26 December, 1984

TO: All Managers and Department Chairs

FROM: Gail Fullerton, President

SUBJECT: PD 84-07: IMPLEMENTATION OF TRUSTEES' RESOLUTION RA 9-83-057 (PLANT OPERATIONS) and BA 84-25

During their meeting of September 20-21, 1983, the Board of Trustees of the California State University accepted an audit report on systemwide Plant Operations. Nine recommendations and the responses of the Chancellor were included within the report that led to Board resolution RA 9-83-057.

A systemwide advisory committee on Plant Operations was consulted and a series of implementing actions was identified. The audit recommendations, responses, and implementing actions are described in BA 84-25 (copy available on request).

After consultation, the following systemwide definition of what constitutes maintenance was developed and has now been implemented:

Within the California State University, maintenance work shall be defined as the work necessary to keep all state-owned facilities in good repair 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. This definition specifically excludes new work and alterations: e.g., constructing and modifying buildings and grounds, providing decorative treatment to buildings and grounds, attaching items to buildings, extending or modifying utility systems. Also excluded in the definition is repairing, fabricating, modifying, adapting or installing other than Group I equipment. (Emphasis added.)

Trustee Resolution RA 9-83-057 also requires the development of chargeback systems for services other than routine maintenance performed by Plant Operations. After consultation, a systemwide position on chargebacks for non-maintenance services performed by Plant Operations has been developed, as follows: (BA 84-25)
All Managers and Department Chairs
26 December, 1984
Page Two

Each campus will develop a chargeback system. . . . The campus policy and procedures must ensure return of all direct labor and material costs, and costs for contracted services, to the Plant Operations budget. Additionally, the policy should include reimbursement for overhead or indirect costs. These latter costs include reimbursements for administrative processing, estimating, supervision, equipment, vehicles, etc., and would normally be calculated and added as a percentage of total costs.

At a time when available resources are being reduced, the University is experiencing increased pressure to expand support of the maintenance, repair, and alteration needs of its facilities. A number of additional factors have combined with resource reduction to make less responsive the process by which these competing needs are addressed. They include an aging physical plant requiring maintenance to forestall major repairs, an operational budget declining in purchasing power, and a growing interest on the part of control agencies to scrutinize requests for expenditure.

These conditions and their effects on University operations are expected to continue. It is therefore necessary that the University's maintenance resources be efficiently used and that opportunities for additional funding to support repair and alteration projects be identified and pursued.

It is the purpose of this Presidential Directive to facilitate the attainment of these goals, in addition to implementing procedures required by Trustee Resolution RA 9-83-057 and the implementing directive from the Chancellor's Office, BA 84-25.

It will be the responsibility of Executive Vice President J. Handel Evans to implement this presidential directive, which is effective immediately.

I. BASIC RESPONSIBILITY.

Under the supervision of the Associate Executive Vice President for Facilities Development and Operations (Associate EVP-FDO), the Department of Plant Operations is responsible for the condition of the physical plant of San Jose State University. Therefore, any and all changes to the physical structure of any building must be performed by the Department of Plant Operations, or under the supervision of the Associate EVP-FDO.

A. Condition of the physical plant. A primary requirement is that the Associate EVP-FDO and the Department of Plant Operations know the exact condition of the physical plant at all times. It is imperative that the Associate EVP-FDO be advised of any planned alteration of, or addition to, any structure or ground area. Whether the Department
of Plant Operations renders the service or not, the Associate EVP-FDO must be informed of any planned work, whether it is as simple as putting up a shelf or as extensive as renovating a building.

B. Utility connections. No connection may be made to any utility system (water, sewer, electrical, gas, or steam) either in or out of buildings except by Department of Plant Operations Personnel or licensed professionals under the surveillance of the Associate EVP-FDO.

C. Inspection of all work plans. Inspection and approval of all work plans and completed work for compliance with statutory requirements and established policies are basic responsibilities of the Associate EVP-FDO.

II. SERVICE CATEGORIES.

A. Routine Maintenance Program. Routine maintenance of facilities is the primary responsibility of Plant Operations and is funded through its annual support budget. These funds are used to maintain the standard building shell and components. Examples include: maintenance of elevators and other building service facilities; custodial services; interior painting specified in the regular painting cycle; servicing and replacement of heating, ventilation, plumbing, electrical fixtures, locks, keys, general bulletin boards and directories; maintenance and repair of general classroom furniture; safety programs related to physical characteristics of the building (e.g., compliance with building codes); maintenance and repairs to the University motorpool; landscape services.

As the physical plant ages, the importance of a sustained schedule of service has intensified and non-maintenance activities have assumed secondary priority. Plant Operations has established preventive maintenance programs that are designed to anticipate needs and to schedule services to facilities and systems before breakdowns occur or maintenance becomes critical. These services are funded by the support budget and carried out without cost to the school or division.

B. Maintenance of specialized systems and equipment. Maintenance of equipment items and systems that are designed to support specific instructional programs is the responsibility of the various instructional technical support budgets and staffs. Examples of these include maintenance of fume hoods, autoclaves, ceramic kilns, refrigeration units, and electronic instructional equipment.

C. Non-Routine Requests for Service. Procedures have been developed within Plant Operations to accept work orders, to determine their priority, and to notify the requesting office of an estimated cost and completion schedule.
Service requests of this kind are rarely funded by the annual support budget. Depending on their scope, urgency, complexity, and the available personnel, they may be financed in a variety of ways. In all cases, when a non-routine service request is submitted, Plant Operations will consult with the requesting department or office to determine which method of funding is appropriate prior to beginning the work.

NOTE: The Budget Act, Section 6.0, limits all projects paid for from General Fund monies to a total of $10,000.00 for labor, materials, and other related expenditures. Within this limitation, funding possibilities for non-routine requests for service include:

1. The requesting school or division provides appropriate funds to procure the materials necessary for the project. Labor is provided by Plant Operations. Requests funded in this manner are of limited scope, complexity, and magnitude, and do not have critical time lines.

2. The requesting school or division provides appropriate funds to procure materials and temporary help funds for necessary labor. This method of funding is appropriate for small or medium-sized projects of limited complexity where completion by a specified date is critical.

3. The requesting school or division provides appropriate funds to procure materials and to fund a service agreement for the labor necessary to complete the project. Projects funded by this method would typically require technical skills and resources not available on campus.

4. The project is funded by minor capital outlay funds which have been obtained to contract both labor and materials. Minor capital outlay projects are discussed in more detail below.

III. MINOR CAPITAL OUTLAY PROJECTS

To qualify for minor construction funding, the total cost of the project must be less than $100,000 and the project must be new construction or an alteration, extension, or improvement of an existing structure to accommodate a different function (e.g., classroom to laboratory) or to increase the utilization of the original function (e.g., increase the number of student stations).

Funds for minor capital outlay projects are provided in the annual budget from COPHEE funds, not from the General Fund. Minor construction projects are subject to review at both system and state levels and must be submitted thirteen months in advance of desired funding to the Associate EVP-FDO. Staff analysis will be provided for recommendation to the President on University priority for the proposed project.
IV. SPECIAL REPAIRS.

Funds for routine maintenance come to the University as part of its formula-driven budget; funds for major repairs of facilities are provided in the annual budget only for individual projects reviewed and approved in advance. These projects collectively comprise the Special Repair category of the CSU operations budget.

A special repair is defined as major repair which does not occur annually, the cost of which warrants a separate line item in the budget. Examples include painting the exterior of a building, replacing a roof, repair of a building fume hood system, and the repair of roadways and sidewalks.

Special repair requests are subject to extensive system and state review; projects often exceed available funding. Success in obtaining approval depends upon early identification of potential projects and thoroughly developed project proposals. The schools and divisions of the University are encouraged to communicate through the deans or division directors their special repair needs. Campus requests are submitted to the Chancellor's Office thirteen months in advance of desired funding.

Special repair funds cannot be used in lieu of instructional equipment replacement funds.

cc: Executive Committee, Academic Senate