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# Schools Major Maintenance

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## February 16, 2022



HIGHLIGHTS	1
INTRODUCTION	2
FINDINGS/RECOMMENDATIONS	
<a href="#">Major Maintenance Policies</a>	6
<a href="#">Major Maintenance Budgeting</a>	11
<a href="#">Facilities Condition Assessment</a>	14



# Schools Major Maintenance

## Highlights

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### Major Maintenance Policies

We reviewed School Board Policy 7240: Long-Range Educational Facilities Planning and CCPS' Major Maintenance procedures (MC-013, MC-1021, MC-1022) to determine if they align with GFOA best practices. County General Services Policy 5-7: Facilities Management; Appendix B - Minimum Standards of Care for County Owned Facilities requires CCPS to document a prioritized major maintenance plan. CCPS has started to document a Major Maintenance Program (Program). We sampled six FY21 major maintenance projects to determine if they complied with MC-013 and CCPS MC-1022 major maintenance procedures.

**Recommendation(s):** Finalize a facility specific Major Maintenance Program to incorporate industry best practices and County financial policies where indicated.

### Major Maintenance Budgeting

We compared the Program's budget language and CCPS Budget document to GFOA Capital Asset Management and Renewal Policies best practices. We compared FCA reports recommended estimated replacement costs over \$100,000 to the major maintenance budget from FY18-21 to evaluate if FCA recommendations are incorporated into the budgeting process and if budgeted amounts cover FCA recommended replacement schedules. Although FY21 provided budgeting to cover FCA replacement recommendations, prior budgets reviewed did not. The draft Program document indicates that FCA recommendations are part of major maintenance planning however because the document is still in draft form, we were unable to determine how they were considered.

**Recommendation(s):** Incorporate asset management and renewal best practices into the Major Maintenance Program draft document before finalization. Incorporate ongoing facility FCA repair/replacement costs for identified periods to request sufficient funding as a part of the major maintenance annual transfer budgeting process.

### Facilities Condition Assessment

From completed FCA reports, we selected a sample of 23 significant short term and modernization recommendations at 18 schools to determine if repairs have been addressed by CCPS. From the 19 items not addressed, six recommendations totaling \$4,953,818 are scheduled to be initiated in FY22-23 and three recommendations totaling \$1,804,700 are for schools scheduled to be rebuilt. We also tested material building components or systems the FCA reports identified as failed or requiring immediate repairs. From our sample of 15 items, we determined 11 were completed or partially completed.

CCPS pays an annual fee for SchoolDude's Capital Forecasting™ module. Use of this software would allow management to gather and analyze data, run reports identifying annual major maintenance costs and maintain assets. FCA report data has not been uploaded to system and therefore cannot be effectively used in the major maintenance program.

**Recommendation(s):** Evaluate and prioritize unaddressed FCA recommendations from report date through current fiscal year for inclusion in major maintenance annual transfer budgeting process. Upload FCA assets lists into SchoolDude system and develop a process to maintain asset listings.

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*Management concurred with 6 of 6 recommendations detailed in the report to be implemented by the 4<sup>th</sup> quarter of 2022. Internal Audit performs annual follow-up with management to confirm implementation status.*

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# INTRODUCTION

## BACKGROUND

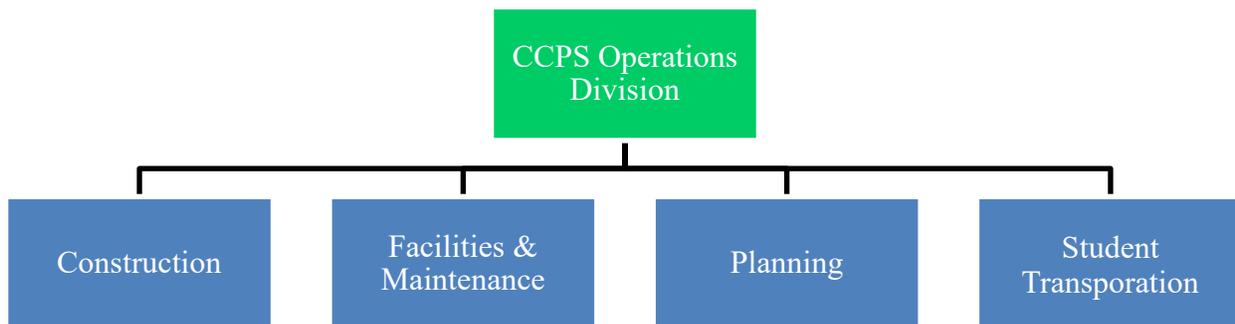
The Schools Major Maintenance audit is a regularly scheduled audit on the FY22 audit plan approved by County and Schools Audit and Finance Committees.

Chesterfield County Public Schools (CCPS) is the 68<sup>th</sup> largest school system in the United States and the fifth largest in Virginia with 62,500 students enrolled as of September 30, 2021. The FY21 CCPS adopted budget document reports a \$757.7 million operating budget with an estimated per pupil cost of \$12,116. CCPS maintains 67 facilities with over 8 million square feet including 11 high schools, 12 middle schools, 39 elementary schools, two career and technical education centers, and Academy 360 which has an alternative middle school program. CCPS also maintains one transportation building and the Watkins Annex. The CCPS building portfolio has an estimated FY21 replacement value of \$2.6 billion.

School facilities must be properly maintained to provide an engaging learning environment for students. Effective facilities maintenance extends the life of older facilities and maximizes the useful life of newer facilities. According to School Board Policy 7240; Long Range Educational Facilities Planning, annually, the schools' Superintendent presents a Capital Improvement Program (CIP) to the School Board which includes recommendations for new buildings and restoration and renewal of existing school facilities or major maintenance. After School Board approval, the proposed CIP is sent to the County Administrator for inclusion in the County CIP presented to the Board of Supervisors for approval.

Major maintenance is a key component of the annual CIP and identifies funding for repairs/replacement of facilities' structure, systems, and equipment. Major maintenance includes larger scale facility maintenance projects that generally require significant time to plan, design, and execute such as heating and air ventilation system replacements, security system installation, roof replacement, electrical service upgrades, and paving projects. Within the allotted budget, major maintenance projects are planned based on management discretion considering facility and equipment condition, needed improvements, and Superintendent's initiatives. Funding for major maintenance comes from bond referendums, federal and state grants, and annual operating budgets.

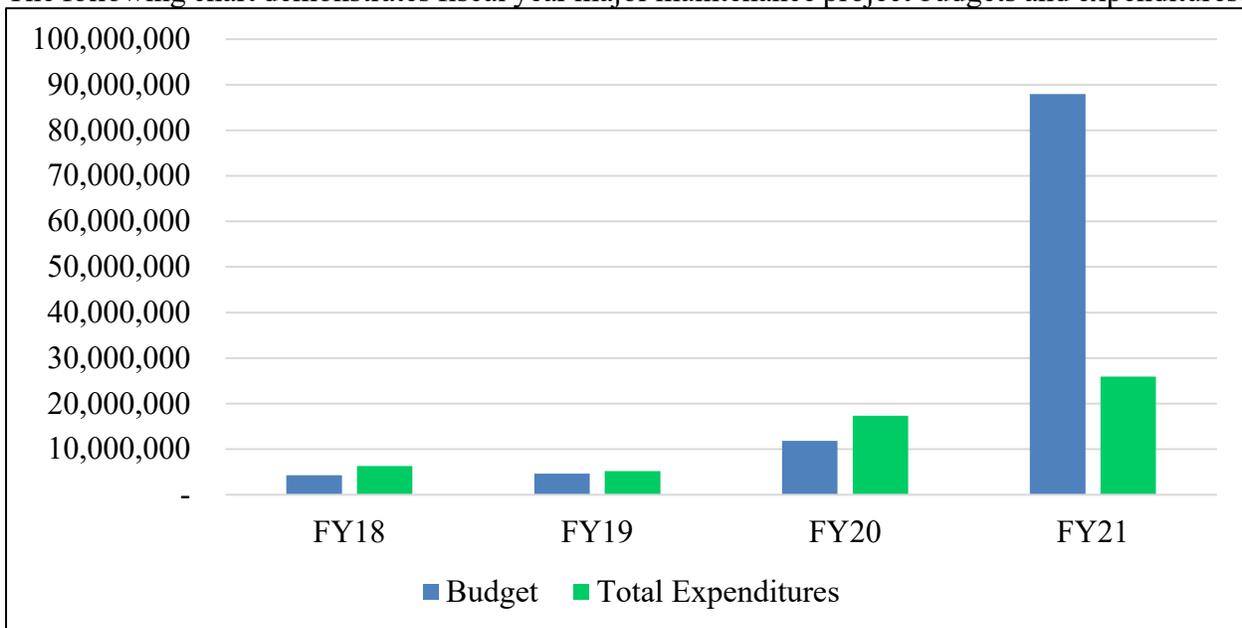
The following diagram shows the departments within CCPS' Operations division which maintains CCPS' facilities:



The Construction Department (Construction) administers the school division’s CIP and major maintenance projects. As of the report date, Construction has nine in-house employees. Construction submitted FY22 budget requests for five new positions and one program manager position was approved. Construction has submitted FY23 budget requests for an additional two project managers and two assistant project managers to assist with project tracking. One Facilities and Maintenance Department employee also helps with project planning. Construction has expertise in architecture, engineering, contract administration, and construction quality assurance through staff or contracted construction management providing for all phases ranging from preliminary design to final project accounting.

Construction staff oversee new school construction and major maintenance projects such as multi-school security and HVAC mechanical programs, with the assistance of nine vendor project managers and support staff. Six vendor staff work on new school construction and three on major maintenance projects. From FY19 thru FY21, CCPS paid \$987,804 for external vendor project management services. Compared to the FY21 vendor hourly rate of \$132, CCPS pays internal project managers an approximate \$42 hourly rate not including benefits.

The following chart demonstrates fiscal year major maintenance project budgets and expenditures:



**Chart 1: Major Maintenance Budget and Expenditures by Fiscal Year**

The large budget increase in FY21 includes a one-time \$57 million allocation from an Economic Development Authority revenue bond issuance and \$4.8 million in federal pandemic relief funding specifically allocated for major maintenance projects. Major maintenance projects, due to their significant nature can take several years to plan, design, and execute. Major maintenance projects prioritized in FY21 were HVAC and roof replacements, CCTV systems and door access controls, motion sensor light switches, water bottle filling stations, restroom partitions, and touchless toilet flush valves.

Starting in 2017, a vendor performed facility condition assessments (FCA) on all buildings for approximately \$881,000. FCA’s report facility condition on the day of inspection and include an executive summary, existing building assessment, site improvements, architectural and structural systems, mechanical and plumbing systems, interior spaces, other structures, and certification.

Each FCA report includes a facility condition index (FCI) rating calculated using total first-year replacement value of individual building components divided by total replacement value of the entire facility. The following table shows vendor assessment results at the time of assessment (2017 and 2020).

Rating	Definition	FCI Rating	First Year FCI Rating
<b>Good</b>	In new or well-maintained condition, with no visual evidence of wear, soiling or other deficiencies.	0% to 5%	57
<b>Fair</b>	Subjected to wear and soiling but is still in a serviceable and functioning condition.	> than 5% to 10%	6
<b>Poor</b>	Subjected to hard or long-term wear. Nearing the end of its useful or serviceable life.	> than 10% to 60%	4
<b>Very Poor</b>	Has reached the end of its useful or serviceable life. Renewal is now necessary.	> than 60%	0
		<b>Total</b>	<b>67</b>

**Table 1: FCI Ratings for CCPS Facilities**

CCPS uses SchoolDude, a workorder management software, to track facilities services requests. SchoolDude includes a Capital Forecasting™ module that is designed to assist with major maintenance programs. Capital Forecasting™ predicts and prioritizes major maintenance based on lifecycle information and best practices. If maintained, the solution can develop a list of future maintenance needs up to 30 years in advance based on existing asset lifecycles, FCAs, and work order history. Reports can be generated to prove the value of work and the need for funding.

**OBJECTIVES**

Objectives of the audit were to:

- Evaluate if current major maintenance program aligns with industry best practices.
- Determine if major maintenance activities are compliant with CCPS internal policies and procedures.
- Compare FCA reports to subsequent CCPS major maintenance activities.

## SCOPE

Our audit work covered FY18-21 and the current operating environment. We considered the following code, policies, and procedures during our audit:

<i>CCPS MC-013: Form Use and Reporting for CIP and Major Maintenance Projects</i>	<i>CCPS MC-1021: Transitioning a Work Request from Maintenance to Construction</i>
<i>CCPS MC-1022: Project Close-Out and Final Pay Application</i>	<i>GFOA Strategies for Establishing Capital Asset Renewal Policies</i>
<i>County General Services Policy 5-7: Facilities Management Appendix B - Minimum Standards of Care for County Owned Facilities</i>	<i>Government Finance Officers Association (GFOA) Capital Asset Management</i>
<i>GFOA Capital Planning Policies</i>	<i>GFOA Capital Project Monitoring and Reporting Best Practices</i>
<i>School Board Policy 7100: Inventories of Fixed Assets</i>	<i>School Board Policy 7240: Long-Range Educational Facilities Planning</i>

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Jim Boudreau, Senior Auditor, performed the audit work. The Office of Internal Audit is a department within the organization of Chesterfield County/Schools.

## METHODOLOGY

Detailed information regarding the methodology can be found in the individual point sheets listed in the report. Our methodology included interviews, observations, data analysis, detail testing, and documentation review.

## INTERNAL CONTROL CONCLUSION

According to Government Auditing Standards, internal controls, in the broadest sense, encompass the agency's plan, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Internal controls include the processes for planning, organizing, directing, and controlling program operations. It also includes systems for measuring, reporting, and monitoring program performance. An effective control structure is one that provides reasonable assurance regarding:

- efficiency and effectiveness of operations;
- accurate financial reporting; and
- compliance with laws and regulations.

Based on the results and findings of the audit test work, auditors concluded that there are several opportunities for improvement to internal control procedures to better provide reasonable assurance to assist management in meeting its missions, goals, and objectives. Recommendations specific to improving these controls can be found in detail further in the audit report.

## CLOSING

We would like to thank Construction staff for their cooperation and assistance during the audit.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Major Maintenance Policies

(Point Sheet 1)

#### **CRITERIA:**

The Government Finance Officers Association (GFOA) has developed a set of best practices that local governments can trust and rely on for guidance. These best practices provide recommendations on specific policies, procedures, and practices for governments to consider implementing for improved financial management. GFOA has published two documents, described below, that are related to major maintenance activities.

GFOA Capital Planning Policies best practices recommend that organizations develop and adopt capital planning policies that consider their unique organizational characteristics including the services they provide, how they are structured, and their external environment. Capital planning includes new construction, major renovations, and major maintenance projects.

GFOA Capital Project Monitoring and Reporting best practices recommends that organizations establish policies and processes for capital project monitoring and reporting.

School Board Policy 7240: Long-Range Educational Facilities Planning promotes public understanding of the Capital Improvement Plan and the process by which decisions are made. The policy includes information about the Capital Improvement Plan process, guidelines for overcrowding, declining enrollment, School Board input and funding for capital needs.

CCPS MC-013: Form Use and Reporting for CIP and Major Maintenance Projects procedure defines capital improvement and major maintenance projects in the areas related to CCPS' role in vendor notice, approvals, procurement procedures and reporting requirements. CCPS classifies major maintenance projects using two levels:

- Level 1 projects are less than \$1.5 million, single system repairs and replacements in-kind across single or multiple facilities, and do not require School Board approval.
- Level 2 projects are greater than or equal to \$1.5 million and require School Board approval.

CCPS MC-1021: Transitioning a Work Request from Maintenance to Construction provides a decision matrix to determine if work should be completed by the Construction or Facilities and Maintenance departments.

CCPS MC-1022: Project Close-Out and Final Pay Application procedure provides a standardized process for final CIP and major maintenance closeout. The procedure requires CCPS staff to prepare and sign checklists and/or a form verifying project completion and acceptance.

County General Services Policy 5-7: Facilities Management Appendix B - Minimum Standards of Care for County Owned Facilities outlines minimum standards of care for County owned school facilities including requiring CCPS to document a prioritized major maintenance plan for all facilities consistent with County financial policies.

**FINDINGS, RECOMMENDATIONS, RESPONSES**  
**Major Maintenance Policies**  
(Point Sheet 1)

**CONDITION(S):**

**Best Practices Comparison:**

We reviewed School Board Policy 7240: Long-Range Educational Facilities Planning and CCPS’ Major Maintenance procedures (MC-013, MC-1021, MC-1022) to determine if they align with GFOA best practices. The following tables summarize our analysis:

GFOA Capital Planning Policies Best Practice	Included in policy or procedure	Process occurs but not documented in policy or procedure	No policy, procedure, or process
Policies describes capital planning development that best meets organizational needs	X		
Policies defines capital improvement project	X		
Policies establish a capital improvement program review committee and identification of members		X	
Policies describe the role of the public and other external stakeholders	X		
Policies identify how decisions will be made in the capital planning process including a structured process for prioritization of needs and allocating resources			X
Policies require assessment of fiscal capacity to develop a realistic project plan			X
Policies link funding strategies with asset useful life including acceptable debt issuance			X
Policies require a multi-year capital improvement plan be developed including long term financing strategies			X
Policies ensure capital project funding is consistent with legal requirements			X
Policies require the plan include significant capital maintenance projects		X	
Policies provide for CIP program monitoring and oversight, reporting requirements, and capital plan changes	X		

**Table 3: GFOA Capital Planning Policies Comparison**

**FINDINGS, RECOMMENDATIONS, RESPONSES**  
**Major Maintenance Policies**  
(Point Sheet 1)

GFOA Capital Project Monitoring and Reporting Best Practice	Included in policy or procedures	Process occurs but not documented in policy or procedure	No policy or process
Incorporate legal requirements into capital monitoring and reporting processes			X
Identify stakeholder information needs		X	
Use systems to collect, store, analyze, and report project data		X	
Regularly monitor and report financial and project activity	X		
Project close-out.	X		
Evaluate monitoring and reporting activities			X

**Table 4: GFOA Capital Project Monitoring and Reporting Comparison**

**County Policy Requirements:**

County General Services Policy 5-7: Facilities Management; Appendix B - Minimum Standards of Care for County Owned Facilities, revised in 2020, requires CCPS to document a prioritized major maintenance plan for all facilities consistent with County financial policies. Since policy revision, CCPS has started to document a Program. Currently, the one-page draft document describes how major maintenance projects are prioritized by using performance data from ongoing preventive maintenance programs, superintendent and staff initiatives, and analysis of FCA reports. Project priorities are listed as:

- utmost importance requiring completion as soon as practical,
- essential to support CCPS’ mission and purpose,
- essential to support CCPS’ mission and purpose which may be deferred beyond five years, and
- non-critical and primarily aesthetic in nature.

The draft Program document also includes a statement to establish a 2.5% of facility replacement funding level, which is the same funding model adopted by the County. Because the Program is in draft form, we could not confirm it was consistent with other County financial policies. Management does have plans to finalize the Program after considering results of this project.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Major Maintenance Policies

(Point Sheet 1)

#### **Procedure Compliance:**

We sampled six FY21 major maintenance projects to determine if they complied with CCPS MC-013 and CCPS MC-1022 major maintenance procedures based on project level and noted sampled major maintenance projects complied with CCPS procedures, except for School Board approval and award notice for one project.

Project Name	Board Approval	Award Notice	Closeout	Procurement Compliance	Reporting
<b>MM Level 1 Projects</b>					
Tennis courts repair/replace	Not Required	Not Required	✓	✓	✓
Track repairs	Not Required	Not Required	Open Project	✓	✓
<b>MM Level 2 Projects</b>					
School security enhancement	✓	✓	✓	✓	✓
Locker bay conversion	✓	✓	✓	✓	✓
Middle school camera security	✘	✘	Open Project	✓	✓
Roof repairs	✓	✓	On Hold	✓	On Hold

**Table 5: Project Procedure Compliance**

#### **CAUSE(S):**

- Recent revisions to County policy have required CCPS to develop a major maintenance plan. The current one-page draft document does not contain certain elements identified in GFOA best practices or County financial policies.
- CCPS has several major maintenance program procedures.

#### **EFFECT(S):**

- Without documentation of major maintenance program details, the performance of assets essential to health, safety, economic development, and quality of life could be affected.
- Major maintenance procedures are followed with minimal exceptions.

#### **RECOMMENDATION:**

We recommend Construction Management:

1. Finalize a facility specific major maintenance program to incorporate industry best practice and County financial policies where indicated.

#### **MANAGEMENT RESPONSE:**

1. *Concur. Scott A. Carson, Director of Construction, is responsible for implementing by the 4<sup>th</sup> quarter of 2022.*

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Major Maintenance Budgeting

(Point Sheet 2)

#### **CRITERIA:**

GFOA has developed a set of best practices that local governments can trust and rely on for guidance. These best practices provide recommendations on specific policies, procedures, and practices for governments to consider implementing for improved financial management. GFOA has published two documents, described below, that are related to Capital Asset Management and Renewal activities.

GFOA Capital Asset Management states organizations should establish a system for assessing capital assets (assets used in operations that have useful lives extending beyond a single fiscal period such as facilities, infrastructure, and equipment) and then appropriately plan and budget for any capital maintenance and replacement needs.

GFOA Strategies for Establishing Capital Asset Renewal Policies best practices states organizations should adopt a written policy addressing capital asset's renewal and replacement.

School Board Policy 7100: Inventories of Fixed Assets indicates Schools follow's the County's fixed asset policy for purposes of insurance, program accountability, and purchasing of fixed assets.

#### **CONDITION(S):**

##### **Capital Budgeting Best Practices:**

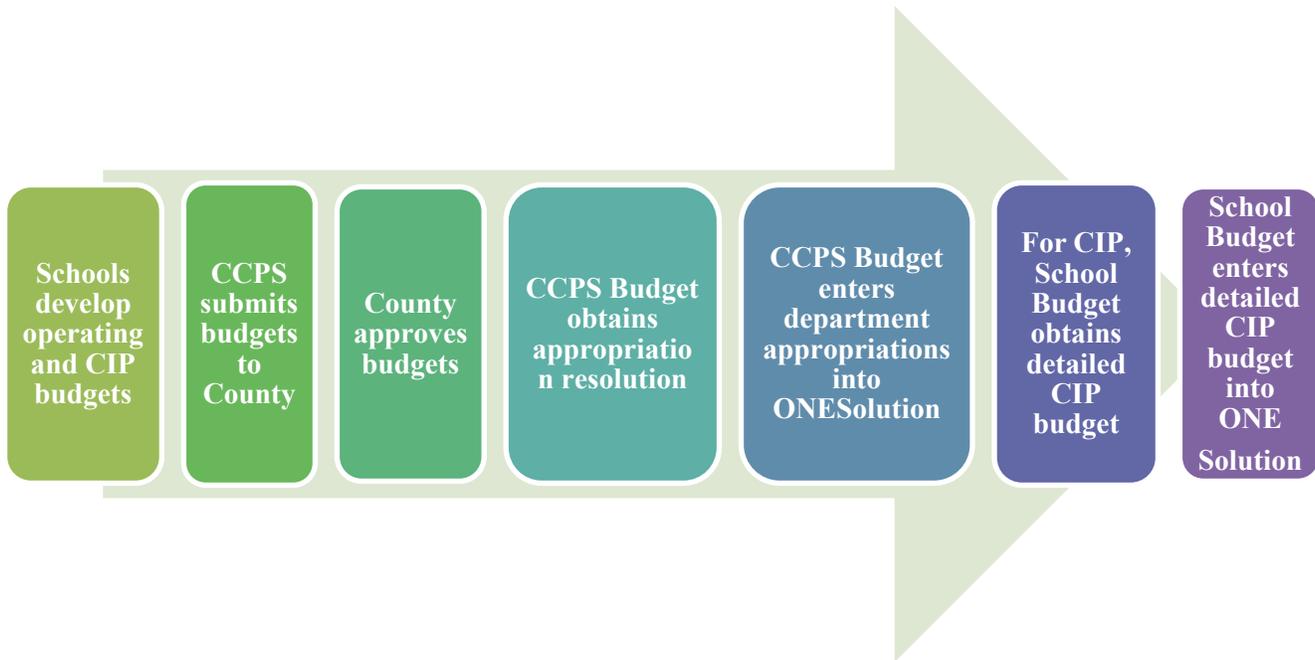
Each year, CCPS develops a budget based on operating and CIP needs. Included in CCPS' budget is the County revenue transfer. At the beginning of budget development, County Budget and Management provides an estimated County revenue transfer to the School Division since this amount is not finalized until the Virginia Governor releases the proposed budget bill and County Budget and Management adjusts the estimated revenue transfer. Once the transfer amount has been finalized (after ACFR completion) allowing CCPS budget development, the Superintendent submits the CCPS budget and five-year CIP to the Board of Supervisors for approval and CCPS adoption. The CIP's first year serves as the fiscal year's budget for projects and maintenance, while the other four years are used for planning purposes since the proposed amounts are not reserved in an account for future use.

County's approval of the CCPS operating and CIP budget includes an appropriations resolution. The resolution allows County and CCPS to implement the proposed fiscal year operating and CIP budgets. When CCPS budget receives the appropriations resolution, operating amounts are keyed into ONESolution (the County's Enterprise Resource System) by department and account. The CIP appropriation requires the CCPS Construction Director provide School Budget department the major maintenance budget, detailed project budgets, and the contingency amount (set aside for unplanned projects). The process is summarized below:

**FINDINGS, RECOMMENDATIONS, RESPONSES**

**Major Maintenance Budgeting**

(Point Sheet 2)



The draft Program document includes the following budget related language, “program funding is generally provided from the annual CIP transfer and bond sales. The recommended funding level is established at 2.5% of facility replacement value.”

We compared the Program’s budget language and CCPS budget document to GFOA Capital Asset Management and Renewal Policies best practices. The following tables summarize our analysis:

GFOA Capital Asset Management and Renewal Best Practice	Not in draft Program	Process in place but not included in draft Program	Described in CCPS Budget	Notes
Requires a complete inventory and periodic measurement of the physical condition and existence of all capital assets	X			Vendor performed initial inventory in FY17 and when new schools are built. Inventory maintenance and periodic measurement requirements are not included in the Program.
Multi-year capital planning/budgeting policies in place			X	CCPS budget document mentions County financial policies describing preliminary CCPS budgeting and capital asset maintenance. Additionally,

**FINDINGS, RECOMMENDATIONS, RESPONSES**

**Major Maintenance Budgeting**

(Point Sheet 2)

				the 5-year CIP preparation is described.
Requires annual budget/fund maintenance and capital projects plan			X	
Outline’s funding categories (i.e., fleet, technology, facility needs)	X			
Use asset life cycle information in capital planning process		X		Accounting maintains detailed asset information that could be used to plan for future asset needs.

**Table 6: GFOA Capital Asset Management and Renewal Practices Comparison**

**FCA Reports vs. Major Maintenance Budgets:**

We compared FCA reports recommended estimated replacement costs over \$100,000 to the major maintenance budget from FY18-21 to evaluate if FCA recommendations are incorporated into the budgeting process and if budgeted amounts cover FCA recommended replacement schedules. The following table shows the results of our comparison.

Fiscal Year	2018	2019	2020	2021
Current year major maintenance budget	\$4,313,000	\$4,660,000	\$11,833,000	\$87,945,000
FCA estimated replacement costs over \$100K	24,832,000	26,110,000	35,011,000	25,041,000
Budget over/(under) recommended replacement costs	(\$20,519,000)	(\$21,450,000)	(\$23,178,000)	\$62,904,000
% Budget of recommended replacement costs	17%	18%	34%	351%

**Table 8: Major Maintenance Budget to FCA Replacement Costs Comparison**

Although FY21 provided budgeting to cover FCA replacement recommendations, prior budgets reviewed did not. The large budget increase in FY21 includes a one-time \$57 million allocation from an Economic Development Authority revenue bond issuance and \$4.8 million in federal pandemic relief funding specifically allocated for major maintenance projects.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Major Maintenance Budgeting

(Point Sheet 2)

CCPS has started to document the Program. The draft Program document indicates that FCA recommendations are part of major maintenance planning however because the document is still in draft form, we were unable to determine how they were considered.

#### **CAUSE:**

- Current major maintenance program is in draft form and does not incorporate all budgeting best practices such as asset management and asset renewal best practices.

#### **EFFECT:**

- Without appropriately planning and budgeting for major maintenance needs, the performance of assets essential to health, safety, economic development, and quality of life could be affected.

#### **RECOMMENDATION(S):**

We recommend Construction Management:

2. Incorporate asset management and renewal best practices into the major maintenance program draft document before finalization.
3. Incorporate ongoing facility FCA repair/replacement costs for identified periods to request sufficient funding as a part of the major maintenance annual transfer budgeting process.

#### **MANAGEMENT RESPONSE:**

2. *Concur. Scott A. Carson, Director of Construction, is responsible for implementing by the 4<sup>th</sup> quarter of 2022.*
3. *Concur. Scott A. Carson, Director of Construction, is responsible for implementing by the 4<sup>th</sup> quarter of 2022. FCA costs will be considered, as will other recent cost estimating data/sources.*

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Facility Condition Assessments

(Point Sheet 3)

#### **CRITERIA:**

GFOA Capital Project Monitoring and Reporting best practices recommend using systems to collect, store, analyze, maintain, and report project data.

SchoolDude's Capital Forecasting™ software predicts and prioritizes maintenance based on lifecycle information and best practices. The software can develop a list of future maintenance needs up to 30 years in advance by inputting information on existing asset lifecycles, FCAs, and work order history. Reports can be generated for stakeholders to prove the value of work and the need for funding.

#### **CONDITION(S):**

FCA reporting includes vendor recommended significant short term and modernization items for each facility. The report also details a list of recommended first year replacements, failed systems, and related estimated costs to replace. The vendor recommends replacement prioritization for identified first year and failed systems identified in the assessments. The Facilities and Maintenance department routinely address the FCA small replacement recommendations that do not qualify as major maintenance projects. These small items are routinely addressed using the Facilities and Maintenance department.

FCAs can be used as a major maintenance planning tool because they provide a comprehensive and detailed estimate of costs associated with renewal, repair, and outlines both the immediate and long-term cost liabilities for building assets. The information in the FCA reports provides information that allows administration, and the School Board to prioritize, plan, and fund necessary ongoing repairs and improvements. Currently, one Facilities and Maintenance employee who is responsible for equipment inventory, provides Construction inventory information to assist with project planning.

#### **FCA Short Term Modernization Recommendations:**

We reviewed all completed FCA reports for 67 CCPS facilities identifying 242 significant short term and modernization recommendations in 56 FCA reports. We selected a sample of 23 significant short term and modernization recommendations at 18 schools with a total estimated replacement cost of \$15,205,006 to determine if repairs have been addressed by CCPS as prioritized by the vendor. Based on our testing of the sample, we determined the following:

Recommendation Repair Status	Number of Recommendations	Estimated Cost
Complete	2	\$ 828,024
Partially complete	2	3,494,732
Not started	19	10,882,250
<b>Total</b>	<b>23</b>	<b>\$15,205,006</b>

**Table 9: Sample Recommendation Status**

**FINDINGS, RECOMMENDATIONS, RESPONSES**  
**Facility Condition Assessments**  
(Point Sheet 3)

From the \$10,882,250, six recommendations totaling \$4,953,818 are scheduled to be initiated in FY22-23 and three recommendations totaling \$1,804,700 are for schools scheduled to be rebuilt.

**FCA Failed Systems:**

The FCA reports assign a condition to the building systems and components. If building systems or components are no longer performing as intended, the FCA reports these as failed and recommends immediate or significant corrective action to restore use.

We reviewed the FCA reports for material building components or systems identified as failed or requiring immediate repairs. From 139 items totaling \$25,154,258, we selected a sample of 15 items totaling \$4,899,309 to determine if repairs have been completed. Our testing results are shown below:

Recommendation Repair Status	Number of Recommendations	Estimated Cost
Completed	10	\$ 2,897,045
Partially complete	1	814,608
Not started	4	1,187,656
<b>Total</b>	<b>15</b>	<b>\$4,899,309</b>

**Table 10: Sample Recommendation Status**

Overall, based on our sample of identified failed systems or immediate repair needs, 73% of the recommendations were completed or partially completed.

**SchoolDude Capital Forecasting:**

Per GFOA best practices, major maintenance programs should include use of systems for capital planning and project management. FCA reporting includes detailed information on assets including age, cost, remaining life, and estimated replacement date for a 20-year period. Although this data is included in FCA reporting results, it has not been uploaded to SchoolDude and therefore cannot be effectively used in the major maintenance program. Because the FCA’s represent a point in time, asset maintenance is needed to record replacements and disposals over time to assist with ongoing major maintenance planning. Because asset data is not currently in a system, ongoing asset maintenance does not occur.

CCPS pays an annual fee of \$13,116 for SchoolDude’s Capital Forecasting™ module. Use of this software would allow management to efficiently gather and analyze data, run reports identifying annual major maintenance costs and maintain assets.

**FINDINGS, RECOMMENDATIONS, RESPONSES**  
**Facility Condition Assessments**  
(Point Sheet 3)

**CAUSE(S):**

- Spring 2020 personnel change in Chief of Operations and Construction Department Director resulted in a transformation to major maintenance program operations. There was no defined major maintenance program in place to guide proper use and prioritize information provided in the FCA reports.
- FCA assets lists have not been uploaded into the SchoolDude system.
- Repair/replacement of assets is not captured for asset list maintenance.

**EFFECT(S):**

- Without defined policies and procedures; the major maintenance program cannot be implemented effectively when management changes.
- Without using a system, FCA repair/replacement recommendations on assets list are not incorporated into ongoing major maintenance planning using best practices.
- FCA data is less relevant as time passes.

**RECOMMENDATION(S):**

We recommend Construction Management:

4. Evaluate and prioritize unaddressed FCA recommendations from report issuance date through current fiscal year for inclusion in major maintenance annual transfer budgeting process.
5. Upload FCA assets lists into SchoolDude system.
6. Develop a process to maintain asset listing in SchoolDude system.

**MANAGEMENT RESPONSE:**

4. *Concur. Scott A. Carson, Director of Construction, is responsible for implementing by the 4<sup>th</sup> quarter of 2022.*
5. *Concur. Scott A. Carson, Director of Construction and John Thumma, Director of Facilities and Maintenance are responsible for implementing by the 4<sup>th</sup> quarter of 2022.*
6. *Concur. Scott A. Carson, Director of Construction and John Thumma, Director of Facilities and Maintenance are responsible for implementing by the 4<sup>th</sup> quarter of 2022.*