

Staff Report

Origin

On February 3, 2006 Facility Management provided a report to Council detailing City building conditions. The results were derived on physical audits undertaken by Vanderweil Facility Advisors (VFA) involving 140 buildings comprising 1,450,000 sq. ft of total building area. This report provides an update to the overall Facility Condition Index (FCI) of City facilities 5 years after the original report.

Background

Council Term Goals

One of the strategic focus areas outlined in the currently adopted Council Term Goals is Financial Management. The goal is to ensure the City has the capacity to meet the financial challenges of today and the future, while maintaining current levels of service. This report outlines the current and long-term financial requirements for maintaining and replacing the City's ageing building infrastructure.

Condition of Existing Building Inventory

The City of Richmond's General Buildings and Leased facilities inventory consists of 146 buildings representing notable financial worth with a current value of \$284 million, excluding land costs and the Richmond Olympic Oval. The functional life of a facility is 45 years plus providing regular preventive maintenance is performed before a major refit is done. The average age of the facilities included in this report is 39.

FCI is an industry standard designation of facility condition where 0.00 to 0.05 is good, 0.06 – 0.10 is fair, and higher than 0.10 is considered poor. In 2006, the FCI of City facilities was 0.07 and has not changed due additional funding received in the past few years, as well as the replacement of some facilities. This has contributed to maintaining the overall FCI. However, a significant number of facilities will come due for major component renewal.

Analysis

Annual facility inspections based on twenty percent of total square footage are performed by a team comprised of an Architect, and an Electrical and Mechanical Engineer. Assessments currently estimate a \$20 million backlog of infrastructure repairs/replacement requirements. Twenty-year projections of this backlog and anticipated average renewals indicate this backlog would increase an average of \$5 million per year over the next 20 years to \$120 million if the current level of funding continues.

The 2010 funding applied to facility infrastructure repairs, replacement, and renewal is \$4,325,000. Increases in funding since 2006 have enabled the repair, replacement, and renewal of many high priority systems such as roofs and mechanical systems. However, funding projections show that the average annual funding requirement over the next 20 years is \$8,321,214. A base level increase of \$4.0M would address this annual shortfall and would allow the City to maintain facilities in their current condition. It is projected that given the current level of funding the FCI figure will go from 0.07 to 0.43 over the next 20 years.