BRR Fund Management and FY2015 Recommendations

Facilities and Services

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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: 10%
  - Built before 1951
  - Durable construction
  - Older but typically lasts longer

- Post-War: 48%
  - Built between 1951 and 1975
  - Lower-quality construction
  - While newer than pre-war, needing more repairs and renovations

- Modern: 22%
  - Built between 1975 and 1990
  - Quick-flash construction
  - Low-quality building components

- Complex: 20%
  - Built in 1991 and newer
  - Technically complex spaces
  - Higher quality, more expensive to maintain and repair
Defining Stewardship Investment Targets

FY13 Stewardship Targets

- 3% Replacement Value: $36.1
- Life Cycle Need (Equilibrium): $18.1
- Functional Obsolescence (Target): $7.8

Replacement Value: $1.2B
Chasing a Moving Target

I&G stewardship decreasing, Housing stewardship increasing

Annual Stewardship Funding vs. Target

I&G

- 2005: $0.0
- 2006: $5.0
- 2007: $10.0
- 2008: $15.0
- 2009: $20.0
- 2010: $25.0
- 2011: $30.0
- 2012: $30.0
- 2013: $30.0

Housing

- 2005: 27%
- 2006: 36%
- 2007: 46%
- 2008: 42%
- 2009: 58%
- 2010: 64%
- 2011: 42%
- 2012: 50%
- 2013: 34%

- Chamisa Village II added an additional $600k to target

Center For The Arts: +$350k

% of AS Target: 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

<table>
<thead>
<tr>
<th>Sectors</th>
<th>ITD Expenses</th>
<th>Encumbrances</th>
<th>Total Spent</th>
<th>Total Awarded</th>
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<tbody>
<tr>
<td>MM</td>
<td>$1,264,236.32</td>
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<td>-</td>
<td>$145,428.15</td>
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<td><strong>Grand Total</strong></td>
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<td><strong>$4,728,737.55</strong></td>
<td><strong>$5,271,296.00</strong></td>
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</table>

### FY14 BRR Sectors Awarded/ Total Spent as of 3/31/14

<table>
<thead>
<tr>
<th>Sectors</th>
<th>ITD Expenses</th>
<th>Encumbrances</th>
<th>Total Spent</th>
<th>Total Awarded</th>
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</table>
Management Improvements

• Work with researchers and departments to identify needs in advance
  – Skeen 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 APPROVAL LEVELS

<table>
<thead>
<tr>
<th>Year</th>
<th>Environmental, Health, Safety, and Access (EHS&amp;A)</th>
<th>Infrastructure (INF)</th>
<th>Capital Improvements (CI)</th>
<th>Major Maintenance (MM)</th>
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<td>$343,000</td>
<td>$1,855,000</td>
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## Annual BRR Approvals

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<th>FY14</th>
<th>FY15</th>
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<td></td>
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<tr>
<td></td>
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<td>100%</td>
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- FY 15 Sector allocation percentages
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Thank you

Questions?