

Board Regulation 14.001 – Definitions

Frequently Ask Questions and General Guidance

(3/2/22)

- 1) The definition of *Deferred Maintenance and Repairs* includes “*preventative maintenance*”, which implies neglect or irresponsibility. Is this appropriate, since universities exercise preventative maintenance?

Response: Generally speaking, neglect and/or irresponsibility are often contributing factors to deferred maintenance and repairs, as is limited funding, manpower, time, etc. Fortunately, irresponsibility/neglect are not contributing factors within the SUS, and the current backlog of deferred capital needs is due to limited funding.

- 2) Regarding the definition of *Critical Need*, is it safe to assume that emergency repairs fall under this criteria?

Response: Yes, it is safe to assume that emergency repairs fall within the definition of Critical Need.

- 3) Regarding the definition of *Projected Maintenance and Repairs*, we are not sure that *unscheduled* repairs can be projected.

Response: In this context, “unscheduled” encompasses maintenance and repairs that are unexpected or unanticipated, and related projections should consider such future needs, if possible.

- 4) Is general upkeep and ongoing maintenance and repairs considered part of Deferred/Projected Capital Replacement and Renewal?

Response: Proper ongoing maintenance and repairs should not be confused with planned capital investment for the replacement of major building systems, Renovation or Remodeling, as is contemplated in Deferred and/or Projected Capital Replacement and Renewal.

- 5) For the purpose of estimating Projected Capital Replacement and Renewal, should a life expectancy of a facility, including its systems and infrastructure, be the primary metric?

Response: Generally speaking, yes. As described in the definition of *Deferred Capital Replacement and Renewal*, an item essentially goes from *Projected* to *Deferred*, once it reaches mechanical life expectancy, based on the manufacturer's stated timeline or that of industry standard, whichever is longer. However, the decision to replace/renew same should not be driven solely by its life expectancy, but by broader consideration; for example, a cost-benefit analyses.

- 6) With the addition of the definitions to Board Reg. 14.001, it appears the universities Finance and Administration Division staff will soon be required to allocate funds; to perform the accounting and to monitor the budget and spending; and, to provide additional reporting by these new definitions/categories, in addition to the FCO budget reporting and in addition to the CF Spending Plan reporting for projects each fiscal year. Would that be correct from the Board perspective?

Response: There are no reporting requirements required by 14.001. However, if adopted by the Board, universities are expected to apply the new definitions to their existing processes and procedures going forward, particularly, though not exclusively, as it relates to monitoring, estimating and projecting capital needs. This will be important if the Board requests information by the definitions in this regulation.

- 7) For clarification and context, what would be some examples of Critical Need, as defined?

Response: A campus-wide chilled water system in imminent danger of failure, which would result in all facilities being non-functional, essentially shutting down a campus; or the discovery that a building's structural beams have dry rotted to the point of compromising structural integrity and, as such, the facility cannot be safely used without immediate repair.