

OPERATING MAINTENANCE AND REPAIR BUDGET GUIDELINES

Introduction

The intent of this guideline is to establish consistent procedures for defining projects, establishing funding allocations, and monitoring the Operating Maintenance and Repair budget.

The Operating Maintenance and Repair budget (A02000 302019 073) has been established to provide a source of funding for capital projects whose intention is generally to preserve or reestablish the condition of an asset or element. The Operating Maintenance and Repair budget may also be used to evaluate existing assets relative to their condition or safety and either affirm their condition as acceptable or provide recommendations or requirements for corrective action. The Operating Maintenance and Repair budget is not intended to be used to subsidize other operating budgets.

Priority

Projects funded by the Operating Maintenance and Repair budget shall be prioritized using the safety of the occupants and protection of the structure as top priorities. Generally speaking, priorities shall be as follows but may be adjusted as deemed appropriate based on the severity and scale of the issues:

1. Life safety.
2. Structural and building envelope issues such as the roofing, tuck-pointing, sealing, and waterproofing. Water penetration issues can quickly cause a building to deteriorate and create issues with indoor air quality and should be made a priority.
3. Building infrastructure such as mechanical, plumbing, and electrical systems. Higher priority shall be given when failure of infrastructure creates health issues, poses some other danger to occupants, or causes or accelerates damage to assets.
4. Repair or replacement of worn building finishes or components.

Consideration shall be given to projects where Operating Maintenance and Repair funds can be coupled with other funding sources to maximize the benefit of the project to the University. Examples include pairing Operating Maintenance and Repair funds with state appropriations for capital projects, using M&R funds as matching money for capital grants, or coupling Operating Maintenance and Repair funds with other internal University funds.

Project Identification and Scoping

Projects and their associated funding shall be identified on at least an annual basis and if possible, approved prior to the start of the upcoming fiscal year. Should an urgent need be identified during the course of a year, project funding may be shifted to cover the need if deemed appropriate.

Facilities Management and Planning, Design & Construction shall work together to identify Operating Maintenance and Repair funded projects, their priority, and their estimated cost. The list shall identify an appropriate contingency that is to remain in the Operating Maintenance and Repair budget. Once identified, projects and their estimated cost shall be documented along

with the proposed contingency on an annual listing for approval by the Vice President for Administrative Services.

Administration

The Operating Maintenance and Repair budget shall be administered by Planning, Design & Construction. Funding for each project shall be moved into a separate project account specific to that project and set up by Financial Services. Each project account shall be administered by the department responsible for administering the project. For example, projects administered by Planning, Design & Construction shall have their budget administered by Planning, Design & Construction. Once the work for a project is complete, any remaining funds left in the associated project account shall be returned to the Operating Maintenance and Repair budget. Remaining funds in project accounts funded jointly by Operating Maintenance and Repair budget and other funding sources shall be returned to each funding account in proportion to their contribution to the project account unless agreed upon differently by those providing the funding. Closeout of project accounts shall be accomplished as promptly as possible after the conclusion of the associated project. Planning, Design & Construction will provide a financial report to Facilities Maintenance on a quarterly basis identifying recent account activity, including any returned funds due to project account closures.