

Principles and Guidelines for Assignment of Responsibility for Funding and Management of Campus Physical Assets (5/19/11)

PURPOSE

The purpose of this document is to guide future decisions assigning the execution, funding and oversight responsibilities for elements of the core campus physical plant with emphasis on Education and General (E&G) facilities. Given the mixed funding model for Recreational Sports, these facilities, both on the core campus and outside the core campus, are also included.

BACKGROUND

The physical assets of the University include fixed and loose components ranging from utility distribution pipes buried in the ground to bench top laboratory instruments to loose classroom furniture. Facilities Operations and Maintenance (FOM) and Energy and Campus Development (ECD), together provide centralized “facility services” in support of the “physical plant.” Historically, these services have provided centralized management, operation, maintenance, repair, replacement and new construction services of the “built environment” of the campus¹. These services have covered the utility systems, roads, grounds and the common or standard elements of the buildings comprising the campus. The individual colleges, departments and offices, or RC Units have been responsible for loose equipment such as computers, furniture, bench top laboratory instruments and fitness equipment. However, there has been an inconsistent interpretation of the boundary between building components falling within the central facility services responsibility (Central) versus that of the individual units (Unit). Under the Responsibility Centered Management (RCM) accounting structure, clear assignment of management (aka execution), financial and oversight responsibility is needed. This document provides the general principles and guidelines for the assignment of these responsibilities for the management of the physical assets of the University.

GENERAL PRINCIPLES

Under Responsibility Centered Management (RCM), Responsibility Center Units (RCUs) receive revenue based on teaching and research activity and in turn pay for the cost of operating the RCU. Since the RCU’s are part of the larger University, some services such as Human Resources, Purchasing and Admissions are consolidated and provided by the central administration, The individual units are charged for these centralized services through the RCM funding model.

Operation, maintenance repair replacement and new construction of the campus physical plant has been a long-standing centrally provided service. Academic Units are charged for the Net Assignable Square Feet (NASF) of space they occupy. In return, utilities, housekeeping, grounds, operation and maintenance, repair, renovation and new construction services are provided by the central facility service organizations (currently Facility Operations and Maintenance (FOM) and Energy and Campus Development (ECD).)

¹ The campus IT organization provides voice and data system management, operation, maintenance, repair, replacement and new installations up to and including the outlet plug. This paper excludes central IT systems.

Under the current RCM implementation, a single NASF rate is charged to all academic or Education and General (E&G) units for facility services. This rate intentionally socializes the cost for facility services across all academic units rather than individual units being assessed the actual cost of facility services for the buildings they occupy.

In addition to the academic buildings, administrative buildings and student support buildings, the University is comprised of a variety of outdoor facilities associated with Athletics and Recreational Sports. Under the RCM model, facility services for these outdoor facilities are provided by the central facility service organizations. Outdoor facilities associated with agricultural programs are managed by the College of Life Science and Agriculture and under RCM are charged a lower rate. The reason for this lower rate is that the COLSA provides most of the facility services.

Where responsibility for facility services is centralized, FOM and ECD, must define and advocate for the necessary financial resources to deliver such services. When the financial resources allocated by the University, based upon funds received from the NASF rate charge and other allocations, are insufficient, FOM and ECD, in consultation with the campus units, are charged with prioritizing resource assignment in the best interest of the University as a whole. This will likely mean that the priorities of each individual RCU will not be fully satisfied. Conversely, where RCUs retain responsibility, they are able to assign financial and other appropriate resources so as to best satisfy their individual priorities.

CENTRAL RESPONSIBILITY AND CENTRALLY FUNDED

Common Elements: The magnitude of common building and infrastructure elements on campus warrants centralized management, operation, maintenance, repair and replacement to ensure consistency, adherence to codes and campus standards and cost efficiencies. Common elements include foundations, structure, envelop, interior partitions, lighting, electrical, plumbing and HVAC systems normally found in most buildings regardless of purpose.

Built-In Elements: Equipment and systems that are part of *purpose-built* buildings serve the general education and research activities of the University. Such equipment and systems typically include specific utility services, ventilation or other provisions that are designed and constructed as part of the building. This equipment and or these systems are inherent to certain types of buildings and are closely supported, if not integrated into or with the building's common elements. Management, operation, maintenance, repair and replacement is an extension of the management, operation, maintenance, repair and replacement of the Common Elements and thus best provided by the central facility services organization. Examples include fume hoods in chemistry buildings, lockers in fitness centers and autoclaves in biology buildings.

LOCAL RESPONSIBILITY AND LOCALLY FUNDED

Dedicated or Specialized Equipment and Systems: Specialized equipment or systems that are "one-of" or very limited in number and dedicated to specialized functions or purposes are best managed by the unit most closely associated with or interested in the performance of those functions or purposes. Where such equipment or systems require specialized skills from a unique contractor or vendor, the unit is often the most appropriate and best positioned to coordinate and

oversee such service. Examples include free standing autoclaves, theatre rigging systems, bridge cranes and water management (temperature & quality) systems for aquatic research labs.

Loose Equipment and Furnishings: Loose equipment, tools, measurement devices, instruments, fitness equipment, etc. used in labs, studios, athletic events and venues, fitness facilities, art studios, loose seating in classrooms, office and lab furniture and furnishings, etc. are user or program specific. Management, operation, maintenance, repair and replacement is performed by the unit controlling the space.

DEFINITIONS

Unit: As used in this paper, an RCU that is charged for space it uses or occupies and in turn receives facility services from the central facility service organizations

Central: The central units, primarily Facility Operations and Maintenance (FOM) and Energy and Campus Development (ECD) that provide facility services to the campus.

Operations: Day to day operation of the physical plant including purchase or generation and distribution of utility services, monitoring proper operation and adjustment of building control systems, etc. Work in this category often overlaps with maintenance and vice versa.

Maintenance: Systematic day to day work to preserve the useful life and/or control the deterioration of the physical facilities, i.e., structures, systems, equipment, pavement, grounds. This includes: a.) Scheduled repetitive work such as housekeeping and grounds keeping, and trash pickup and removal; b.) Periodic scheduled work (preventative maintenance) to provide adjustment, cleaning, filter and belt changes, lubrication, and routine inspections of equipment or systems; c.) Other periodic work that preserves the useful life of the physical plant and other work required by normal use such as periodic inspection, testing or certification of systems (e.g. pressure vessel inspection), work required to maintain warranties, and very minor recurring repairs (e.g., door knobs, screen doors, light bulbs, etc.) which do not extend the useful life of the underlying asset or have an expected useful life less than 5 years. Also, emergency repairs necessitated by one-time natural or human events (such as storm, fire, flood, accident) which would not have required repair or replacement had the event not occurred

Renewal: Repair or replacements of systems and components to extend the life and/or restore systems to their intended function which are made prior to the end of the original estimated useful life of the system or component. Renewal work has an expected life cycle of at least five years. Renewal work, often referred to as repair, is further divided into minor and major repair for management purposes. Minor repairs are funded through the FOM annual operating budget and generally considered an extension of normal maintenance activities. Major repair work on E&G facilities are funded through the R&R budget and for auxiliary facilities through either the operating budget or from reserves. As a current working guideline, repairs with an estimated cost of less than \$5000 are considered minor.

Replacement: Removal and installation of new systems or major components (e.g. a large air handler in a laboratory building) when the existing system or component has reached the end of its useful life. Funding is similar to that for major repairs.

FUTURE ISSUES

As new elements of our campus physical plant are identified the above principles will guide the assignment of responsibility to either the local unit or to central service providers. Where issues cannot be resolved between the central facility organization leadership and their counterparts in the various RC units, such unresolved issues will be raised to the next level (Provost/Vice President.) In the event the VPFA and his/her counterpart VP's are unable to resolve an issue, the matter will be referred to the President for his direction.

As an additional measure to improve visibility of the centrally managed maintenance, repair and replacement efforts, on an annual basis, a review of the preventative maintenance needs and resources associated with our physical plant be presented to SARRC (Space Allocation, Repair and Renovation Committee) concurrent with the annual Institutional R&R plan. This will provide the SARRC members which include all of the Vice Presidents, with a comprehensive view of our ability to maintain, repair and replace the elements of the physical plant assigned to the central service providers. This will improve the visibility of any gaps between requirements and resources and insure our scarce resources are being assigned consistent with the overall priorities of the campus.

A detailed list of individual items and their assignments will be maintained by the central facility service providers and posted at an appropriate web page.