs based/adjusted to geographic locations at DOE sites.
2	Unit costs based on maintenance, renovation and replacement costs.
3	Unit costs cover all building systems listed in FIMS.
4	Unit costs updated annually.
5	Costs cover all types of properties including commercial and industrial.
6	Cost items include current technology items.
7	Costs classified by building elements in the UNIFORMAT II formatting system. [See NISTIR 6389, UNIFORMAT II Elemental Classification for Building Specifications, Cost Estimating, and Cost Analysis, October 1999 (reference z).]
8	Unit costs based on national and international benchmarks.

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□ AND FINALLY.....

□ The condition assessment data collected will feed FIMS.



# ASTM Designation: E2018-08

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Designation: E 2018 – 08

## Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process<sup>1</sup>

This standard is issued under the fixed designation E 2018; the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval. A superscript epsilon ( $\epsilon$ ) indicates an editorial change since the last revision or reapproval.





# ASTM Designation: E2018-08

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- According to ASTM Designation: E2018-08, “Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process<sup>1</sup>,” the following information should be included in a CAS:

<sup>1</sup> This guide is under the jurisdiction of ASTM Committee E50 on Environmental Assessment, Risk Management and Corrective Action and is the direct responsibility of Subcommittee E50.02 on Real Estate Assessment and Management.

# What Goes into a CAS (cont.)?



- **Executive Summary**
  - **General Description**
    - The opening paragraph should indicate that this is a CAS, identify the subject property, and provide pertinent information such as use, size, age, location, construction type, design style, and apparent occupancy status.
  - **General Physical Condition**
    - A schedule of material physical deficiencies, any significant capital improvements that are pending, in-progress, or were recently implemented, and any significant findings resulting from research should be provided.
  - **Opinions of Probable Costs**
    - Present the aggregate sum of **opinions of** probable costs segregated between immediate and short-term costs.
  - **Recommendations/Discussions**
    - Briefly identify those components and systems necessitating further study, research, testing, intrusive survey, or exploratory probing. This section also may be used to discuss any obvious major deviations from the subject property description provided by the user to the consultant, ongoing repairs or improvements, or other relevant issues.



# What Goes into a CAS (cont.)?

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## □ Purpose and Scope

### ■ Purpose

- Provide a short paragraph specifically stating the purpose the CAS should serve and the client's position with respect to the real estate transaction. If the client does not disclose the CAS's purpose or its role to the consultant, the CAS should so state.

### ■ Scope

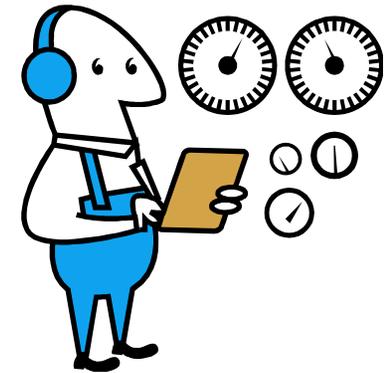
- Identify the improvements that comprise the subject property. Provide an outline of the scope of work completed for the CAS and methods utilized. Should either the assessment or report materially deviate from this guide or if there were any constraints presenting the consultant from performing the assessment in accordance with this guide, these constraints should be identified.

# What Goes into a CAS (cont.)?

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## □ Walk-Through Survey

Includes a brief description of each system or component and **observed** physical deficiencies, if any. Both the brief descriptions and the **observed** physical deficiencies may be based upon the field **observer's** representative observations. A general description of material tenant-owned equipment that is outside the scope of the assessment should be provided in this section.



# What Goes into a CAS (cont.)?

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## □ Document Reviews and Interviews

Identify any material information relating to physical deficiencies of the subject property resulting from the review of documents and interviews conducted.

(checklist)



## □ Additional Considerations

Identify any material additional considerations or Out of Scope considerations that are included in the CAS.

# What Goes into a CAS (cont.)?

## □ Additional Considerations (cont.)

### ■ Out of Scope considerations include:

#### □ Activity Exclusions:

- Identifying capital improvements, enhancements, or upgrades
- Removing, relocating, or repositioning of materials
- Preparing engineering calculations to determine system adequacy
- Taking measurements
- Reporting the presence or absence of pests
- Reporting on the condition of subterranean conditions
- Entering or accessing any potentially unsafe areas
- Providing an **opinion** on a system that is shutdown
- Evaluating acoustical conditions
- Providing **opinions** on security issues
- Operating time-controlled systems
- Providing and environmental assessment



# What Goes into a CAS (cont.)?

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- Additional Considerations (cont.)
  - Out of Scope considerations include:
    - Warranty, Guarantee, and Code Compliance Exclusions:
      - Any system's or component's physical condition or use
      - Compliance with any federal, state, or local statute
      - Compliance of any material, equipment, or system with any certification or actuation rate program





## What Goes into a CAS (cont.)?

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- **Opinions** of Probable Costs

Identify the material physical deficiencies and provide suggested remedies, complete with **opinions** of probable costs.

- **Qualifications**

Both the field **observer's** and the assessment reviewer's statement of qualifications should be provided.

- **Limiting Conditions**

Provide all limiting conditions of the assessment.

# What Goes into a CAS (cont.)?

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## □ Exhibits

- Representative photographs (may be correlated directly into text or numbered and labeled in exhibit).
- Questionnaire
- User/owner submitted documents
- Photocopied plot plans, sketches, etc.
- Other exhibits considered appropriate by the consultant



## □ Keywords

# QUESTIONS/COMMENTS?

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