

## Auburn University Facilities Management Policy 12-001:

### Funding Policy for Installed and Movable Equipment Installation on Maintenance, Repair, Alterations and Modifications, or Renovation Projects

**1. Policy Statement:** This document establishes policy for the Auburn University community regarding the funding of Installed and/or Movable Equipment with Deferred Maintenance on maintenance, repair, alterations and modifications, or renovation projects.

**2. Policy Management:**

Responsible Office: Auburn University Facilities Management

Responsible Executive: Dr. Don Large, Executive Vice President

Responsible Officer: Dan King, Assistant Vice President for Facilities

**3. Definitions:** For the purposes of these guidelines, the following definitions will be used to describe and delineate various types of facility projects and equipment.

a. Deferred Maintenance: Deferred Maintenance is a category of funding utilized by Auburn University to repair and maintain its facilities. Deferred Maintenance is allocated annually as part of the overall University General Fund budget. Within Auburn University, Deferred Maintenance funds are managed by Facilities Management. The purpose of Deferred Maintenance funding is to maintain Auburn University's buildings and facilities in an operable condition to ensure they meet the mission of the University. Deferred Maintenance is principally intended to pay for the repair and maintenance of the component systems of existing facilities.

b. Project: A project is an undertaking to maintain, repair, alter, modify, renovate or construct University facilities or buildings, including component building systems.

- i. Maintenance and Repair Projects: The purpose of maintenance and repair projects is to keep facilities in good operating condition and to maintain the existing functionality by fixing or replacing inoperable, deteriorated, or malfunctioning building systems or components. Maintenance and repair projects in a facility typically are not as extensive as renovation projects.
- ii. Alterations and Modifications Projects: The purpose of an alteration and modification project is not to maintain or repair facility systems, but rather to change how the space within a facility is used. Alterations and modifications projects may also improve or upgrade building systems or components, including those which are not necessarily deteriorated to the point that repair or replacement is required.
- iii. Renovation Projects: A renovation project repairs, replaces, and upgrades all or most of the systems in a facility, or a major portion of a facility. The purpose of a renovation project is to extend the life of a building. Renovation projects are undertaken when building deterioration is so extensive a comprehensive, repair to the whole building is required to keep facility in good operating condition and to maintain its functionality. Renovation projects may alter, modify, or reconfigure the spaces within a facility. The difference between a renovation and an alterations and modification project is that the primary purpose of a renovation is to keep the facility in good operating condition and extend the life of the building, whereas the primary purpose of the alteration/modification is to change the use of space within the facility or upgrade the quality of an otherwise functional space.

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iv. New Construction Projects: A project which constructs a new facility or builds a substantive addition to an existing building or infrastructure that increases the assets of the University.

c. Requesting Organization: The organization which occupies or utilizes the facility or building in the execution of their mission. The Requesting Organization requests project work be done or is notified by Facilities Management that a project is needed to keep the facility operable. For example, the Requesting Organization may be the Physics Department of the College of Science and Mathematics.

d. Building Component Systems or Building Systems: Component systems of buildings needed for the facility to function properly. Examples include: roofs, windows, exterior walls, doors, interior walls, ceilings, flooring, heating, air conditioning, electrical, plumbing, lighting, ventilation, fire alarm, elevators, or similar systems.

e. Installed Equipment: Installed Equipment, sometimes called "built-in equipment," is equipment and furnishings required for operation of the basic facility, and are generally permanently affixed as a part of the facility or building. The equipment is usually built into the facility as an integral part of the final building design and is essential to make the building a "complete and usable" facility upon completion of the repair, maintenance, alteration or renovation project. Equipment of this nature is considered part of the facility. Appendix 1 provides examples of Installed Equipment.

f. Movable Equipment: Movable Equipment is defined as furniture or equipment which is loose, portable, or can be easily detached from the structure. In addition, technical, medical, scientific, laboratory, information technology, audio-visual, production, and processing equipment, whether permanently attached or not, are also considered Movable Equipment. Appendix 2 provides examples of Movable Equipment.

g. Complete and Usable Facility: A "complete and usable" facility is one that is fully capable of executing its intended mission or operation. In a complete and usable facility, no major building components are incomplete or unfinished that prevent the building from being used for its intended purpose. As an example, a laboratory facility without a roof or interior lighting would not be considered "a complete and usable" facility. By contrast, a two story building, constructed with the plan that the first floor would be finished out to be fully functional, but with the second floor left unfinished until a later date would be a complete and usable facility.

**4. Deferred Maintenance Funding Support for Auburn University Organizations**: Deferred Maintenance funding is used to maintain, most, but not all, facilities on campus. The question of whether Deferred Maintenance is used to fund repair, maintenance, repair or alteration projects for campus facilities depends on which organization is the requesting organization.

A. Organizations Supported by Deferred Maintenance: The following organizations are supported by University General Funds, and thus are eligible for Deferred Maintenance Funding:

- All Provost organizations, including the Graduate School, and all Colleges, Schools, and the Libraries
- Auburn University administrative organizations
- Office of Admissions

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- Student Affairs and Campus Recreation (Note: As an exception, some Student Affairs or Campus Recreation facilities are supported with special fees rather than Deferred Maintenance)
- B. Organizations Not Supported by Deferred Maintenance: The following organizations are not principally supported by University General Funds, and thus are not eligible for Deferred Maintenance Funding:
- Auburn University Montgomery
  - Auburn University Auxiliaries:
    - Student Housing
    - Student Dining
    - Tiger Transit
    - Airport
    - Bookstore
  - Athletic Department
  - Alumni Association
  - Fraternities and Sororities
  - Auburn Research Park
  - Agricultural Experiment Stations
  - Cooperative Extension System
  - Student Center
  - Student Wellness Center
  - MRI Research Facility
- C. Special Funding Agreements: Some organizations, or certain mixed use facilities on campus, have special funding agreements in which the support to their facility is split funded between University General Fund and the requesting organization. The Vice President for Finance maintains these funding agreements. In general, the use of Deferred Maintenance in those facilities mirrors the overall funding agreement: e.g. if the University provides General Fund support of 50%, Deferred Maintenance would fund 50% of the cost of a repair project with the Requesting Organization funding the other 50%.

**5. Deferred Maintenance Funding Responsibilities:** Broadly stated, for any General Fund supported building on campus, the University is responsible for maintaining the “core” facility. The “core facility” includes the following building systems required to ensure the facility is able to support its intended function:

- Building envelope, to include roofs, wall, windows, exterior doors, and grounds.
- Interior walls, floors, ceilings, doors, lighting, and finishes.
- General heating, ventilation, and air conditioning to all spaces.
- Electric power, lighting, for all spaces.
- Water supply/drainage and sanitary sewer systems.
- Fire alarms, sprinkler systems, elevators, and access control.
- Grounds, landscaping, and sidewalks.

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Deferred Maintenance funding will be used to ensure these systems and the “core” facility remain operable. Deferred Maintenance is not used to fund specific systems or equipment required by the Requesting Organization for its academic, research, or administrative mission.

**6. Deferred Maintenance Funding for Equipment Installation:** The determination of what Deferred Maintenance should fund depends on the project type and the type of equipment involved. Figure 1 provides a matrix of what Deferred Maintenance will or will not fund. Appendix 1 provides specific examples of Installed Equipment for maintenance, repair, alterations and modifications, or renovation projects. Appendix 2 provides specific examples regarding Movable Equipment.

#### A. Installed Equipment:

- (1) Repair or Maintenance Projects: Deferred Maintenance is used to repair or maintain Installed Equipment as part of a repair or maintenance project. For example, in a General Fund supported facility, it would be appropriate to replace a malfunctioning air handling unit or broken door using Deferred Maintenance funding.
- (2) Alterations or Modifications Projects: Some alterations and modifications projects will be fully funded by the Requesting Organization. Some projects of this type will be jointly funded by the Requesting Organization using its own funds and Facilities Management using Deferred Maintenance. The determination as to when projects will be jointly funded or funded by the Requesting Organization will be based on the University’s Annual Project Prioritization process, the availability of funds, and the nature of the alterations and modifications project. In this process, the Provost provides priorities for academic projects. For example, a project in an academic building to alter and modify several spaces to convert the space into a computer lab may be prioritized sufficiently high by the Provost’s Office make it eligible for joint funding.
- (3) Renovation Projects: Deferred Maintenance is used to repair or replace Installed Equipment as part of a renovation project. For example, in a General Fund supported facility undergoing renovation, it would be appropriate to replace the ventilation system or elevator with Deferred Maintenance funding.
- (4) New Construction Projects: Deferred Maintenance is not used on new construction projects. The guidance regarding Installed Equipment installation in new construction projects will be detailed in a separate document. However, as a general statement, Installed Equipment will be funded as part of the new construction project budget.

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| <b>Project Type</b><br><b>Equipment Type</b> | <b>Repair or Maintenance Project</b>   | <b>Alteration or Modification Project</b>      | <b>Renovation Project</b>              | <b>New Construction Project</b>                                            |
|----------------------------------------------|----------------------------------------|------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------|
| <b>Installed Equipment</b>                   | <i>Deferred Maintenance to Fund</i>    | <i>Deferred Maintenance May Partially Fund</i> | <i>Deferred Maintenance to Fund</i>    | <i>Construction Project to Fund</i>                                        |
| <b>Movable Equipment</b>                     | <i>Requesting Organization to Fund</i> | <i>Requesting Organization to Fund</i>         | <i>Requesting Organization to Fund</i> | <i>Construction Project to Fund some Categories for Initial Outfitting</i> |

**Figure 1  
Auburn University Equipment Funding Matrix**

**B. Movable Equipment:**

- (1) Repair or Maintenance Projects: Deferred Maintenance is not used to fund Movable Equipment on repair or maintenance projects. For example, in a General Fund supported facility, Deferred Maintenance would not be used to replace a spectrometer or an uninterrupted power supply required for research purposes using Deferred Maintenance funding.
- (2) Alterations or Modifications Projects: Deferred Maintenance is not used to fund Movable Equipment on alterations and modifications projects. For example, on a project in an academic building to alter and modify several spaces to create additional research space, Deferred Maintenance would not be used to fund the installation of a new, dedicated ventilation system needed for a specific piece of research equipment. The Requesting Organization would have to fund the design and installation of any such dedicated systems.
- (3) Renovation Projects: Deferred Maintenance is not used to replace Movable Equipment as part of a renovation project. For example, in a General Fund supported facility undergoing renovation, it would not be appropriate to replace a special refrigerator unit needed to store research specimens using Deferred Maintenance funding.

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- (4) New Construction Projects: Deferred Maintenance is not used on new construction projects. The guidance regarding Movable Equipment installation for new construction projects will be detailed in a separate policy document.

The determination of whether the use of Deferred Maintenance is appropriate or whether items are Installed or Movable Equipment is often subjective. Common sense and good judgment will be used to resolve questionable areas. As stated above, systems that comprise the core facility will generally be considered Installed Equipment. Items related to a specific College or Department's mission will qualify as Movable Equipment. The past, anecdotal guidance of "If you turn the building upside down, and shake it, what falls out of the building is Movable Equipment and what stays in the building is Installed Equipment." is a reasonably good illustration for differentiating Installed versus Movable Equipment.

**7. Budgeting of Equipment Costs**: As a rule, Installed Equipment is always included as part of the official project budget. Unless special circumstances apply, Movable Equipment is not included as part of the official Facilities Management project budget on maintenance, repair, alterations and modifications, or renovation projects.

**8. Complete and Usable Facility**: No Deferred Maintenance funding will be used on projects that will not result in a complete and usable facility upon completion of the project.

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#### **Appendix 1: Examples of Installed Equipment**

1. Major building system components that comprise the core of a building, such as:
  - a. Building envelope, to include roofs, walls, windows, exterior doors
  - b. Interior walls, floors, ceilings, doors, lighting, and finishes
  - c. General heating, ventilation, and air conditioning to all spaces.
  - d. Exterior electric service panels and duct banks that bring power to a facility
  - e. Interior electric wiring, lighting, for all spaces.
  - f. Water supply/drainage and sanitary sewer systems.
  - g. Plumbing fixtures, sinks, and vanities
  - h. Fire alarms, smoke detection, sprinkler systems
  - i. Passenger or freight elevators and escalators
  - j. Access control.
  - k. Grounds, landscaping, and sidewalks.
  - l. Carpet
2. Heating, ventilating, and air conditioning systems (except when provided solely to support a piece of Movable Equipment.)
3. Fume hoods and vents which were installed as part of the original facility.
4. Built-in furniture, cabinets, and shelving.
5. Built-in laboratory benches, counters, casework, shelving, and furniture.
6. Classroom desks, tables, and seats which are fastened to the floor.
7. Window screens and screen doors.
8. Venetian blinds and shades.
9. Hard-wired systems for fire alarms, mass notification systems for individual facilities, public address systems, and intercommunication systems and equipment (built-in).
10. Infrastructure that supports Electronic Security Systems (ESS).
11. Inside Plant (ISP) and Outside Plant (OSP) infrastructure that supports telephones.
12. Computer flooring.
13. Emergency electric generators and related transfer switches/switchgear gear, required for the overall building emergency power system.
14. Waste disposers, such as incinerators.
15. Built-in food preparation and serving equipment.

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16. Dishwashers (built-in).
17. Walk-in or built-in reefer units, chilled boxes, freezers, coolers, or refrigerators.
18. Cranes and hoists (fixed, built-in, not movable). Built-in rails for any movable crane (i.e. in support of bridge/gantry/portal cranes).
19. Automated storage/retrieval systems
20. Bleachers, built-in lockers, and fixed basketball goals.



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#### **Appendix 2: Examples of Movable Equipment**

- a. Laboratory, scientific, or research equipment.
- b. Laboratory, scientific, or research supplies.
- c. Laboratory furniture.
- d. Electric power, ventilation, air conditioning, heating, water supply and drainage, in support of laboratory, scientific, or research equipment.
- e. Non-built in freezers, refrigerators, coolers, or similar equipment.
- f. Emergency electric generators and related transfer switches/switchgear gear, including uninterruptible power supply (UPS), in support of laboratory, scientific, or research equipment.
- g. Loose furniture and modular furniture, including partitions, desks, tables, chairs, bookcases, cabinets.
- h. Loose carpets and rugs.
- i. Computers, information technology equipment, or automatic data processing equipment.
- j. Audio-visual equipment.
- k. Televisions, monitors, and projectors.
- l. Sound systems.
- m. Telephones, communications systems, and telecommunications equipment.
- n. Cable or satellite TV equipment
- o. Filing cabinets and portable safes.
- p. Portable food preparation and serving equipment, including appliances, utensils, serving items, pot/pans.
- q. Washers, dryers or laundry equipment
- r. Window air conditioning units.
- s. Graphics, blueprint, plotters, or other drawing equipment.
- t. Athletic, fitness, and recreational equipment to include cardio and aerobic equipment, goals, cages, blocking sleds, game equipment or sporting goods, scoring equipment, equipment bins and storage containers, weights and weight lifting racks, equipment, practice, saunas or whirlpools tubs (not built-in as part of the original facility)

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- u. Training aids and equipment, including some simulators.
- v. Portable photo lab or photographic equipment.
- w. Electronic Security Systems (ESS) to include Intrusion Detection Systems (IDS), Automated Access Controls Systems, and Closed Circuit Televisions systems (CCTV) (funded by PSE/OPN).
- x. Carpentry, machine, automotive, repair or other shop equipment.
- y. Movable cranes and hoists excluding built-in rails.
- z. Any operational equipment for which installation mounting and connections are provided in building design and which are easily detachable without damage to the building or equipment.
- aa. Other equipment similar to the items named above.