
DEVELOPING MRR FUNDING REQUESTS

Successful MRR requests are the result of careful maintenance planning, documentation of the institution's specific needs, a complete understanding of the available funding sources and the application process for requesting money, and overall diligence in the application and implementation effort.

The following section explains how requests for MRR projects are reviewed and how MRR projects are approved. This section of the *MRR Guidelines* provides an overview of the steps involved in developing and submitting funding requests. Appendix A shows a simple flow chart of the entire MRR process (page 3 of the Appendices). A timeline of the MRR request process is shown on page 4 of the Appendices.

Understanding the MRR Request Process

Institutions that successfully develop MRR funding requests understand that the request process is a continuous process of preplanning, assessment, and action. The starting point for a MRR funding request is completing a *Facilities Survey*¹⁸ (described in further detail on page 28). If, as a routine part of campus activities Plant Operations identifies and keeps records of upcoming maintenance and works with the Financial Officer to identify long-term maintenance projects and short-term needs, these efforts in developing a funding request should be well in the works.

¹⁸ **Facilities Survey:** *A comprehensive evaluation of the facilities and infrastructure that make up a campus. This survey is, at least, an extension of the annual FIS update. The Facilities Survey, however, must include detailed information about the condition of the facilities, and the needed repairs and renovations to maintain the facilities in good, useable condition. While conducting the survey, it is wise to establish a priority level for the documented repairs. This will help prioritize MRR projects. Priority levels are described on page 31.*

Understanding the MRR Request Process (cont.)

After completing the Facilities Survey, most of the major repairs and renovations should be identified. Cost estimates for each MRR then need to be determined. The projects and associated costs are subsequently reviewed and prioritized according to the most urgent need. After learning what to expect in the way of MRR funds, re-evaluate and reorganize the MRR projects list. (Information about prioritizing and estimating MRR projects is found on pages 30 and 33 respectively).

After the institution has compiled all of this supporting information, all of the relevant BOR standardized forms need to be completed. (A table describing each form is found in Appendix A, with samples of the forms following in the Appendices.) Once the standardized forms are complete, the MRR request can be assembled. Step-by-step directions for assembling the MRR funding request begin on page 40.

Preplanning for MRR requests

When developing a request for MRR funding, it is important to think about the institution's current needs as they relate to the *Physical Master Plan (PMP)*¹⁹ or bigger picture. This requires preplanning on the part of the institution.

Although preplanning may take some additional time, it is well worth the effort. Preplanning prior to developing an MRR request forces the institution to see MRR projects as part of the overall campus maintenance and improvement objectives. Seeing the project as part of the bigger picture may help determine whether the repair and renovation projects can be handled using funds from a more appropriate source, whether the projects can be delayed or incorporated into larger Major or Minor Capital Projects, or whether the projects can be eliminated. Ideally, in the course of preplanning MRR projects, the institution will identify and document redundancies, potential pitfalls, and true MRR needs. Thorough and complete documentation increases the likelihood of expeditious approval.

General guidelines for preplanning capital resource allocations are documented in the BOR publication: *Guidelines for Preplanning*²⁰. For the institution's convenience, these principles are included verbatim in this document. These guidelines start on the following page.

¹⁹ *Physical Master Plan (PMP): Investigation and documentation of existing and proposed conditions and objectives (including curricula and program) that contribute to a proposed set of recommendations (narrative, tabular, or graphic) for future campus development. By the year 2000, all USG institutions will have a PMP in place. All MRR, Minor, Major, and Payback projects should be consistent with the PMP to avoid projects that cause redundant or unnecessary spending.*

²⁰ *These principles are shown on pages 5-6 of the BOR publication.*

BOR Planning Principles for Capital Resources Allocation

Preplanning a project lays firm groundwork for the MRR request. The following preplanning principles are important and should be considered when developing a MRR funding request. (Since the guidelines are general and used for MRR, Major and Minor Cap, and Payback projects, some are not applicable to MRR requests.) These guidelines are taken directly from the BOR publication *Guidelines for Preplanning*.

- Principle 1** The construction or acquisition of new space to accommodate existing enrollment should generally take precedence over the new construction or acquisition of facilities to serve the growth target in the Five-Year Capital Allocation Plan (subsequently referred to as “the plan”).
- Principle 2** The acquisition of space whether for the purposes of acquiring land for new construction or existing facilities for adaptation to university or college purposes needs to be evaluated with two considerations: first, the relationship of the site and/or facility to the academic mission, student needs and physical layout of the campus, and second, the benefits or liabilities of the existing facility.
- Principle 3** The construction or acquisition of new space should parallel the future growth targets adopted by the Board for each campus in the plan and should be consistent with institutional missions and strategic plans, including workforce needs.
- Principle 4** There should be a balance between the need for new facilities and the need to maintain, rehabilitate or modernize existing facilities within the overall plan which includes attention to health and safety issues (ADA, asbestos, etc.) as well as the accommodation of the new academic programs and capacity expansion.

BOR Planning Principles for Capital Resources Allocation (cont.)

- Principle 5** In setting priorities for the use of State resources, highest weight will be given first to instructional facilities (classroom, laboratories) followed by academic support facilities (libraries, computer centers), student support facilities (e.g., housing, recreational and student activities centers), and finally administrative facility and infrastructure needs. Critical infrastructure needs may take precedence in some cases, especially where cost-effectiveness is a major rationale. Special consideration for the role of the State support for research facilities will be evaluated in the light of the unique research mission of certain institutions.
- Principle 6** Where other than State financial resources, especially auxiliary or donated resources, are available to partially fund a facility, special consideration will be given to the role that State resources can play in completing a financial package.
- Principle 7** In planning facility projects, *capacity expansion*²¹, while critical, should not result in facilities that are of lower quality.
- Principle 8** New construction and building renovations should incorporate modern, energy-efficient building and electrical communications systems appropriate to modern instructional delivery systems, with special attention to furthering the goals of an expanded distance education capacity in the State.
- Principle 9** In evaluating projects, consideration should be given to: (i) existing facility utilization efficiency and operating hours of each campus, (ii) whether the campus' existing utility, road, parking and pedestrian infrastructure will accommodate the new project, (iii) quality of life issues, (iv) impact on the local community, (v) general cost effectiveness of the projects including facility operating costs, and (vi) where appropriate, reduction of the use of lease space.
- Principle 10** In establishing and amending the Five Year Capital Outlay plan for the USG, consideration will be given to the timely completion of programming and design of the capital projects as well as the maintenance of projects within budget.

²¹ *Capacity expansion: The ability to expand facilities when the capacity for the current facilities reaches planned capacity.*

Special Circumstances to Consider While Preplanning MRR Requests

Although institutions typically do a good job of incorporating the obvious elements of a major repair and renovation project in their MRR requests, subsequent but less obvious needs and costs are at times overlooked. One of the most important MRR project elements—one that is easily and often missed—is the need to relocate students, staff, and equipment during the repair and renovation process.

Temporary Relocation of Personnel

While preplanning and developing MRR requests, it is important to consider the potential need to temporarily relocate people and program support equipment during the subsequent construction. The area selected for relocation is referred to as swing space. The cost of providing swing space to accommodate displaced people and equipment can be included in the overall costs of new MRR, Major, or Minor Capital Projects. MRR funds can be used when swing space is provided by renovating existing available space. Building new space or leasing space must be funded within the scope of Major or Minor Capital Projects or funded by the institution from other funding sources that are available. (Criteria for various BOR funding sources such as Major and Minor Capital funding are compared starting on page 36.)

The cost of swing space can be included in a MRR request, as long as the space is developed by renovating existing space. An additional restriction is that the amount of the request does not exceed the \$1 million limit established for MRR requests.

Funding Limitations for Developing Swing Space

There are limitations on swing space funding using MRR funds. If an institution must lease or build new swing space, the project must be submitted as a Major or Minor Capital Project, or paid for from other sources, regardless of the cost associated with the project request. See the table that begins on page 17, to learn more about BOR funding resources.

What is most important in selecting MRR projects is the long-range assessment of the impact on the campus operations. When the need for swing space requires providing construction of new space or leasing new space, it needs to be planned with regard to the Physical Master Plan (PMP). The key point is planning ahead to support the institution's MRR and PMP objectives.

Institutions that have several projects that require swing space in the same timeframe should consider consolidating the needs and targeting a particular building as swing space for the on-going work.

The Facilities Survey

Ideally, facilities surveys should be an ongoing maintenance function throughout the year. If this survey is not part of an institution's routine, preventive maintenance program, it is very helpful to conduct a facilities survey prior to developing a MRR request. This provides a good basis for determining repair and renovation needs in an organized way. If this process has not been formally implemented, it may be difficult to assess all buildings in the first year's application cycle. This is why it should be an on-going activity. The goal should be completing a full survey of facilities and developing a database or record for each space on the campus.

The Facilities Survey should begin with a good assessment of the condition of the facilities. Each institution has the primary fiduciary responsibility for maintaining its facilities in acceptable condition. The survey of buildings and site infrastructure is, perhaps, the most important step in the MRR funds application process, because the survey provides an opportunity to methodically arrive at a comprehensive list of all MRR work required on the campus. Although the survey's primary purpose is to develop a list of MRR projects, the findings and recommendations of the survey may also result in finding projects that can be funded by other types of BOR funding—Major Capital Projects or Minor Capital Projects. (The *MRR Funding Strategies* section of this manual, which begins on page 35, reviews strategies for securing these other types of funds.)

The Facilities Survey (cont.)

An institution's Plant Operations Department will most likely perform the Facilities Survey depending on the availability of in-house resources and their level of expertise. Outside consultants are a viable alternative if the institution does not have the trained personnel or equipment to conduct the survey. Regardless of who conducts the survey, it should be performed with an "engineering" mindset; a facility's historic or political significance should not be taken into account when developing the survey. Although subjective judgements like historical significance should not be taken into account in the Facilities Survey, this kind of information should be explained in the MRR request itself, and will be factored into the process on an exception basis (as discussed in *Conditions that May Affect MRR Needs and Funding Requests*, which starts on page 11). Information such as the original or as-built construction documents, facility service maintenance records, and discussions with the Plant Operations staff and end users may be helpful to the team in the collection of accurate field data for the survey.

If there is a concern about the outcome of this survey for the purpose of developing the MRR funding requests, it is important to remember that the quality of the survey and level of detail in recommendations directly affects the ability to develop the MRR request. A complete and accurate survey is invaluable in writing clear project scopes and providing accurate cost estimates to the BOR. Developing successful MRR funding requests requires the concentrated efforts of the people conducting the Facilities Survey.

At the end of these guidelines, there is a *Facility Survey Scope Sheet* in Appendix D (page 6 in the Appendices), and an example of a *Facilities Survey Report* in Appendix E (page 6 in the Appendices).

Project Selection and Prioritization

Projects selected as potential MRR funding candidates must be prioritized based on consistent criteria. The table that starts on the following page provides some perspective on prioritizing MRR projects. These MRR guidelines also include the BOR's *Planning Principles for Capital Resources Allocation* (starting on page 24) which provide more general guidelines on how the BOR evaluates all funding requests. Following both sets of guidelines, each institution and the BOR identify some projects as top priorities for that campus, while others are delayed.



The main purpose in performing the Facilities Survey is getting enough information about the condition of the campus facilities to identify and prioritize the projects that need funding and to then select projects that will be submitted to the BOR for funding. Priorities (based on the criteria listed in the table on the following page), costs, and the long-term goals of the Physical Master Plan²² are key factors in the prioritization of potential MRR projects.

When the Facilities Survey is complete, the field data that has been collected must be reviewed and consolidated. The resulting information should deal solely with infrastructure deficiencies, building envelope, equipment, and system deficiencies. Once this consolidation of information is accomplished, the building, equipment, and system deficiencies can be listed and prioritized in a preliminary MRR project selection list. Samples of the *Summary List for Major Repair and Renovation (MRR)* forms can be found in Appendix G and H beginning on page 17 in the Appendices.

²² *One of the key considerations in prioritizing potential MRR projects is how they fit into the institution's Physical Master Plan. Funds can be used most efficiently and effectively after adequate preplanning. Project spending strategies should be developed based on current needs as well as the big picture. Projects focused on immediate, short-term, corrective action are rarely as cost-effective as preplanned projects. Planning principles are included in this manual beginning on page 24.*

Project Selection and Prioritization (cont.)

This preliminary MRR project selection list must then be reviewed and the deficiencies categorized and prioritized. This table shows the priority level of each type of maintenance deficiency. Repairs and renovations that affect the health or safety of the campus population are considered top priority items and should be vigorously pursued ahead of other needs.

MRR Priorities (from most to least important)	Description
<p>Health & Life Safety (this is demonstrated as priority “A” in the survey reports)</p>	<p>Building and site conditions that when reviewed deal with the adequacy of health, safety, ADA and other related considerations should be top priority items when developing MRR funding requests.</p> <p> Examples include:</p> <ul style="list-style-type: none"> • Repairs or renovations necessary to comply with life safety codes or to prevent injury • ADA necessities or improvements • Fire code requirements • OSHA issues
<p>Timely Repair and Replacement (this is demonstrated as priority “B” in the survey reports)</p>	<p>System and equipment conditions that when corrected within certain time constraints reduce the probability of operational failure should be considered important, but remain secondary to health and safety needs.</p> <p> Example:</p> <p>If HVAC components have operated beyond the normally expected useful life, they should be scheduled for timely replacement to preclude unexpected breakdowns.</p>

Project Selection and Prioritization (cont.)

MRR Priorities (from most important to least important)	Description
Desirable Improvements (this is demonstrated as priority “C” in the survey reports)	Facility conditions that, when repaired or renovated, contribute to the improvement of either building efficiency or human performance can be funded with MRR funds. However, these types of projects should be prioritized last on the list.

Note: The institutions make the final selection of projects to submit and determine which BOR funding source to request for each of the projects.

In addition to these criteria that directly relate to MRR projects, the State of Georgia and the BOR have developed general principles for capital resources allocation in the publication *Guidelines for Preplanning*. The principles are guidelines that the BOR uses to approve projects. These guidelines are included in this document in *BOR Planning Principles for Capital Resources Allocation*, which starts on page 24.

The BOR Project Manager and the institution review the preliminary project selection list submitted by the institution through February. The discussions involve project urgency, adherence to the institution’s Master Plan, and available funds. The final, prioritized project list is submitted along with the MRR funding requests in late spring—usually March.

Estimating Costs

Cost estimating is a critical part of the MRR process—inaccurate bids may jeopardize the funding, the development, or the completion of major repair and renovation projects. Low estimates can disrupt the process in the funding, the design, or construction phases of a MRR project. Low estimates are also directly related to cost overruns. High estimates, on the other hand, can reduce the total amount of work that may be authorized in a particular year. For these reasons, accurate estimates are essential.

As MRR funding requests are developed, estimated project costs should be double-checked to make sure they are current and as accurate as possible. When defining project scope, preliminary contractor, architect, or consulting engineers estimates may be used. If these estimates cannot be obtained at the time the estimate is due, use alternative cost estimating methods. Alternate cost estimating methods include historical data based on similar scope of work, unit prices, contractor assistance, or Means Cost Estimating Guidelines.

If there is concern that the previously obtained cost estimates are out of date or inaccurate, it may be necessary to do additional research before completing the MRR funding package.

NEED TO MAKE SOME NOTES?

MRR FUNDING STRATEGIES

To understand the concepts in this section, it is important to understand the basics of MRR funding and to develop MRR funding requests—concepts explained in Sections III and IV of these guidelines. The funding strategies covered in this section will help institutions do a better job working through the request development process. Because the information in these sections is truly interrelated, we have included cross-references that show direct relationships between developing the requests and funding strategies that might be used to enhance MRR requests.

Each institution has the responsibility for developing the initial list of recommended repair and renovation projects for its needs. Armed with the findings and recommendations of the Facilities Survey, each institution should establish its funding priorities and select the initial list of projects that need funding. The challenge is funding as many of the required repairs and renovations as is possible using the money available in the fiscal year's MRR allocation. This task is accomplished by developing a list of all projects, prioritizing the list based on urgency and eligibility of project on the list²³ and then generating the project list for the requests. This process, as outlined in *Section IV: Developing MRR Funding Requests* (page 21), will explain how to put together a workable funding request.

²³ *There are MRR and BOR guidelines that are helpful in prioritizing a list of potential projects. These guideline are included in this document. The MRR specific guidelines are explained in Project Selection and Prioritization beginning on page 31. The BOR's general funding principles for capital allocations are summarized beginning on page 24.*