



Guarantee assurance; Horizontal audit of the building and real estate authorities of the Confederation

Key facts

The SFAO has conducted a horizontal audit of the Federal Office for Buildings and Logistics (FBL), the Federal Institute of Technology Lausanne (EPFL), and the Armasuisse Real Estate division. The audit ascertained whether the operational and organisational structure of these building and real estate authorities (BREs) create good conditions for guarantee assurance so that

- the acceptance and entry into service of the works (or partial works) are efficient and proper, and
- the guarantee periods are monitored.

EPFL's operational and organisational structure creates good conditions for efficient and proper acceptance and entry into service. This is not yet sufficiently the case for FBL and the Armasuisse Real Estate division, which manage objects throughout Switzerland as owner representatives. Guarantee assurance for EPFL transactions is risk-oriented throughout and independent of the contract value, but not for FBL and Armasuisse Real Estate transactions.

With respect to documentation, recommendations were made for all three BREs. In particular, missing records entail that external experts are unable to objectively ascertain the quality of guarantee assurance.

The three building and real estate authorities have agreed to the suggestions for improvement and the resulting SFAO recommendations, and they have already initiated measures to implement them.

In detail, the following should be noted:

Operational and organisational structure

The SFAO observed quite different real estate portfolios and organisational forms among the three BREs. However, all three understand real estate management as a support process serving the goal of supplying the various user organisations with real estate. They follow the principle of one-stop transactions where possible.

All BREs fulfil the role of owner. In general, this created good conditions for efficient and proper execution of orders and expedient administration of guarantee rights.

However, there are differences with respect to technical and operational building management. EPFL fulfils the role of operator itself, FBL fulfils the role partially together with the user organisation, and in the case of Armasuisse Real Estate, the Armed Forces Logistics Organisation (AFLO) is primarily responsible.

With respect to securing assets, the division of responsibilities and the different compositions of the real estate portfolios entail risks (opportunities and threats), which the control and management guidelines must take into account appropriately. The SFAO notes that the three BREs have defined the general process model for their respective scopes of responsibility. The resulting specific processes and work instructions exhibit varying degrees of development:

- At EPFL, they have been introduced effectively and are known to all employees.

- At Armasuisse Real Estate, they have been introduced.
- At FBL, they must still be defined.

At Armasuisse Real Estate, there are possibilities for improvement with respect to the essential interfaces with the operators (especially AFLO). The SFAO recommended using the processes to create conditions so that

- the maintenance work and service contracts (who does what) are described in the tender documents;
- the training of the operator is planned in a timely manner in the interest of guarantee assurance;
- any resources for this purpose and for the management phase can, where necessary, be obtained on the market.

The SFAO recommended that FBL quickly and thoroughly define its processes on the basis of the already prepared overall process model.

Documentation of acceptance and entry into service

With respect to documentation of practice, improvements are possible for all BREs. In particular, it must be ensured that an external expert is able to unambiguously and easily trace all transactions. The SFAO therefore recommended that all BREs expand their documentation with a checklist and, over the course of the process, record:

- when the contractor reported completion of his services;
- whether, in the course of acceptance, the quality of manuals, blueprints, and similar documentation of the works (or partial works) were also assessed;
- whether, upon handing over the works to the user, any deficits identified were due to false expectations or incomplete acceptance and whether this resulted in additional work for the commissioned architect;
- whether a final check of the individual works (or partial works) were demanded and whether this final check actually took place;
- who determined that the delivered works were free of deficits in terms of release of guarantee (the commissioned architect, the engineer, the owner, or the user);
- on what basis the project management certified this result.

Monitoring of guarantee periods

The audit found that all SREs effectively monitor the guarantee rights applicable to those works (or partial works) for which joint security has been agreed.

With respect to orders without such protection, possibilities for improvement exist at FBL and Armasuisse Real Estate. The SFAO therefore recommended that these two authorities:

- expand monitoring of guarantees – as a support process of the administration – to all objects; and
- ensure, by way of risk-oriented inspections during the complaint period, that for all objects, deficits covered by the contractually agreed guarantee are discovered in a timely manner.

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