2018 BRR

University Budget Committee

Facilities and Services
New Mexico State University

Glen Haubold, CEM, LEED AP
Associate VP Facilities

Patty Hartell, Ed.D.
Executive Director,
Business Administration

Tim Dobson, EFP
Executive Director,
Facility Operations

Dale Harrell, Ph.D.
University Engineer

Facilities and Services
Facilities: An Investment Portfolio?

- Instructional: 31%
- Auxiliary: 28%
- Library/Administrative: 29%
- Athletics: 12%
Facilities: An Investment Portfolio?

- Safety/Code: 6%
- Space Renewal: 32%
- Infrastructure: 28%
- Building Systems: 25%
- Envelope: 9%

Facilities and Services
**NMSU has More Older Space than Peers**

### Campus Age by Category

<table>
<thead>
<tr>
<th>Age Category</th>
<th>NMSU</th>
<th>Peer Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Under 10</strong></td>
<td>13%</td>
<td>26%</td>
</tr>
<tr>
<td><strong>10 to 25</strong></td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td><strong>25 to 50</strong></td>
<td>35%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Over 50</strong></td>
<td>33%</td>
<td>20%</td>
</tr>
</tbody>
</table>

### Operational Demands:

- **High Risk:** Significant need for PM in young systems.
- **Medium Risk:** Lower cost space renewal updates needed.
- **Low Risk:** "Honeymoon" period – little need for capital reinvestment.
- **Highest Risk:** Life cycles of major components past due – end of building life cycle approaching.
- **Higher Risk:** Life cycles coming due in core building components.
- **Balance PM and Reactive Maintenance:** Aging components require reactive maintenance.
- **React as Needed:** Issues in components past the end of their lifecycles will demand reactive maintenance.
- **Focus on PM:** Significant need for PM in young systems.

### Capital Risk:

- **Low Risk:** "Honeymoon" period – little need for capital reinvestment.
Defining an Annual Investment Target

Annual Funding Target: $20.1M

FY16 Annual Investment Target

Replacement Value: $1.3B

3% Replacement Value: $40.0M

Life Cycle Need: $19.3M

Annual Investment Target: $11.8M

- Envelope/Mechanical
- Space/Program

Functional obsolescence drives investment prior to life cycles & discounts the annual investment target.
Total Capital Investment vs. Funding Target

Note: Data shown does not include Infrastructure spending
Net Asset Value

Measuring the “percent good” in a building

\[
\text{NAV Index} = \frac{\text{Replacement Value - Building Needs}}{\text{Replacement Value}} \times 100
\]

Campus leadership can set different NAV levels for different buildings and portfolios, helping to balance capital investments across campus and prioritize project selection.

**Capital Upkeep Stage:** Primarily new or recently renovated buildings with sporadic building repair & life cycle needs; “You pick the projects.”

**Repair and Maintain Stage:** Buildings are beginning to show their age and may require more significant investment on a case-by-case basis.

**System/Component Renovation Stage:** Buildings may require more significant repairs; large-scale capital infusions/renovations are inevitable; “The projects pick you.”

**Total Gut Renovation Stage:** Major buildings components are in jeopardy of complete failure.
Decisions Requested Today

- 2018 BRR section allocation in %
- Continuation of authority to adjust sector percentages +/- 10% with AVP and SVPAF approvals
- New authority to reduce sector minimum to 2% with AVP and SVPAF approvals
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.

  ▪ Repair and replacement of building components such as boilers, roofs, windows
  ▪ Facility changes necessary to meet regulatory and code requirements other than ADA
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.
  ▪ Transformer
  ▪ Chilled water line
  ▪ Tunnel
BRR Sector Definitions

• Capital Improvements (CI)
  – New construction, adaptive reuse of an existing building or room(s), or replacement of multiple building components.
    ▪ New GSF
    ▪ Programmatic remodels
    ▪ Conversion of a lab to a conference room
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.
    ▪ 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
    ▪ ADA
BRR Goals are to Multiply $$s

- Identify and replace assets with high maintenance requirements
  - increases dollars
  - example: an elevator with many calls

- Make repairs / replacements that extend the life of assets
  - defers repairs
  - example: new roof/exterior repairs
BRR Prioritization Process

• Priority ranking by sector applied by Facilities
  – the safety of faculty, staff, and students
  – critical components of the NMSU infrastructure
  – development of new initiatives and/or the continuation of existing programs
ADA Prioritization Process

- Compliance is required up to the point the 20% cost cap is reached. Compliance is prioritized thereafter -
  - accessible entrance
  - accessible route to the primary function area
  - restroom access
  - accessible telephone
  - accessible drinking fountain
  - access to other elements such as parking
Capital Improvements

• $70,000 for finishing Advisors and Trax
• $250,000 for classrooms
• $100,000 to the tunnel/maintenance sector
• $80,000 reserve for Provost/SrVPAF
  – business center relocation
  – startups
Simulator
<table>
<thead>
<tr>
<th>Row Labels</th>
<th>Sum of ITD EXPENSES</th>
<th>Sum of Encumbrance</th>
<th>Sum of Total Spent</th>
<th>Total Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>MM</td>
<td>1,914,626.36</td>
<td>8,731.77</td>
<td>1,923,358.13</td>
<td>$ 1,637,826.00</td>
</tr>
<tr>
<td>CI</td>
<td>1,276,172.96</td>
<td>-</td>
<td>1,276,172.96</td>
<td>$ 1,360,470.00</td>
</tr>
<tr>
<td>INF</td>
<td>2,147,720.67</td>
<td>19,000.89</td>
<td>2,166,721.56</td>
<td>$ 1,930,000.00</td>
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<tr>
<td>EHSAs</td>
<td>316,221.18</td>
<td>32,952.48</td>
<td>349,173.66</td>
<td>$ 343,000.00</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>5,654,741.17</strong></td>
<td><strong>60,685.14</strong></td>
<td><strong>5,715,426.31</strong></td>
<td><strong>$ 5,271,296.00</strong></td>
</tr>
</tbody>
</table>

*Total Spent exceeds award amount due to projects funded from sector pools.

**FY16 BRR Sectors Awarded/ Total Spent as of 3/31/17**

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<tr>
<td>MM</td>
<td>2,756,285.61</td>
<td>320,693.87</td>
<td>3,076,979.48</td>
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<td>CI</td>
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<td>$ 978,970.00</td>
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<tr>
<td>EHSAs</td>
<td>215,779.94</td>
<td>78,348.83</td>
<td>294,128.77</td>
<td>$ 369,041.00</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>5,058,211.83</strong></td>
<td><strong>791,970.41</strong></td>
<td><strong>5,850,182.24</strong></td>
<td><strong>$ 5,271,296.00</strong></td>
</tr>
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*Total Spent exceeds award amount due to projects funded from sector pools.

**FY17 BRR Sectors Awarded/ Total Spent as of 3/31/17**

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<tr>
<td>MM</td>
<td>895,371.12</td>
<td>271,525.55</td>
<td>1,166,896.67</td>
<td>$ 2,605,363.00</td>
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<tr>
<td>CI</td>
<td>216,363.31</td>
<td>200,098.04</td>
<td>416,461.35</td>
<td>$ 655,352.00</td>
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<tr>
<td>INF</td>
<td>293,194.61</td>
<td>875,072.33</td>
<td>1,168,266.94</td>
<td>$ 1,740,581.00</td>
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<tr>
<td>EHSAs</td>
<td>83,728.81</td>
<td>111,084.11</td>
<td>204,812.92</td>
<td>$ 270,000.00</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>1,488,657.85</strong></td>
<td><strong>1,374,051.22</strong></td>
<td><strong>2,862,709.07</strong></td>
<td><strong>$ 5,271,296.00</strong></td>
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Note: .5% Increase in Total Spent within first year (FY16 total spent $2,848,069.46)
<table>
<thead>
<tr>
<th>YEAR</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>MM</td>
<td>709,567.76</td>
<td>177,847.38</td>
<td>887,415.14</td>
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<tr>
<td>CI</td>
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<td>INF</td>
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<tr>
<td>EHSA</td>
<td>79,805.12</td>
<td>60,630.19</td>
<td>140,435.31</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>1,876,890.26</strong></td>
<td><strong>1,573,994.56</strong></td>
<td><strong>3,450,884.82</strong></td>
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<tr>
<td>MM</td>
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<td>518,935.72</td>
<td>721,780.89</td>
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<td>EHSA</td>
<td>940.66</td>
<td>184,897.14</td>
<td>185,837.80</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>1,224,298.76</strong></td>
<td><strong>1,623,770.70</strong></td>
<td><strong>2,848,069.46</strong></td>
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<tr>
<td>MM</td>
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Sector History
Sector History

Sector History

Facilities and Services
### Sector History /Request

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total FY16 BRR Recommended for Approval</td>
<td>Total FY16 BRR Recommended for Approval</td>
<td>Total FY17 BRR Recommended for Approval</td>
</tr>
<tr>
<td>Major Maintenance (MM)</td>
<td>$3,273,284</td>
<td>62%</td>
<td>$2,605,363</td>
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<tr>
<td>Infrastructure (INF)</td>
<td>$978,970</td>
<td>19%</td>
<td>$1,740,581</td>
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<tr>
<td>Capital Improvements (CI)</td>
<td>$650,000</td>
<td>12%</td>
<td>$655,352</td>
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<tr>
<td>Environmental, Health, Safety, and Access (EHS&amp;A)</td>
<td>$369,041</td>
<td>7%</td>
<td>$270,000</td>
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<tr>
<td></td>
<td><strong>$5,271,295</strong></td>
<td><strong>100%</strong></td>
<td><strong>$5,271,296</strong></td>
</tr>
</tbody>
</table>
Approvals Requested Today

- 2018 BRR section allocation in %
- Continuation of authority to adjust sector percentages +/- 10% with AVP and SVPAF approvals
- New authority to reduce sector minimum to 2% with AVP and SVPAF approvals
Thank You!

Questions?