

ADMINISTRATIVE POLICIES AND PROCEDURES

SUBJECT: ROUTINE MAINTENANCE, CAPITAL ASSET MANAGEMENT, AND MISCELLANEOUS FACILITIES MANAGEMENT DEPARTMENT SERVICES

NUMBER: 315

AUTHORIZING BODY: VICE PRESIDENT FOR FINANCE AND ADMINISTRATION

RESPONSIBLE OFFICE: FACILITIES MANAGEMENT

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LAST UPDATE: NEW POLICY

RATIONALE: To provide standards for determining appropriate funding sources for Routine Maintenance, Capital Asset Management and Miscellaneous Facilities Management Department services.

POLICY: Routine Maintenance of General Fund facilities (academic, administrative, intercollegiate athletic, parking decks/lots), utility services, roads, walkways and grounds up to each building is funded from the General Fund, primarily via Facilities Management Department (FM) operating budgets, to the extent funding is available. Capital Asset Management (CAM) is funded via special allocations, investment income from quasi-endowments, debt, FM service charges, Plant Renewal budgets or other sources. Routine Maintenance and CAM of Auxiliary Fund facilities (e.g. Housing, Recreation, Golf and Learning Center, Meadow Brook Hall, Meadow Brook Music Festival, Meadow Brook Theater, Graham Health Center, Oakland Center, except as defined by management agreements) are funded from Auxiliary operations. Auxiliary units fund costs associated with parking decks and lots when those decks and lots are designated for the primary use of the Auxiliary patrons (i.e. P-51, P-61, University Student Apartments (USA), Mathews Apartments). Miscellaneous FM Services are funded by requesting departments via FM service charges or external contractors. All CAM projects needing to be accounted for in the Plant Fund require FM approval to establish a Banner fund.



SCOPE AND APPLICABILITY: This policy applies to all Routine Maintenance, CAM and Miscellaneous FM Services. If needed, specific operational procedures may be documented, on a case by case basis, via a Memorandum of Understanding.

DEFINITIONS:

Routine Maintenance: Routine Maintenance is repairs and physical improvements of a planned, preventive nature. Funding for Routine Maintenance is typically budgeted via operating budgets.

Capital Asset Management (CAM): CAM includes three distinct components and is funded from various sources, including Plant Renewal budgets and Departmental operating budgets, but not from FM operating budgets:

1. **Plant Renewal:** Plant Renewal is cyclic repair and replacement that extends the life and retains the usable condition of campus facilities and systems. It also includes necessary upgrades related to code changes and new environmental and safety standards. Plant Renewal requirements are normally predictable through life-cycle analysis (e.g. roofing, heating and cooling systems, electrical switchgear, etc.).
2. **Deferred Plant Renewal:** Deferred Plant Renewal (more commonly known as “Deferred Maintenance”) encompasses Plant Renewal measures that are not carried out because of under-funding in the budgeting process or perceived low priority.
3. **Plant Adaptation:** Plant Adaptation includes renovations, remodeling and alterations which convert or upgrade space for a new or revised purpose or program. It also includes functional improvements in response to changes in academic disciplines; shifting expectations for academic and administrative support services; and altered markets for faculty and students.

Miscellaneous FM Services: Miscellaneous FM Services include vehicle maintenance, athletic field materials, contract services, moving and set-up, painting (non-classroom), and support services for special events, and are funded from the operating budgets or reserves of requesting departments.

PROCEDURES: FM’s operating budget is funded for General Fund Routine Maintenance services. In addition, some funding is provided for limited Plant Renewal and Deferred Plant Renewal projects. FM’s budgets do not include funding for Plant Adaptation, Miscellaneous FM Services or Auxiliary facilities. Therefore, requests to meet new program needs involving Plant Adaptation or Miscellaneous FM Services must be funded by the requesting entity or special allocations. A funding source should be provided with the request for such services.

General Fund buildings may contain programs or activities that are not General Fund supported; and Auxiliary buildings may contain programs or activities which are General Fund supported. Therefore, when determining the funding source for Routine Maintenance the following applies:

1. **General Fund Buildings without Auxiliary Activities:** Routine Maintenance costs of General Fund buildings will be funded from the FM operating budget, to the extent funding is available.
2. **General Fund Buildings with Auxiliary Activities:** Routine Maintenance costs for Auxiliary programs or activities in General Fund buildings will be charged to the appropriate Auxiliary entity unless the maintenance or repair item is clearly part of the General Fund building's general function such as main electrical feeds, air handling systems, structural and mechanical systems, etc.
3. **Auxiliary Buildings without General Fund Activities:** Costs of Routine Maintenance in Auxiliary buildings will be charged to the appropriate Auxiliary entity.
4. **Auxiliary Buildings with General Fund Activities:** For Routine Maintenance needed by a General Fund program or activity in an Auxiliary building, funding will come from the FM operating budget, to the extent funding is available.
5. **Other Funding Circumstances:** When a funding source is disputed, the issue should be submitted to the Vice President for Finance and Administration for resolution.

Plant Fund funds: Banner funds in the Plant Fund should be established for all Routine Maintenance, CAM and FM provided Miscellaneous FM Services projects with budgets exceeding \$50,000. In addition, Banner funds may be established for smaller projects where separate tracking of funding sources and expenses would be beneficial.

FM Service Charge Rates: FM Service charge rates are based on the hourly rate of the employee(s) providing the service, plus overhead (10%) and materials, at institutional cost. Overtime may be charged when the service is requested to be performed at times other than normal business hours, or when the department requests immediate service and workload precludes a timely response during regular work hours.

Service Requests: All requests for Routine Maintenance, Capital Asset Maintenance, and Miscellaneous FM Services, including a projected/requested timeline, are to be submitted to FM, via work order requests to the Work Control Center (see [OU AP&P #380 Work Orders](#)).

RELATED POLICIES AND FORMS:

[OU AP&P #380 Work Orders](#)

[OU AP&P #310 Building Alterations, Renovations and/or Modifications](#)

[OU AP&P #360 Property Management](#)

APPENDIX:

[Attachment 1 Facilities Management Charge-backs list.](#)



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