



EXECUTIVE ORDER NO. 10 – 11

GOVERNOR'S EXECUTIVE ORDER ON LONG-RANGE CAPITAL PLANNING

Oregon state government owns and cares for a diverse portfolio of facilities worth more than \$6 billion. In many state-owned facilities, the growing deferred maintenance has placed both employees and visitors at significant risk because of the potential failure of facilities or systems. The Oregon Legislature and the Secretary of State Audits Division have expressed concern over the fact that the longer that facility maintenance receives insufficient funding, the greater the potential risk to the state. Despite this, no standard method exists to measure the level of need or the accumulated cost of unfunded maintenance in all state-owned facilities.

Long-Range Capital Planning links all the critical elements of facility management into a cohesive program that includes financing, ownership, operations and maintenance. This comprehensive approach ensures that the state receives maximum value; the greatest operational use with the least cost for every dollar spent on state-owned facilities. This "cradle to grave," "life-cycle cost" thinking will keep state-owned facilities operating safely, effectively, and at the lowest possible cost to Oregonians.

To address the existing deferred maintenance issue, Department of Administrative Services (DAS) continues to work closely with the Capital Projects Advisory Board, which, since 1997, has been responsible for review of major construction projects and building maintenance needs for state agencies and with the Central Facilities Planning Committee comprised of state agency staff responsible for facilities management. DAS is seeking legislative approval in the 2011 Legislative Session for an Asset Protection and Deferred Maintenance Fund to assist with funding selected critical deferred maintenance projects that are approved by the Legislature.

Effective Long-Range Capital Planning requires the coordination of many decision points including construction planning, facility maintenance, facility operation, deferred maintenance, maintenance planning, and planning for replacement reserves. DAS is in the process of building a database system to capture the data it needs to effectively manage its facility maintenance, deferred maintenance, and long range capital planning responsibilities. This Order directs DAS to establish standards and guidelines, an assessment process, and a comprehensive plan for addressing operational and deferred maintenance needs. It also directs DAS to participate in a pilot project utilizing the standards and guidelines and comprehensive plan.



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NOW THEREFORE, IT IS HEREBY DIRECTED AND ORDERED:

1. DAS shall develop standards and guidelines that can be used by all state agencies to assess, measure, and report on operating and deferred maintenance. The standards and guidelines shall encompass factors including:
 - a. Code Compliance;
 - b. Operating Effectiveness and Efficiency;
 - c. Major Component Reliability;
 - d. Environmental Impacts;
 - e. Functionality; and
 - f. Timeline of Need (Immediate\Short Term\Long Term).
2. DAS shall develop an assessment process, based on its standards and guidelines, which can be used by all state agencies. The assessment process shall be designed to consistently identify, measure, track, and report on existing deferred maintenance, operating maintenance, and long range capital construction requirements.
3. DAS shall develop a comprehensive plan for implementing its standards and guidelines and the assessment process. The comprehensive plan shall include recommendations for implementing the suggested assessment process, meeting data system requirements, conducting agency training, gathering data, and evaluating and reporting on statewide operating and deferred maintenance needs.
4. DAS shall carry out a deferred maintenance pilot program, based on its comprehensive plan, which follows the established standards and guidelines and uses the assessment and data gathering processes. DAS shall recruit two or more volunteer agencies to participate in the pilot program.
5. DAS shall collaborate with the Capital Projects Advisory Board and the Central Facilities Planning Committee in carrying out this Order.
6. Before establishing its standards and guidelines, assessment process and comprehensive plan, DAS shall seek the input of state agencies that own or operate state-owned facilities.
7. If DAS requires assistance of any other State agency in carrying out this Order, then such agency shall provide assistance to DAS upon request as resources permit.



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8. This Order shall expire on July 31, 2012.

Done at Salem, Oregon, this 16th day of December, 2010.




Theodore R. Kulongoski
GOVERNOR

ATTEST:


Kate Brown
SECRETARY OF STATE