

BRR Fund Management and FY2015 Recommendations

Facilities and Services

Glen Haubold, Florarine Jones
Melissa Fernandez, Dale Harrell
April 2014

Administration and Finance



We'll be quick!



“That’s the new budget team that came on board last week!”

Purpose of Presentation

- Brief review of Facilities and Services assessment measures and management improvements to accelerate project delivery
- Overview of BRR prioritization procedure
- Presentation of sector requests
 - (by BRR Sector)

Decisions Requested Today

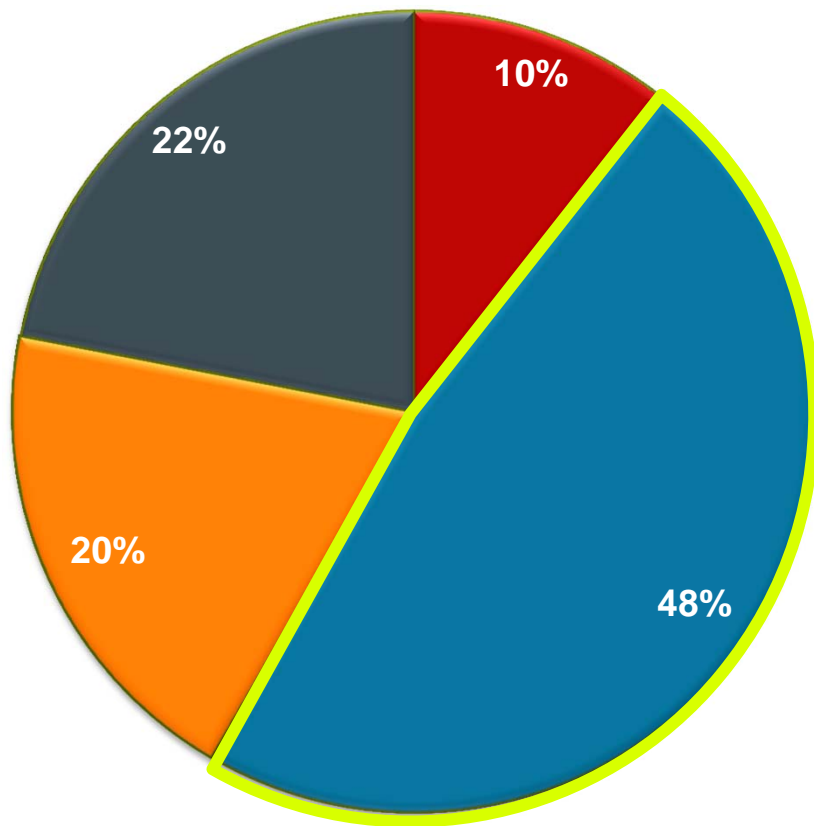
- FY 15 Sector allocation percentages
- Continuation of authority to adjust sector percentages
+/- 10% with AVP and Senior VP approvals
 - Allows for contingency flexibility

Risk: By Era of Construction

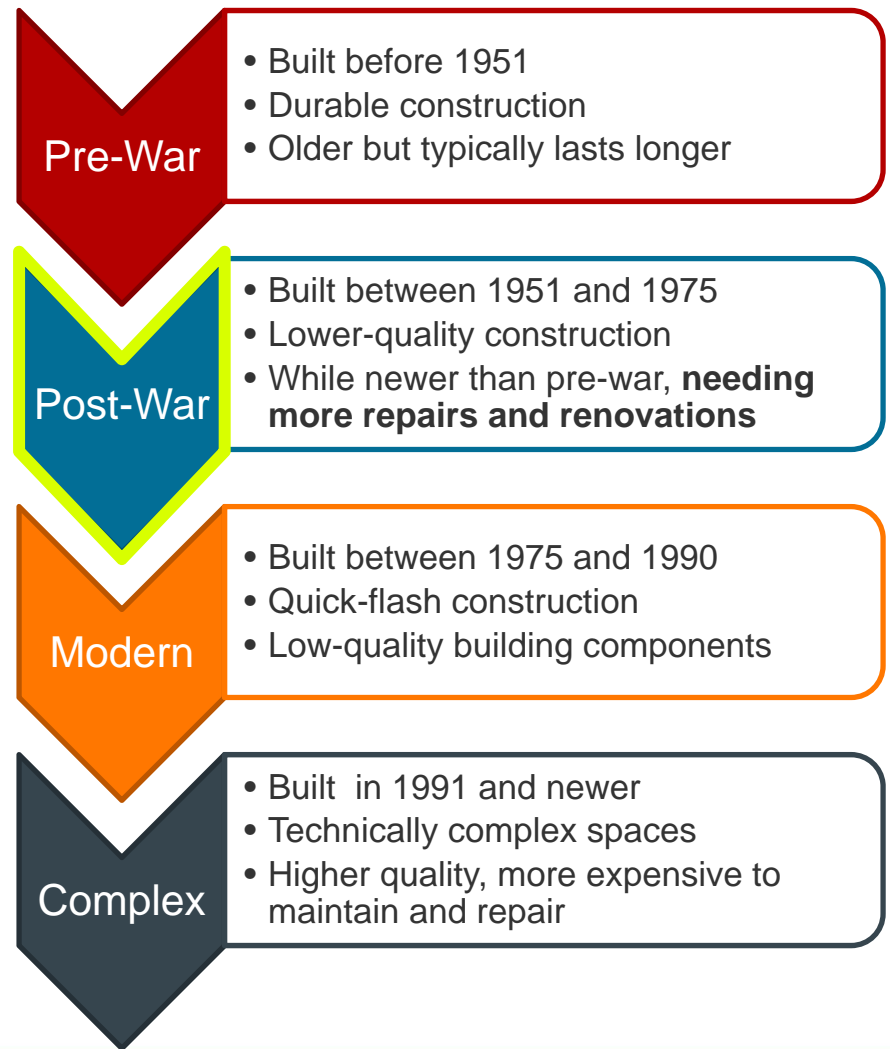


Majority of campus has or is facing major repair and modernization need

GSF by Construction Vintage



■ Pre-War ■ Post-War ■ Modern ■ Complex

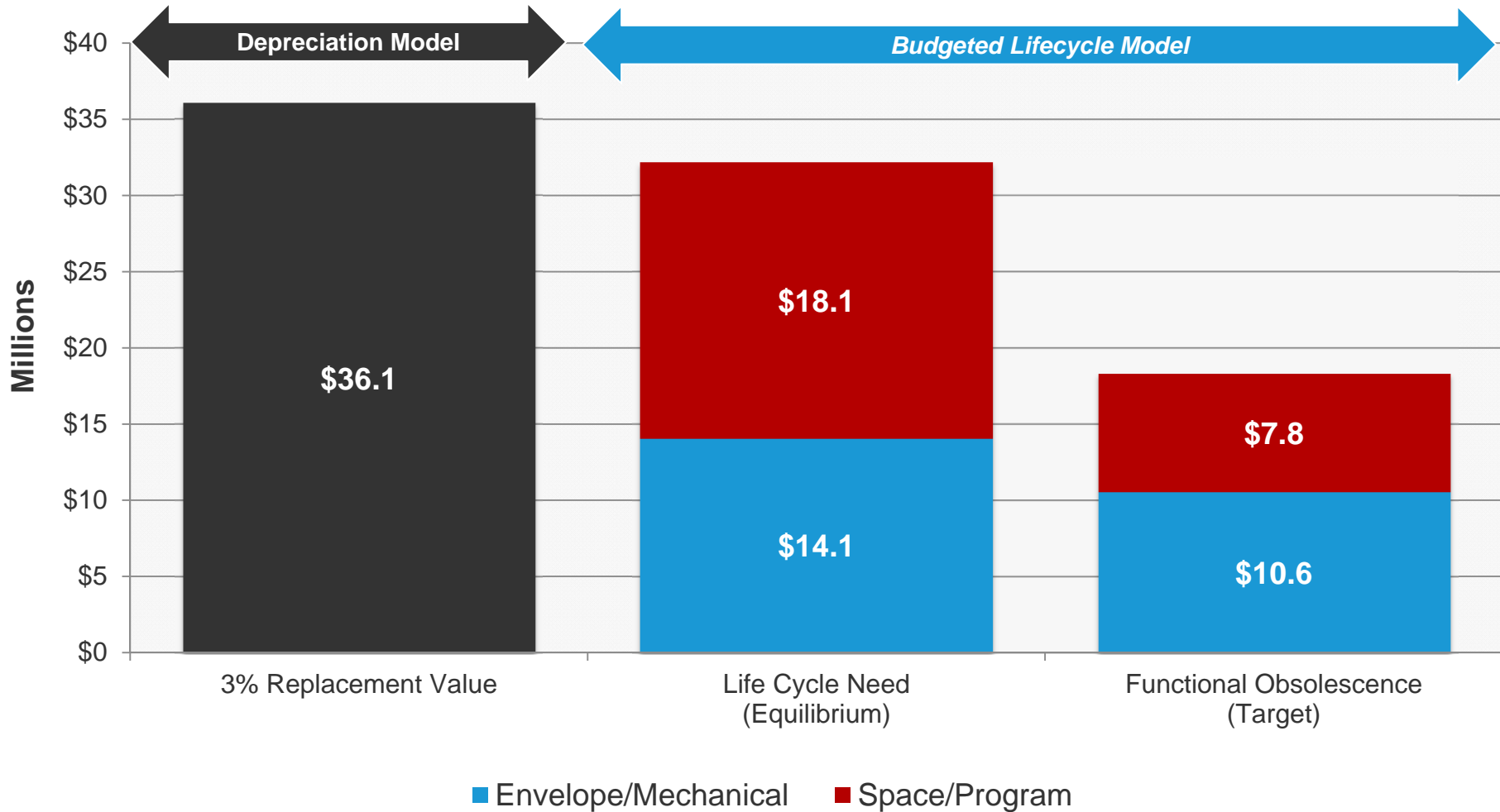


Defining Stewardship Investment Targets



FY13 Stewardship Targets

Replacement Value: \$1.2B

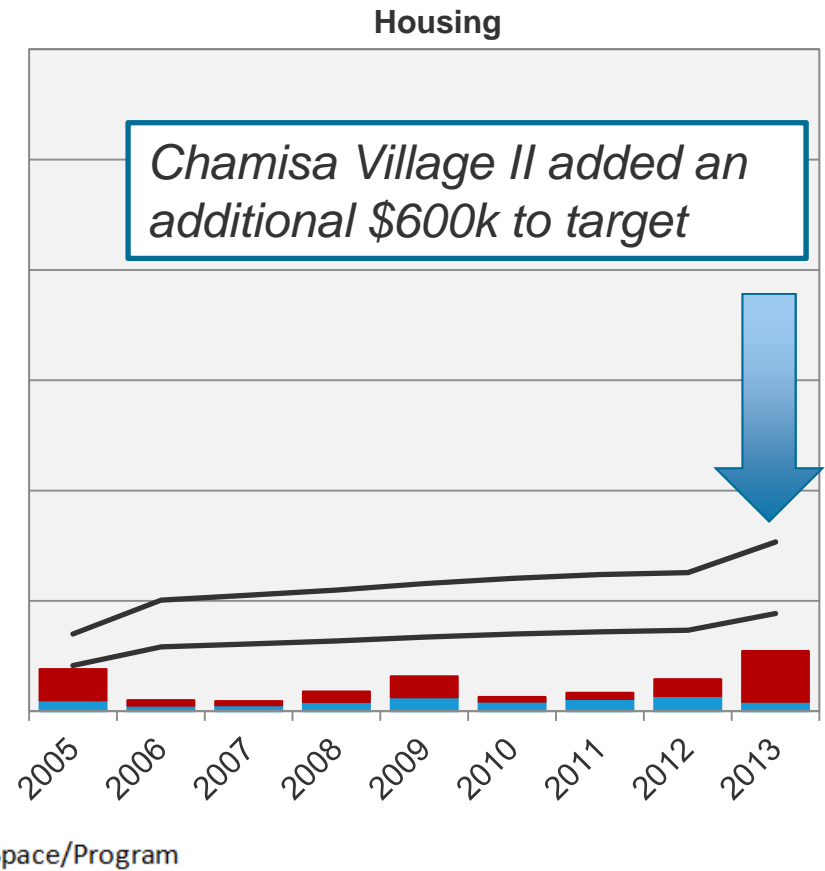
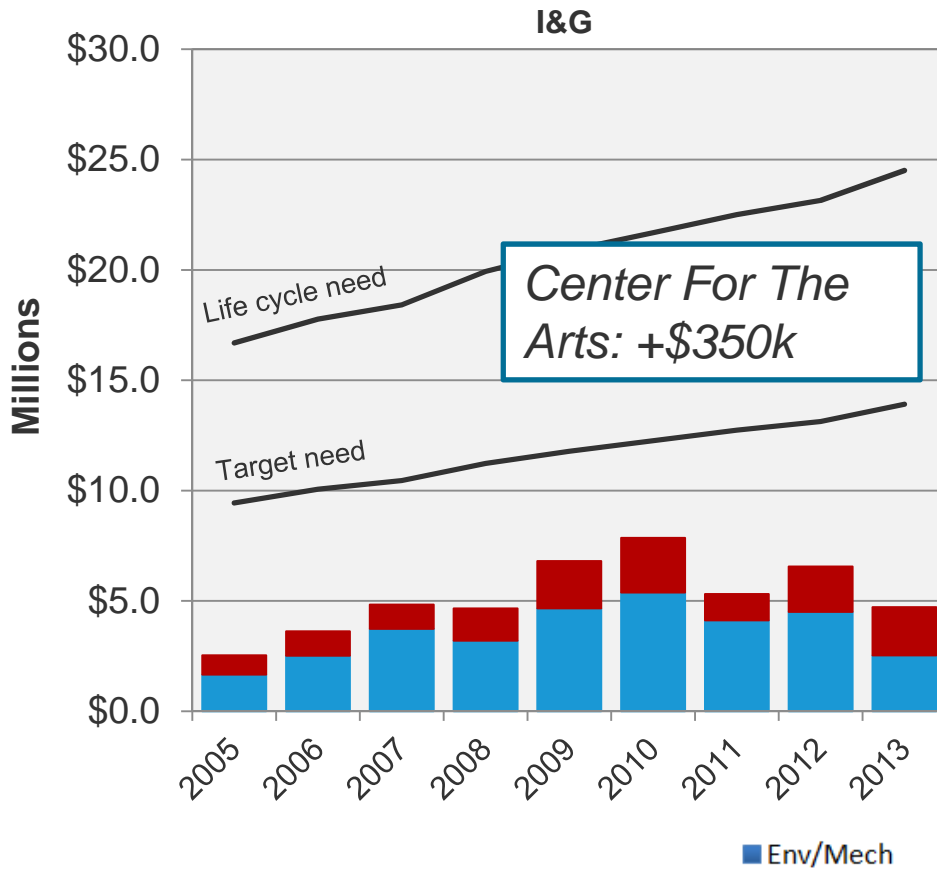


Chasing a Moving Target



I&G stewardship decreasing, Housing stewardship increasing

Annual Stewardship Funding vs. Target



% of AS Target:

27%	36%	46%	42%	58%	64%	42%	50%	34%
-----	-----	-----	-----	-----	-----	-----	-----	-----

92%	17%	15%	28%	47%	19%	23%	40%	62%
-----	-----	-----	-----	-----	-----	-----	-----	-----

Management Improvements

- Adjust sector percentages +/- 10% with AVP and Senior VP approvals
 - Allows for contingency flexibility across entire fund
- Project approvals are for scope only
 - Helps contain costs

Management Improvements

- Changes in Project Management to accelerate delivery
 - Concept-to-completion methodology for Project Management
 - Grouping projects by geographic area and technological type
 - Improving accountability

FY13/14 Sector Awarded/Total Spent

FY13 BRR Sectors Awarded/Total Spent as of 3/31/14					
Sectors	ITD Expenses	Encumbrances	Total Spent	Total Awarded	
MM	\$ 1,264,236.32	\$ 496,169.80	\$ 1,760,406.12	\$ 1,877,272.00	
CI	\$ 1,094,083.72	\$ 114,325.44	\$ 1,208,409.16	\$ 1,281,524.00	
INF	\$ 1,166,746.24	\$ 447,747.88	\$ 1,614,494.12	\$ 1,838,000.00	
EHSA	\$ 145,428.15	\$ -	\$ 145,428.15	\$ 274,500.00	
Grand Total	\$ 3,670,494.43	\$ 1,058,243.12	\$ 4,728,737.55	\$ 5,271,296.00	
FY14 BRR Sectors Awarded/Total Spent as of 3/31/14					
Sectors	ITD Expenses	Encumbrances	Total Spent	Total Awarded	
MM	\$ 759,076.94	\$ 426,081.51	\$ 1,185,158.45	\$ 1,972,614.00	
CI	\$ 78,210.51	\$ 363,066.95	\$ 441,277.46	\$ 1,286,682.00	
INF	\$ 455,854.12	\$ 532,394.72	\$ 988,248.84	\$ 1,536,000.00	
EHSA	\$ 88,578.84	\$ 19,970.89	\$ 108,549.73	\$ 476,000.00	
Grand Total	\$ 1,381,720.41	\$ 1,341,514.07	\$ 2,723,234.48	\$ 5,271,296.00	

Management Improvements

- Work with researchers and departments to identify needs in advance
 - Sken storage tank

Assessment Measures

- Campus Master Plan
- Utility Development Plan
 - Chilled water, steam, natural gas, and electricity
- Water System Master Plan
- AiM (Work Order System)
- Facilities Condition Audit information

Facilities Condition Index

FCI =	$\frac{\text{MAINTENANCE, REPAIR, AND REPLACEMENT DEFICIENCIES OF THE FACILITY(S)}}{\text{CURRENT REPLACEMENT VALUE OF THE FACILITY(S)}}$
-------	-------------------------------------------------------------------------------------------------------------------------------------------

BRR Request Prioritization Process

- Requests submitted from I and G units across campus and from the Facilities units
- Submissions checked for completeness, valid estimates, and relative ranking
- BRR Sector assigned

BRR Sector Definitions

- EHS (Environmental Health and Safety)
 - Facilities improvements related to environmental stewardship, and maintaining a safe environment for NMSU students, faculty, and staff.

EXAMPLE:

- Identified unsafe conditions such as stair tread, sidewalks, etc.
- Remediation and disposal of hazardous materials such as asbestos and ballasts with PCBs
- Overlaps with some other categories

BRR Sector Definitions

- Infrastructure

- The basic support facilities needed for the functioning of NMSU, such as transportation (roads) and utilities (communications systems, sewage, water, steam, and electricity. These are considered essential for supporting the physical functions of NMSU.

- EXAMPLE:

- Transformer
 - Chilled water line

BRR Sector Definitions

- Major Maintenance

- Repair or replacement of failed or failing building components as necessary to return a facility to its currently intended use, to prevent further damage, or to make compliant with changes in laws, regulations, codes or standards.

EXAMPLES:

- Repair and replacement of building components such as boilers, roofs, windows
- Facility changes necessary to meet regulatory and code requirements (ADA, NEC)

BRR Sector Definitions

- Capital Improvements (CI)
 - New construction, adaptive reuse of an existing building or room(s), or replacement of multiple building components.

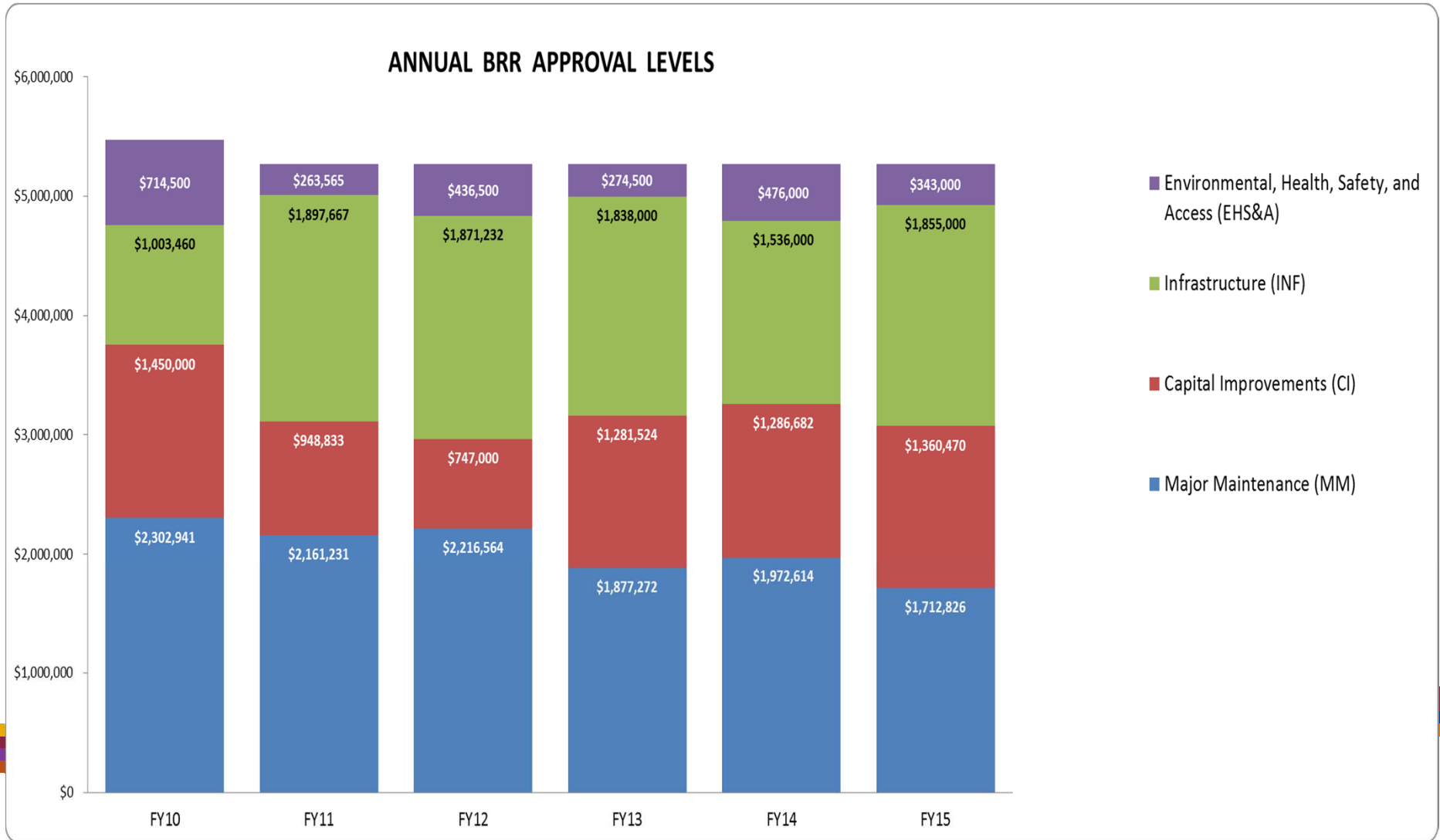
EXAMPLE:

- New GSF
- Programmatic remodels
- Conversion of a lab to a conference room

BRR Request Prioritization Process

- **Priority ranking by sector applied by Facilities**
 - Requests relating to the safety of faculty, staff, and students
 - Projects to maintain critical components of the NMSU Infrastructure
 - Projects critical to the development of new initiatives and/or the continuation of existing programs
 - Routine projects and remodels
- **Top projects (per sector) selected based on Budget Committee approved sector funding percentages**

BRR Sector History



Annual BRR Approvals

	FY13		FY14		FY15	
	Total FY13 BRR Recommended for Approval	Total FY13 BRR Recommended for Approval	Total FY14 BRR Recommended for Approval	Total FY14 BRR Recommended for Approval	Total FY15 BRR Recommended for Approval	Total FY15 BRR Recommended for Approval
Major Maintenance (MM)	\$1,877,272	36%	\$ 1,972,614	37%	\$1,712,826	32%
Capital Improvements (CI)	\$1,281,524	24%	\$ 1,286,682	24%	\$1,360,470	26%
Infrastructure (INF)	\$1,838,000	35%	\$ 1,536,000	29%	\$1,855,000	35%
Environmental, Health, Safety, and Access (EHS&A)	\$274,500	5%	\$ 476,000	9%	\$343,000	7%
	\$5,271,296	100%	\$5,271,296	100%	\$5,271,296	100%

Decisions Requested Today

- FY 15 Sector allocation percentages
- Continuation of authority to adjust sector percentages +/- 10% with AVP and Senior VP approvals
 - Allows for contingency flexibility

Thank you

Questions?