

# MPUMALANGA PROVINCIAL GOVERNMENT



## DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT

### MAINTENANCE OF IMMOVABLE ASSETS POLICY

---

Revision Date:.....None  
Issue:.....1.0  
Responsible Section:.....Infrastructure Maintenance  
Approval Date.....None

---



## TABLE OF CONTENTS

DESCRIPTION	PAGES
ABBREVIATION AND DEFINITIONS	2
INTRODUCTION	3
OBJECTIVES	3
REGULATORY FRAMEWORK	4
SCOPE OF APPLICATION	5
POLICY STATEMENT	5
ROLES AND RESPONSIBILITY	12
MONITORING AND EVALUATION	12
POLICY REVIEW	12
APPENDIX A: IMMOVABLE ASSET MAINTENANCE PROGRAMME	13
APPENDIX B: CONDITION RATINGS	14
APPENDIX C: CONDITION STANDARDS	15
APPENDIX D: MAINTENANCE BUDGET GUIDELINES	16

# 1. ABBREVIATIONS AND DEFINITIONS

## 1.1. ABBREVIATION

PIA	Provincial Immovable Asset
IA	Implementing Agent
DPWR&T	Department of Public Works, Roads & Transport
M-DPWR&T	Department of Public Works, Roads & Transport
OHSA	Occupational Health and Safety Act
HOD	Head of Department
BBBEE	Broad Based Black Economic Empowerment
IDIP	Infrastructure Development Improvement Programme
CIDB	Construction Industry Development Board
C-AMP	Custodian Asset Management Plan
U-AMP	User Asset Management Plan
SLA	Service Level Agreement
IAMP	Immovable Asset Management Plan
PFMA	Public Finance Management Act, 1 of 1999
GIAMA	Government Immovable Asset Management Act, 19 of 2007

## 1.2. DEFINITIONS

“**Policy**” means this Policy on the Maintenance of Immovable Assets

“**Custodian**” means a national or provincial department designated in terms of GIAMA that must plan, acquire, manage, and dispose immovable assets, but limited to Provincial Department of Public Works Roads & Transport;

“**User**” means user as defined in GIAMA;

“**Vacant Land**” means a land that may be improved and developed but is not currently in use, or vacant land on which a dwelling has not been constructed, or land without structures.

“**Lifecycle**” means the period during which a custodian expects to derive optimal value for money from the control of an immovable asset.

“**maintenance**” means any work on existing immovable assets

“**User Department**” means any Government Department that uses or intends to use any immovable assets in support of its service delivery objectives or that occupies or intends to occupy any immovable assets;

**“Service Delivery services”** means a document in which the client department outline how it expects the Implementing Agent (IA) to deliver services the implementing agent may amend and improve certain items which both parties must agree upon.

**“Immovable Asset”** means any immovable asset acquired or owned by government. Immovable assets are further described as land and any immovable improvement on that land, and which have enduring value and consist of assets of residential, non-residential or infrastructure nature and include machinery and equipment that have been installed and are an integral part of immovable assets and include all assets both state-owned and leased.

**“Useful life”** means the period during which a user derives benefit from the use of an immovable asset.

## 2. INTRODUCTION

The Mpumalanga Department of Public Works, Roads & Transport (MDPWR& T) is the custodian of all Provincial Immovable Assets (PIA). It manages a complex property portfolio comprising inter alia the legislature, ministerial, official residences, office complexes, hospitals, clinics, schools, workshops, traffic stations and weighbridges, and vacant land. These assets constitute a substantial financial asset, which value must be maintained.

Preserving this estate is a challenging task that cannot be performed by the Department of Public Works Roads & Transport (DPWR&T) alone. It needs a combined effort from the department and all its client departments. Facilities form part of interdependent resources – including staff, technology and funding - that need to be proactively managed.

## 3. OBJECTIVES

The objectives of this Policy are to:

- 3.1. Provide a framework, which will assist in maintaining all provincial facilities in a condition that supports service delivery.
- 3.2. Provide for the drafting and execution of the maintenance programme or plan to ensure the provision of public services within the prevailing South African legislative framework (e.g. PFMA, GIAMA, OHSA etc.)

- 3.3. Ensure that the department complies with the provision of GIAMA and to set up a provincial immovable asset maintenance and management programme.
- 3.4. Ensure that the capital investment of government is protected, the immovable asset life cycle and service costs are optimised and that service outcomes are achieved by:
  - 3.4.1. specifying minimum requirements for the management of maintenance of immovable assets;
  - 3.4.2. ensuring that immovable assets are adequately maintained;
  - 3.4.3. ensuring that the risks to government are effectively managed;
  - 3.4.4. ensuring that government has the necessary information for monitoring the maintenance, condition and performance of immovable assets in the provincial portfolio;
  - 3.4.5. ensuring that there is adequate information at the operational level for undertaking of maintenance activities.

#### 4. REGULATORY FRAMEWORK

- 4.1. Constitution of the Republic of South African Act 108 of 1996
- 4.2. Public Finance Management Act 1 of 1999, as amended
- 4.3. Treasury Regulations, 2000
- 4.4. Occupational Health and Safety Act 85 of 1993, as amended
- 4.5. Construction Industry Development Board Act 38 of 2000, as amended
- 4.6. Government Immovable Asset Management Act, Act No. 19 of 2007
- 4.7. Rental Housing Act 50 of 1999
- 4.8. The Construction Industry Development Board Act 38 of 2000, as amended
- 4.9. The Intergovernmental Relations Framework Act 13 of 2005, as amended
- 4.10. The National Environmental Management Act 107 of 1998, as amended
- 4.11. Broad Based Black Economic Empowerment Act 53 of 2003 (BBBEE)
- 4.12. Prevention of illegal Eviction from and Unlawful Occupation of Land Act 103 Of 1977
- 4.13. National Building Regulations of 1995
- 4.14. Fencing Act 31 of 1963
- 4.15. National Heritage Act 25 of 1999
- 4.16. National Environmental Management Act 1986
- 4.17. Municipal by laws
- 4.18. Expropriate Act 63 of 1975
- 4.19. The Construction Charter March 2006

## 5. SCOPE OF APPLICATION

This policy is applicable to:

- 5.1. Provincial Department of Public Works Roads & Transport as custodian, for the maintenance of immovable assets
- 5.2. User departments within the Mpumalanga Provincial Government

## 6. POLICY STATEMENT

In terms of the impending GIAMA Act, which provides a specific framework and guidelines for management of immovable assets, DPWR&T must comply with a number of requirements, such as regular condition assessments of immovable assets.

### 6.1. Reasons for maintenance to –

- 6.1.1. Prevent deterioration, failure or destruction;
- 6.1.2. Restore to correct operation within specified parameters;
- 6.1.3. Restore physical condition to a specified standard;
- 6.1.4. Recover from structural and service failure;
- 6.1.5. Obtain accurate and objective knowledge of physical and operating condition including risk and financial impact for the purposes of maintenance;
- 6.1.6. Partially replace an equivalent component of the immovable asset.
- 6.1.7. Implement risk mitigation measures to protect the property and neighbouring properties.
- 6.1.8. Ensure compliance with the Occupational Health and Safety Act; 85 of 1993, the Fencing Act, 31 of 1963, National Building Regulations and Building Standards Act, 103 of 1977, and any other law requiring safety measures;

### 6.2. Major Schedule Maintenance

- 6.2.1. cyclical refurbishment (e.g. the replacement of carpets and air conditioners);
- 6.2.2. major refurbishment;
- 6.2.3. painting of immovable asset;
- 6.2.4. Structural repair
- 6.2.5. Electrical and mechanical maintenance

### 6.3. Principles

The following guiding principles will apply in the management and operation of the provincial estate:

- 6.3.1. The relationship procedures between the Department as Custodian, its Client Departments as Users and Provincial Treasury are regulated by the Infrastructure Development Improvement Programme (IDIP).
- 6.3.2. Effectiveness of and efficiency in operation and the resultant minimising of life cycle costs of facilities;
- 6.3.3. Environmental responsibility through the efficient use and management of scarce or non-renewable resources, particularly of water and energy in the operation and management of its estate.
- 6.3.4. Facilities or components that have been rehabilitated or replaced will be moved onto the Maintenance Programme.
- 6.3.5. All facilities will be grouped, according to condition, into three categories and each category will be placed in the applicable programme (see **APPENDIX A**);
  - 6.3.5.1. **Maintenance Programme** – All new facilities and assets in a desirable condition (Condition 5 and 4) (For condition ratings see **APPENDIX B**);
  - 6.3.5.2. **Rehabilitation Programme** – All components of facilities requiring repairs or rehabilitation (Condition 3 and 2)
  - 6.3.5.3. **Replacement Programme** – All components of facilities that have to be replaced. (Condition 1).

### 6.4. Condition Standards

- 6.4.1. Provincial facilities shall be maintained to predetermined standards in regard to physical condition, functional quality, and operational performance to comply with the prevailing South African legislative framework (e.g. PFMA, GIAMA, OHS Act, CIDB, etc.) and applicable standards (e.g. SANS and Departmental).
- 6.4.2. These standards and any associated performance indicators shall be part of any arrangements for the implementation of maintenance, rehabilitation, or replacement. Appropriate condition standards shall be developed and implemented. (See **APPENDIX C**)

## 6.5. Budgeting

- 6.5.1. The DPWR&T shall develop budgets and allocate funding for the maintenance, rehabilitation, and replacement of provincial facilities and plant, in close liaison with the client departments, as part of annual IDIP budget process.
- 6.5.2. A funding level 3 per cent of the estimated replacement cost of the existing facilities in good condition is a minimum benchmark, for preventative maintenance. Funding over and above the 3 percent norm shall be provided until the backlog has been eradicated. See **APPENDIX D** in this regard.

## 6.6. Immovable Asset Register

An Immovable Asset Register for provincial facilities shall be compiled and updated on an annual basis by the end of March every year. The updated Immovable Asset Register must be submitted to the HOD for sign-off.

## 6.7. Condition Assessment

- 6.7.1. Condition assessment is “the continuous or periodic measurement and interpretation of data to decide the condition of an item to determine the need for maintenance” in relation to the appropriate condition standards.
- 6.7.2. A full condition assessment of all provincial immovable assets, excluding Riverside Complex and hospitals, will be done every five years. A full condition assessment of Riverside Complex and provincial hospitals will be done every three years.
- 6.7.3. As and when maintenance, repairs, rehabilitation and replacements are undertaken, the condition assessment data shall be updated in the Immovable Asset Register on continuous basis.
- 6.7.4. Procedures and guidelines for condition assessment shall be developed and implemented.

## 6.8. Categories of maintenance

- 6.8.1. **Planned maintenance:** Any maintenance activity for which scope of work has been predetermined and labour, materials, tools, and equipment required for carrying out the estimated task while their availability is assured before commencement of the task. Planned maintenance consists of:
  - 6.8.1.1. **Preventative Maintenance/Routine Maintenance:** Work that is planned and performed on a routine or time based schedule, to preserve the condition of the buildings, equipment or plant and prolong its useful life (e.g. servicing of air conditioners; routine maintenance



- 6.8.1.2. **Condition based Maintenance:** Corrective maintenance work performed, as a result of significant deterioration or failure, to restore an asset to its required condition standard.
- 6.8.1.3. **Backlog Maintenance:** Any maintenance that should have been done during previous maintenance cycles but were deferred, cancelled or not done as a result of a lack of funds or other reasons. The maintenance work can be quantified, planned, scheduled, and it is therefore classified as planned maintenance.
- 6.8.2. **Day to day Maintenance:** Maintenance which is expected but no planning in terms of labour, material and other cost elements have not been done. The cost estimate is mostly based on the historic cost and maintenance history.
- 6.8.3. **Minor Repairs:** Maintenance action intended to restore an item to an acceptable condition by the renewal, replacement, or mending the worn, damaged, or decayed parts.
- 6.8.4. **Minor New Works:** New works that are of a minor nature and cannot be managed as a capital project.
- 6.8.5. **Emergency Breakdown Maintenance:** Unplanned and reactive maintenance actions urgently required restoring an asset to an operational condition, as a result of an unforeseen failure that seriously affect the functioning of the asset, e.g. block sewer. Unintended damage caused by storms, wind, or sand, destruction by vandals, riots, burglars, broken window panes and disaster damage.

## 7. ROLES AND RESPONSIBILITIES

- 7.1. The responsibilities of the main role players as identified by the IDIP process will be adhered to. There are four main role players involved in the management and maintenance of facilities occupied by the Mpumalanga Department of Public Works, Roads & Transport:
  - 7.1.1. The Mpumalanga Department of Public Works, Roads & Transport;
  - 7.1.2. The client Departments of the Mpumalanga Department of Public Works, Roads & Transport;
  - 7.1.3. Other implementing agencies that are used by client Departments and;
  - 7.1.4. The Mpumalanga Provincial Treasury.
  - 7.1.5. The Custodian and the User Departments are responsible for the maintenance of immovable assets and must make provision for such maintenance in their respective budgets.

The responsibility for maintenance of immovable assets and budget allocations applies as follows:

## 7.2. Emergency Maintenance

The User Department concerned is responsible to budget for unintended damage caused by storms, wind or sand and destruction by vandals, burglars, while the Custodian is responsible to budget for disaster damage.

## 7.3. Routine Maintenance

The User Department is responsible to budget for routine maintenance.

## 7.4. Major Scheduled Maintenance

- 7.4.1. The Custodian is responsible to budget for major scheduled maintenance.
- 7.4.2. The Custodian may undertake all the maintenance that a User Department is responsible for on behalf of that User Department, provided that a service level agreement is concluded by the Custodian and User Department to regulate their relationship.
- 7.4.3. The Custodian must monitor the maintenance activities of the User Departments by undertaking quarterly inspections of the immovable assets.
- 7.4.4. Where User Departments share immovable assets, the responsibility for the maintenance and budgetary allocations must be shared by the User Departments pro rata to their utilisation of the immovable asset.

## 7.5. Listing of immovable asset per functional performance group

- 7.5.1. The Custodian must list the immovable asset in the provincial portfolio in accordance with their functional performance using the standardised terminology developed by the National Department of Public Works.
- 7.5.2. The functional performance of an immovable asset must be used as a prioritisation mechanism for immovable asset management decisions.

## 7.6. Identification of the appropriate maintenance strategy

- 7.6.1. The Custodian must use the functional performance list of the immovable assets in the provincial portfolio to divide the immovable assets into the following three primary priority categories –

- 7.6.1.1. Category A: those immovable assets that is suitable for its current function are in a good condition and only requires maintenance;
  - 7.6.1.2. Category B: those immovable assets that require a feasibility study to determine if they should be disposed of, or re-allocated to another User Department.
  - 7.6.1.3. Category C: those immovable assets that require full technical assessment to determine the full scope of maintenance work to be performed.
- 7.6.2. The maintenance strategy decided on must be based on the required performance standard of the immovable asset as follows:
- 7.6.2.1. Category A: Fixed-time and zero based strategies may be implemented and no other maintenance activities are required.
  - 7.6.2.2. Category B: A feasibility study must be conducted to determine if the asset condition, location and other functional characteristics might be suitable for other User Departments and the outcome of the study will determine whether the immovable asset is to be disposed of or re-allocated to another User Department.
  - 7.6.2.3. Category C: A full technical assessment to identify the full scope of maintenance needs must be undertaken and a condition based maintenance strategy must be developed for immovable assets in this category.

## 7.7. Maintenance Implementation

### 7.7.1. Maintenance Planning:

- 7.7.1.1. The Custodian and the User Departments will develop a Maintenance Works Programme for all the maintenance of immovable assets that they are responsible for as part of its C-AMP or U-AMPs respectively.
- 7.7.1.2. The Maintenance Works Programme must reflect the maintenance strategy and an appropriate balance between emergency maintenance, routine maintenance major scheduled maintenance.
- 7.7.1.3. The budget allocation for maintenance in the Maintenance Works Programme must be developed for each financial year.
- 7.7.1.4. Where manufacturer specifications required fixed-time maintenance of a Category A immovable asset, it must be indicated in the Maintenance Works Programme.
- 7.7.1.5. Category A immovable assets, other than those referred to in subparagraph 7.3.2, are earmarked for routine maintenance only if there is no fixed-time maintenance requirements.

7.7.1.6. Maintenance planning for Category B immovable assets will only commence once it has been allocated and occupied by the new User Department and after a functional performance assessment is conducted on it by the Custodian.

7.7.1.7. Maintenance activities that were identified as part of the technical assessment of the Category C immovable assets must be included in the Maintenance Works Programme.

## 7.8. Maintenance Procurement.

7.8.1. The Custodian may undertake all the maintenance that a User Department is responsible for on behalf of that User Department, providing that a service level agreement is concluded by the Custodian and User Department to regulate their relationship.

7.8.2. Procurement of service providers to undertake maintenance is the responsibility of the department who is responsible for the maintenance as contemplated in paragraph 7.3 and if the Custodian is undertaking the maintenance on behalf of the User Department, the Custodian must procure service providers.

7.8.3. Procurement of service providers to undertake maintenance must be in accordance with the provisions of the PFMA and the Preferential Procurement Policy Framework Act, 5 of 2000.

## 7.9. Maintenance Information System

7.9.1. The Custodian and the User Departments must capture maintenance expenditure against the respective categories of immovable assets on a system per immovable asset.

7.9.2. The system must facilitate benchmarking and performance improvement and inform the Custodian and the User Department respectively of the impact that completed maintenance will have on the life-cycle of the immovable asset.

## 7.10. Maintenance Performance

7.10.1. The Custodian must establish a process to monitor maintenance performance and must undertake a periodic review of maintenance performance in accordance with the performance assessment criteria determined by the National Department of Public Works.

**7.10.2. The review must consider aspects relating to:**

- 7.10.2.1. maintenance service delivery performance;
- 7.10.2.2. maintenance service quality performance;
- 7.10.2.3. immovable asset performance;
- 7.10.2.4. maintenance management performance;
- 7.10.2.5. maintenance cost performance;
- 7.10.2.6. user satisfaction.

**8. MONITORING AND EVALUATION**

The Infrastructure Maintenance section shall monitor the implementation of the policy and shall report any deviations to the Head of the Department in writing.

**9. POLICY REVIEW**

The policy shall be reviewed to factor in changes in legal frameworks, organisational development, political and economic trends, and envisaged outputs by the Medium Term Expenditure Framework as well as outcomes of monitoring and evaluation.

**10. APPROVAL**

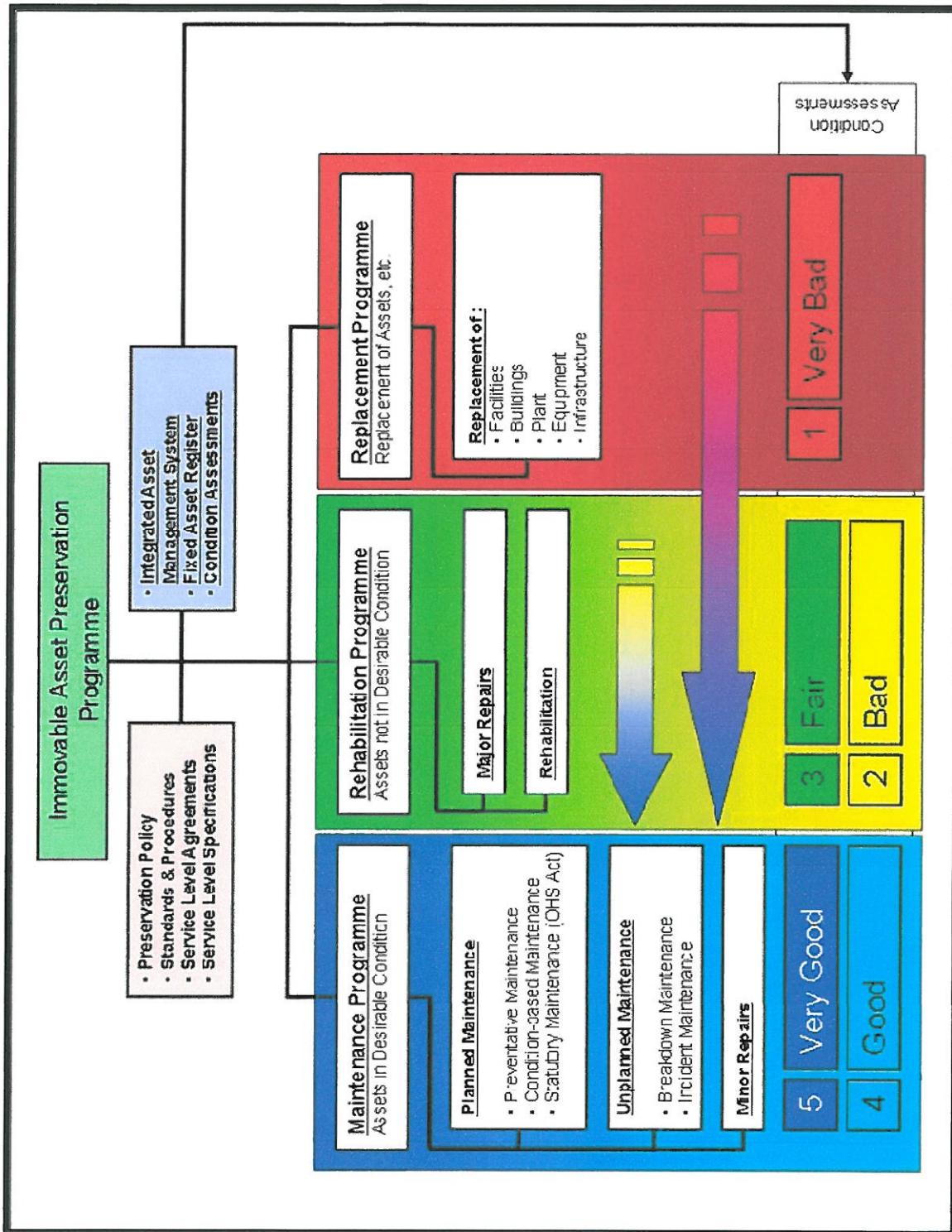
APPROVED



**KM MOHLASEDI**  
**HEAD OF DEPARTMENT**

DATE : 2010/11/12

# APPENDIX A: IMMOVABLE ASSET MAINTENANCE PROGRAMME DIAGRAM



## APPENDIX B: CONDITION RATINGS

CONDITION RATING	Condition	Action Required	Description
5	Very Good	Planned Preventative Maintenance	The component or building is either new or has recently been maintained, does not exhibit any signs of deterioration
4	Good	Condition-based Maintenance	The component or building exhibits superficial wear and tear, minor defects, minor signs of deterioration to surface finishes and requires maintenance/servicing. It can be reinstated with routine scheduled or unscheduled maintenance/servicing.
3	Fair	Repairs Required	Significant sections or component require repair, usually by a specialist. The component or building has been subjected to abnormal use or abuse, and its poor state of repair is beginning to affect surrounding elements. Backlog maintenance work exists.
2	Bad	Rehabilitation Required	Substantial sections or component have deteriorated badly, suffered structural damage or require renovations. There is a serious risk of imminent failure. The state of repair has a substantial impact on surrounding elements or creates a potential health or safety risk.
1	Very Bad	Replacement Required	The component or building has failed, is not operational or deteriorated to the extent that does not justify repairs, but should rather be replaced. The condition of the element actively contributes to the degradation of surrounding elements or creates a safety, health or life risk.

**APPENDIX C:      CONDITION STANDARDS  
STANDARD RATINGS**

S5	Critical or high profile asset to be in best possible condition.
S4	Asset to be in good condition operationally and aesthetically.
S3	Asset to be in reasonable condition, fully meeting operational requirements.
S2	Condition needs to meet minimum operational requirements.
S1	Maintained to meet minimum statutory requirements only.

**Table 3: Standard Ratings**

**BUILDING**

<b>Building Fabric</b>	<b>Standard Ratings</b>
External Wall & wall finishes	S3
Windows	S3
External Doors	S3
Roofs	S4
External Floors & floor finishes	S3
External Ceilings & ceiling finishes	S3
Internal Walls & wall finishes	S4
Internal Doors	S4
Internal Floors & floor finishes	S4
Internal Ceilings & ceiling finishes	S4
Plumbing	S4
Electrical Installation	S4
Mechanical Installation	S4
Fixtures & Fittings	S4
Ancillary, or specified unoccupied or surplus assets	S2

<b>Site Elements</b>	<b>Standard Ratings</b>
Access roads	S3
Roads & driveways	S3
Parking, paving	S3
Signage	S4
Landscaping and gardens	S3
Site fencing and gates	S4
Walling (Free Standing)	S3
Retaining walls	S3
Swimming pool	S3
Sports field (outdoors)	S4
Sewerage	S4
Stormwater	S3
Water supply and reticulation	S4
Fire Service	S5





## APPENDIX D: MAINTENANCE BUDGET GUIDELINES

Condition	Preservation Type Required	Budget Req'd as % of CRV	Provision for Unplanned Maintenance if Maintenance is deferred
Very Good	Preventative Maintenance	1 - 3%	1% ±
Good	Condition-based Maintenance	4 - 6%	2% ±
Fair	Repairs	10 - 30%	4% ±
Bad	Rehabilitation	40 - 60%	8% ±
Very Bad	Replacement	100 - 110%	15% ±

