

WHO PAYS FOR WHAT?

Facilities & Auxiliary Services
July 2012

BUDGET OVERVIEW

Within the Division of Facilities & Auxiliary Services, Facilities has an annual basic operating budget of \$28M to provide routine and ongoing services for academic and administrative buildings; \$23M in utilities and \$10M in capital maintenance.

The basic operating budget is allocated as an expense to the colleges through Algorithm 12.

OVERVIEW: WHO PAYS FOR WHAT?

All academic and administrative facilities, including most of the buildings that have a research component, receive the benefit of routine operations and maintenance, custodial services, utilities and capital maintenance funding without additional charges.

Auxiliary Services buildings, those which have a separate revenue source outside of tuition and research dollars, are not included in Algorithm 12 and therefore pay for both routine and non-routine services directly.

BILLABLE AND NON- BILLABLE SERVICES

Generally speaking, the maintenance of an existing building structure and its systems, as well as the custodial care of University buildings, are the responsibility of Facilities and are considered a routine and **NON-BILLABLE** service.

The majority of these services cover day to day, non-discretionary services and building operational needs common to most buildings and shared by everyone; and can be reasonably allocated on a per square foot basis. Most regular maintenance services and repairs due to normal wear, damage, or defects are considered routine.

BILLABLE services include non-routine items such as event support, unit-requested modifications to facilities, or routine services before they are due. These services are NOT included in the algorithm and therefore billable to the particular unit.

CARPET AND PAINTING IN COMMON AREAS

For academic and administrative buildings: painting, carpet/flooring repair, and carpet/flooring replacement of common areas as well as Registrar-controlled classrooms are considered routine and a non-billable service.

Common areas include all public spaces outside of office suites such as, hallways, bathrooms, lounges and stairwells.

Painting, carpet/flooring repair, in offices, suites and department-controlled classrooms is considered a billable service except when it is required because of damage caused by water leakage, maintenance or project work, or other outside issues.

PAINTING, CARPET, AND FLOORING IN OFFICES

Painting, carpet/flooring repair, and carpet/flooring replacement in **offices, suites and department-controlled classrooms** is considered a billable service except when it is required because of damage caused by water leakage, maintenance or project work, or other outside issues.

Similarly, carpet/flooring repairs required because of damage from outside issues and/or instances where flooring and carpeting pose a safety hazard may be funded from the Facilities budget.

In all other scenarios, charges for paint and carpet will be at the cost of the requesting unit.

FURNITURE REPAIRS AND REPLACEMENTS

Furniture repairs for Registrar-controlled classrooms are considered a routine service and not billable.

- Furniture replacements are not included; these are funded from the annually funded classroom improvement reserve.
- Furniture repairs for offices and department controlled classrooms are considered non-routine and the responsibility for payment is the requesting unit.

UTILITIES

Similar to routine services – utilities are included in Algorithm 12 and all academic and administrative buildings receive utilities without additional charge.

Auxiliary and other revenue-generating buildings such as Student Health Services and the Early Learning Center are billed directly. In addition, all users of leased properties are billed directly for their utility services

CAPITAL MAINTENANCE FUND

In FY12, approximately \$10M was set aside for ongoing maintenance and renovations. This fund is intended to support routine and ongoing repair and replacement work of a capital nature which is budgeted independently of the annual operating budget.

The pool of capital maintenance funds is intended to provide in-kind replacement or current industry standard of building systems and structures and includes such things as:

- Building envelope and structural repairs (e.g. windows),
- Elevators,
- Roofs,
- Generators
- HVAC (e.g. air handler replacement and building controls)
- Underground steam, condensate and chilled water services

WHICH BUILDINGS ARE COVERED BY CAPITAL MAINTENANCE?

Auxiliary buildings which have a separate revenue stream associated with them are not supported by this fund.

Examples: *The University Bookstore, residence hall complexes, conference and dining facilities, and the Early Learning Center.*

Also excluded are facilities that are not owned by the University; or whose primary purpose is devoted to a specialty research need; or are funded exclusively or primarily from outside the University. These include:

Stearns Beneficial Insect Lab,
Delaware Biotechnology Institute,
Lasher Laboratory, and
Allen Laboratory.

University buildings whose primary function and mission is specialized research (e.g. DBI, Allen, Stearns) and which have a *de minimis* footprint devoted to academic teaching, pay for their services directly and are not funded from the capital maintenance fund.

CAPITAL MAINTENANCE FUND

The capital maintenance fund is not intended for capital improvements or capital construction.

Capital Improvement improves, enhances or updates existing building structure or systems. For example, a capital improvement would be an upgrade to an existing laboratory facility or enhanced capabilities beyond the original design of existing systems.

Capital Construction is new construction or the addition of building area or volume.

Also excluded are improvements, replacements or additions to specialty equipment or systems that solely serve, or are required in, spaces designated as research (e.g. specialty lab equipment).

EARLY REPLACEMENT REQUESTS

If the building system or structural element is not at the end of its useful life,
or it is not negatively impacting other systems or structural elements,
and the academic/administrative user group responsible for the building wants to improve it;

then the cost is borne by the user group or other sources of funding (e.g. central funds, grants, gifts, college-owned reserves, etc.)

CAPITAL MAINTENANCE VS. CAPITAL IMPROVEMENT

If a building system is not operating or performing as originally designed, the obligation to repair the building lies with Facilities. Funding limitations and priorities may limit how quickly the system(s) can be addressed.

Example: Eligible

A University unit wants to place new laboratory equipment in a building. The building's original design calls for supply and exhaust capacity of 54,000 cfm. The new laboratory equipment will require the system to be operating as designed. Due to deteriorating air handlers, the system is currently operating at 40,000 cfm. Costs associated with bringing the system up to 54,000 cfm would be borne by the capital maintenance budget. Costs associated with renovating the laboratory for the new equipment would be borne by the University unit.

CAPITAL MAINTENANCE VS. CAPITAL IMPROVEMENT

Example: Eligible

Windows at a key academic building are beyond their useful life. They are original to the building, single-paned and have deteriorated to a point of allowing water infiltration to the building envelope and interior. The windows will be replaced with current industry standard, energy efficient, double paned windows. Even though the new windows improve, enhance and update the existing structure, they are replacing windows which are beyond their useful life, are impacting other building structures and systems. In addition, Facilities has rated them a high priority based on maintenance needs.

CAPITAL MAINTENANCE VS. CAPITAL IMPROVEMENT

Example: Not Eligible

A building has an existing HVAC system, original to the building. The user group would like a system replacement and upgrade to remediate noise and seasonal humidity issues. The HVAC system, while not ideal, is not at the end of its useful life, the replacement is not “in-kind” and replacement is not seen as a maintenance priority when compared to the performance of other University HVAC systems. In this case, in order to replace the system before the end of its useful life, the user group would need to fund all costs associated with the replacement of the system.

CAPITAL MAINTENANCE VS. CAPITAL IMPROVEMENT

Example: Partially covered

New roof replacement with sustainable “green” roof

A building’s roof is at or beyond its useful life and requires replacement. The primary user group desires the replacement roof be a “green” roof. The cost of replacing the roof in-kind or to current industry standard will be covered by the Facilities capital maintenance fund; the additional cost of providing above industry standard is borne by the user group or other sources.

CAPITAL MAINTENANCE VS. CAPITAL IMPROVEMENT

Example: Not eligible

A lab requires additional fume hoods and the building's HVAC capacity was not designed for the new HVAC requirements and is insufficient to support additional units. The cost of the HVAC upgrade, if required solely to provide additional capacity in support of the fume hoods is not eligible for capital maintenance funding and is the cost of the particular unit.

BUILDINGS WITH MIXED TENANTS

In cases where buildings have mixed tenants, such as Perkins Student Center and the Trabant University Center (Dining, Student Life, etc.), capital maintenance upgrades will be paid on percentage of GSF basis unless a system or structure is solely supported by that particular unit (e.g. exhaust fans for a dining kitchen).

For example, *if Perkins required a new roof, and the Arts and Sciences held 25% of the student center space, and the rest was held by Dining, Dining would pay for 75% of the roofing costs and the capital maintenance fund would absorb 25% of the costs.*

ADA COMPLIANCE*

ODS and Facilities will prioritize buildings in the greatest need of attention. Units may directly submit requests to receive funding to ODS.

The costs of complying with ADA regulations as a direct result of a building renovation or changes in building (space) use are to be included in the project budget and funded from the same source as the building renovation.

*UNDER DISCUSSION

REAL ESTATE LEASES

ALL FACILITIES SERVICES AND CAPITAL EXPENDITURES

College or administrative units acquiring leased space are responsible for all costs involved in procuring the lease and paying for rent and other charges throughout the life of the lease.

Facilities & Auxiliary Services does not provide operational or capital support to these properties since the University does not own or control the assets. Should operational or capital support be required of Facilities above what the building owner (landlord) provides, and in accordance with the terms of the lease, services are considered non-routine and direct-billed to the requesting unit.

Facilities & Auxiliary Services' Real Estate Group is responsible for the sourcing and negotiation of all lease requirements.