

Maintenance Reserve

Overview of the Program

The University has three basic capital outlay activities:

1. New Construction: construction of any new space or campus infrastructure that exceeds \$3 million (inclusive of design and construction) or 5,000 gross square feet.
2. Renovations: any improvements to University buildings or infrastructure that exceeds \$3 million (inclusive of design and construction) intended to enhance, update, or modify the existing program or performance specifications of an asset.
3. Maintenance Reserve: any major repair or replacement with a cost of \$25,000 to \$2 million, and up to \$4 million for a roof replacement project, to a fixed component of existing physical plant or property intended to extend the useful life of an asset in its current form.

Buildings, infrastructure, and major equipment assets require routine maintenance and major maintenance of their systems to reliably perform and support operations. Insufficient attention to either routine or major maintenance will eventually result in deterioration that compromises an asset to the point of being unserviceable.

The University follows generally accepted building practices for maintenance by recognizing the importance of having dedicated routine and major maintenance programs. **Routine maintenance** includes activities like janitorial, service contracts, painting, and minor repair and replacements of parts or components that are less than \$25,000 each. These are considered activities and costs of the operating budget and auxiliary units are expected to budget adequately for the routine maintenance needs of each asset accordingly.

The purpose of the University's Maintenance Reserve program is to ensure program operations are not compromised because **major maintenance** deficiencies compromise an asset such that it cannot perform to its intended design specifications. Because major maintenance generally involves substantial building components and systems, these activities, funding, and costs are part of the capital budget. A comprehensive major maintenance model should include five basic components: regular building system assessments, long-range life-cycle planning, funding plans, dedicated scheduling of prioritized annual repairs, and real time updating of building conditions to reflect resetting for repairs. When all parts are working together, adequate funds for costly repair projects should be available and unexpected emergencies of major maintenance are rare.

Maintenance Reserve Program Specifics and Definitions

Maintenance Reserve work is described in terms of distinct subprojects which individually are a major repair or replacement to plant, property, or equipment that is intended to extend its useful life. Each subproject usually costs between \$25,000 and \$2 million, and up to \$4 million for a roof replacement project. Valid exception can be granted.

Maintenance reserve subprojects are not intended to enhance, upgrade, or otherwise improve plant, property, or equipment unless such work is incidental to the main purpose of the subproject (less than 25 percent of the overall cost).

The first priority of Maintenance Reserve is to maintain the integrity of a building envelop to prevent intrusion of weather and natural elements, which can quickly destroy a building beyond repair when allowed to progress unchecked. Thus, repairs of roofs, windows, and building skin are considered the first priority for the use of Maintenance Reserve resources.

A subproject that meets one or more of the following criteria is considered a **valid maintenance reserve** activity:

- Repair or replacement of functionally obsolete, damaged, or inoperable built-in equipment such as elevators, furnaces, plumbing fixtures, air conditioning, and ventilation;
- Repair or replacement of major components of a plant, such as exterior cladding, masonry, ceilings, floors, floor coverings, doors, windows, roofs, sidewalks, parking lots, fencing, and exterior lighting;
- Repair or replacement of existing utility systems, such as steam lines, natural gas, air, electrical, water, and sewer;
- Correction of problems resulting from erosion and drainage; and/or,
- Work related to building safety codes.

A subproject that meets one or more of the following criteria is normally **not considered valid maintenance reserve**:

- Any work intended to improve, upgrade, or enhance an asset;
- Maintenance contracts to clean, maintain, repair, or protect existing plant, property, or equipment;
- Routine periodic maintenance, such as servicing, adjusting, minor repairs, painting, scraping, cleaning, and spraying of plant or property; and/or,
- Repair or replacement of office, motorized, medical, laboratory, electronic, photographic, educational, cultural, computerized, and other specific-use, moveable equipment that is not permanently installed as a part of the plant or property.