

Auburn University Facilities Management Policy 12-002:

Funding Policy for Installed or Movable Equipment on New Construction Projects

1. **Policy Statement:** This document establishes policy for Auburn University regarding the funding of Installed or Movable Equipment on new construction 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 this policy, 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.

b. **Project:** A project is an undertaking to maintain, repair, alter, modify, renovate or construct University facilities or buildings, including component building systems. Projects are further categorized by the type of work being performed as follows:

- 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 are 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. On a new construction project, the responsibility of Auburn Facilities Management is to deliver a complete and usable facility to the Requesting Organization. In addition, the project budget will pay for the Installed and Movable Equipment needed to make it complete and usable per this definition. However, in most cases, the Requesting Organization must purchase and outfit the facility with its academic or research equipment and supplies before the facility will be ready to fully execute its instructional or research mission. For example, if Facilities Management was to construct a new BioChemistry facility, and the building was completely finished and all building systems were operable, and the building was outfitted with the Installed and Movable equipment stated in Appendices (1) and (2), it would be considered a complete and usable facility. However, even though the building may be complete and usable, it may not be ready for academic instruction or research until the Department outfitted the building with test tubes, chemicals, centrifuges, gas chromatographs, DNA

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sequencers, spectrometers, and related laboratory or research equipment. This type of instructional, laboratory, or research Movable Equipment is not paid for with project funds nor included in the official project budget.

h. Official Project Budget: On new construction projects over \$750,000, the project budget must be approved by the Board of Trustees. The Board approved budget is the “official” project budget. Projects may not exceed their Board approved budget.

4. Funding for New Construction Projects: Funding for new construction projects may come from the following principal sources:

- University General Funds
- Bond Indenture
- Gifts or Development funds
- Federal funds or grants
- State funds or grants
- Athletic Department Funds
- Auxiliaries Revenues (for student housing, food service, or airport projects)
- Alumni Association or the Auburn Foundation Funds
- Industry Groups grants or gifts
- Other sources of funds.

This policy will apply to all Auburn University new construction projects, regardless of the source of funding.

5. Equipment Installation Funding on New Construction Projects:

- A. Installed Equipment: As a general rule, Installed Equipment will be funded as part of the project and should be included in the official project budget. Appendix 1 provides examples of Installed Equipment.
- B. Movable Equipment. On new construction projects, some Movable Equipment will be funded by the project and included as part of the official project budget. However, not all Movable Equipment will be funded by the project—some must be funded by the Requesting Organization. Paragraphs (1) and (2) below provide the criteria for determining what Movable Equipment will be paid for on new construction projects.
- (1) Movable Equipment To Be Funded As Part of the Project: Movable Equipment needed to ensure that the new building is a complete and useable facility upon startup or which are part of the initial outfitting of the facility are generally funded by new construction project funds. Movable Equipment funded in this manner should be included in the official project budget. Appendix 2 provides specific examples regarding Movable Equipment which generally will be funded as part of the project budget.

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- (2) Movable Equipment To Be Funded by the Requesting Organization: Movable Equipment or supplies which are not essential to ensuring the new facility is complete and usable are to be funded by the Requesting Organization. This type of equipment will typically be specialized supplies or equipment related to the specific instructional, academic, or research activities to be conducted within the facility. Movable Equipment funded by the Requesting Organization is normally not included in the official project budget. Appendix 3 provides specific examples regarding Movable Equipment which generally will be funded by the Requesting Organization.

The determination of whether an item is Installed or Movable Equipment or whether Movable Equipment should be funded by the project budget or the Requesting Organization is often subjective. Common sense and good judgment will be used to resolve questionable areas. Appendices 1, 2, and 3 are intended to provide sufficient examples so that items not listed can be compared to the equipment detailed in the Appendices to determine which category best fits the situation.

6. Budgeting of Equipment Costs on New Construction Projects: As a rule, Installed Equipment is paid for by project funds on new construction projects and should be included as part of the official project budget. Movable Equipment, required as part of the initial outfitting of the facility to make it complete and usable (see Appendix 2), is generally funded by project funds and included as part of the official project budget. The types of Movable Equipment listed in Appendix 3 are generally funded by the Requesting Organization and are not included as part of the official project budget.

7. Complete and Usable Facility: No construction projects will be initiated which do not result in a complete and usable facility upon completion of the project.

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Appendix 1:

Examples of Installed Equipment to be Funded By Project Funds on New Construction Projects

Examples of Installed Equipment include:

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.
2. Heating, ventilating, and air conditioning systems (except when provided solely to support a 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, shades, curtains and window treatments.
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.

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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.
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

to be Funded using Project Funds on New Construction Projects

Examples Movable Equipment to be funded on new construction projects, as part of the initial outfitting of the facility, using project funds include the following:

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

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- p. Training aids and equipment, including some simulators.
- q. Portable photo lab or photographic equipment.
- r. Electronic Security Systems (ESS) to include Intrusion Detection Systems (IDS), Automated Access Controls Systems, and Closed Circuit Televisions systems (CCTV) (funded by PSE/OPN).
- s. Carpentry, machine, automotive, repair or other shop equipment.
- t. Movable cranes and hoists excluding built-in rails.
- u. 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.
- v. Other equipment similar to the items named above.

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Appendix 3:

Examples of Movable Equipment

to be Funded by the Requesting Organization on New Construction Projects

Examples of Movable Equipment which would be funded by the Requesting Organization include the following:

- a. Laboratory, scientific, or research equipment.
- b. Laboratory, scientific, or research supplies.
- c. Instructional items or supplies.
- d. Loose carpets and rugs.
- e. Computers, information technology equipment, or automatic data processing equipment.
- f. Game equipment or sporting goods for athletic or recreational facilities.
- g. Window air conditioning units.
- h. Other equipment similar to the items named above.