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January 10, 2003

MEMORANDUM

TO: CSU Presidents

FROM: Charles B. Reed
Chancellor

SUBJECT: Executive Order No. 847 – Policy Statement on Facility Maintenance

The attached Executive Order No. 847 delegates to each president, or his/her designee, implementation of the Board of Trustees' Facilities Maintenance Policy.

The executive order refines the standards in which campuses maintain CSU facilities. It provides clear definitions of Operations and Maintenance, Deferred Maintenance, and Capital Renewal and the reporting/auditing requirements to assure efficient and effective use of available maintenance funding.

In accordance with the policy of the California State University, the campus president has the responsibility for implementing executive orders where applicable and for maintaining the campus repository and index for all executive orders.

Should you have any questions regarding the executive order, please contact Mr. J. Patrick Drohan, Assistant Vice Chancellor, Capital Planning, Design and Construction, at (562) 951-4090.

CBR:ng

Attachment

Distribution: Vice Presidents, Administration
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Executive Order No.: 847

Title: Facility Maintenance

Effective Date: January 10, 2003

Supersedes: Executive Order 757

This Executive Order is issued pursuant to authority granted by Sections 1 and 2 of Chapter III of the Standing Orders of the Board of Trustees. It implements the Trustees' "full power and responsibility in the construction and development of any state university campus," (Education Code Section 66606).

Policy

It is the responsibility of the university president to ensure that appropriate resources are directed toward meeting the requirement of proper operations and maintenance of the campus physical plant.

The responsibility includes the maintenance (routine, scheduled, deferred) and capital renewal of facilities, utility infrastructure, roads and grounds, which allow the university to meet its educational mission. To aid in achieving this objective, the campus is to develop an automated program that provides data for the systematic maintenance of state-supported campus facilities and the renewal of infrastructure and facilities based upon predictable life cycles of subsystems. The long-term objective is to eliminate deferred maintenance. These programs shall be managed in a manner that will facilitate the timely completion of all identified tasks.

The campus facilities department is responsible for providing non-maintenance services and improvements. The campus general fund operations, or other appropriate funding sources, shall be reimbursed the actual direct costs plus indirect costs associated with requested non-maintenance services provided by the facilities department. Costs allocations shall be determined in accordance with a written cost allocation plan approved by the campus chief financial officer.

Definitions

Operations and Maintenance: *Activities required for ongoing, routine operations and maintenance of a building.* Operations and maintenance activities include the routine work necessary to keep state-supported facilities, utility infrastructure, roads and grounds in good repair, appearance and operating condition. This work includes maintaining, operating, and repairing utility systems, e.g., electricity, water, gas, heat, ventilation, air conditioning, plumbing, sewage, and elevators. It also includes maintaining and repairing basic components of campus buildings and grounds, e.g., foundations, walls, roofs, stairs, ceilings, floor, floor covering, wall covering, doors, windows, hardware, turf, sidewalks, streets, and ancillary facilities or equipment that support basic building operations, and routine custodial services.

Operations and Maintenance also includes the scheduled and preventive maintenance performed to ensure peak efficiency and minimal deterioration leading to completion of successful life cycle

operations for major facility systems. Such actions include, but are not limited to, inspection, adjustment, lubrication, testing, analysis, and minor repair and replacement of components on scheduled frequencies. This work is repetitive within a one-year cycle.

Deferred Maintenance: *Work that has been deferred on a planned or unplanned basis due to lack of funds in the annual budget on building components that have not reached their expected life cycle.* Routine maintenance, renewal, and/or replacement of building systems or portions of systems (elements of grounds and infrastructure) that is not regularly performed will create a deferred maintenance backlog.

Capital Renewal: *The systematic replacement of building and utility systems to extend their useful life.* All systems, or parts of systems, are assumed to have useful life, after which they must be replaced completely. This is true even if they are maintained regularly. Capital Renewal projects focus on maintaining the operability, suitability, and value of capital assets through the replacement and rework of those components of a building that extend the building beyond its original life cycle. Life cycle factors include age, climate and location, quality of original construction, use and abuse, natural factors, and level of investment.

Direct Costs: Costs that can be readily assigned to a particular cost objective with a high degree of accuracy.

Indirect Costs: All costs that are not direct such as support personnel, management/supervisory personnel, transportation, etc. Indirect costs do not have a direct relationship to the production actually being done but are related to the ability of the facilities department to do work.

Resource: General Funds or other appropriate fund sources made available to complete the basic mission of the facilities department. This includes, but is not limited to, all in-house labor, contractor support, and related resources to complete the facilities maintenance task.

The campus shall provide the following:

Operations and Maintenance

1. A Computerized Maintenance Management System (CMMS) to track routine, scheduled, and deferred maintenance work. Through the use of this system, or alternate tracking system, the facilities department should be capable of reasonably accounting for the total allocated resources;

2. A current comprehensive schedule and task descriptions for all scheduled maintenance and a log of all routine maintenance performed on fixed maintained equipment. Documentation that the required scheduled maintenance program is being completed to ensure protection of the campus's facilities and physical environment; and

3. Policies and procedures for effective materials management with resultant written records demonstrating internal controls over the purchase, storage and use of facilities maintenance department materials [per the State Administrative Manual 3535 and 8080].

The campus shall prepare and submit the following to the Chancellor's Office, Department of Capital Planning, Design & Construction:

Annual Deferred Maintenance Report

An annual five-year projection of deferred maintenance and capital renewal costs of facilities and infrastructure based upon the life cycle of major building and utility subsystems, including fixed maintained equipment. This should include a list of all projected deferred maintenance and capital renewal projects.

Biennial Facilities Audit

1. A biennial assessment of each facility to identify maintenance/repair requirements in the scheduled maintenance program [as identified in item 2 under Operations and Maintenance]; and

2. A biennial audit and listing of fixed maintained equipment, including:
   a) Nomenclature (type, size, capacity, manufacturer, etc.)
   b) Installation date
   c) Location
   d) Maintenance schedule
   e) Estimated replacement cost
   f) Lifecycle
   g) Warranty coverage

Charles B. Reed, Chancellor

Date: January 10, 2003