

September 2, 2008

Memorandum

To: Members of the Administration
Department and Program Chairs

From: Betsy Eismeier, Vice President for Finance and Administration

Re: Planning and Budgeting for Capital Projects and Other Capital Items at Vassar

This memorandum provides an overview of planning and budgeting for facilities and equipment at Vassar. With a focused effort by senior officers and input from the Priorities and Planning Committee, the Committee on Campus Master Planning, and other groups working on aspects of facility review, Vassar continues to plan comprehensively for campus renewal and improvement, as well as for the construction of a limited amount of additional space. To make sure our plans are well integrated, we work closely with Rachel Kitzinger, Dean of Planning and Academic Affairs.

The planning guidelines are organized under several headings: major capital investment in facilities and campus infrastructure, cycle maintenance programs, and furniture/equipment/vehicle replacement. I urge you to review the entire document and to retain this for reference.

I. Major Capital Investment in Facilities

Major capital projects for facilities include renovation projects, normally with budgets in excess of \$25,000 or equipment that requires installation by an outside contractor. Examples range from obvious projects like roof replacement down to office reconfigurations to a major installation of laboratory equipment involving significant carpentry, electrical or ventilation work. The most important concept in planning and budgeting for renewal or improvement of Vassar's facilities – no matter how large or small the project may be – is **lead time planning**. Of course, the larger or more complex the project, the more lead time may be needed. However, even small projects may require advance planning. With sufficient lead time, we can obtain necessary architectural and engineering services, better estimates of the cost of work, coordination of planned maintenance with discretionary renovations, and improved fundraising and budgeting for investment in the physical plant.

The forecast of projects is updated at least annually, and extends out over a five year horizon. We recognize that there must be flexibility to reschedule or add projects to meet urgent needs, within the scope of our resources. The updated plan for the fiscal year beginning July 1 is developed by December of the preceding year, for incorporation into the College's overall financial planning which is approved at the February meeting of the Board of Trustees. For this reason, it is important that departmental or program proposals be developed in the fall term, whenever possible, for consideration in the planning and budgeting process.

This timetable ensures that bidding or negotiation of construction contracts for Vassar projects takes place well in advance of the summer months, when most construction work occurs. Certain smaller projects can be scheduled for other breaks during the academic year, and occasionally are suitable for construction during term time.

The multi-year capital project forecast is developed by compiling information from several channels:

A. Basic plan for facility maintenance and renewal Developing the comprehensive capital project forecast is *the responsibility of the Executive Director of Buildings and Grounds Services and his staff*, who develop preliminary plan of action for ongoing, comprehensive renewal of Vassar facilities and infrastructure. With professional consultants, B&G Services has been assessing deferred maintenance, major system replacement (new roofs, new heating and cooling systems, etc.), and infrastructure renewal. B&G Services bears the primary responsibility for development of a long-term facility and infrastructure renewal plan, but their work is closely coordinated with *CIS* so that network infrastructure plans can be developed jointly with other planned maintenance and renewal.

B&G Services coordinates its planning with key officers throughout this process. For example, the Director of Environmental Health and Safety identifies key safety improvement projects for inclusion in the plan to renew existing facilities. The Director of Equal Opportunity consults on priorities to support the College's compliance with the Americans with Disabilities Act. The administrative offices responsible for faculty rental housing provide information on priorities, based on ongoing review, information from tenants, and input from the Faculty Housing Committee.

B. Proposals from Departments, Programs and Offices Planning for facility renewal or improvement may also originate in the department, program or office that occupies the facility and will include some or all of the following steps:

- To propose a project for inclusion in the College's capital budget, *academic departments and programs* should consult with the Dean of the Faculty (especially in regard to curricular implications of space) and with the Dean of Planning and Academic Affairs, who is responsible for developing plans and priorities for academic facilities. Ben Lotto, the Director of Academic Facilities Development, reports to the Dean of Planning and Academic Affairs, and coordinates departmental plans and space needs with the overall development of college-wide teaching facilities, balancing the need for specialized space that has restricted access with the need for multi-purpose classrooms that can be centrally scheduled through the Registrar's office. The College places a premium on the development of plans that will create high quality, shared teaching facilities, consistent with the principles of the Classroom Master Plan. NOTE: The Director of Academic Facilities Development should also be consulted about office space and other non-classroom space needs identified by departments and programs.
- Other administrative departments, programs, and offices should consult with the senior officer to whom they report concerning the goals and potential scope of work.
- Once the senior officer's support has been obtained, a preliminary meeting with Tom Allen, Executive Director of B&G Services, or Naomi Davies, Director of Capital Projects and Facilities Planning, should take place to assess the situation.
- In some cases, a rough estimate of cost can be developed in house, based on past experience with similar requests.
- In other cases, it may be necessary to conduct a *feasibility study* involving architects and engineers. Each year a limited amount of funding is provided to B&G Services for feasibility studies.

Proposals for projects requiring architectural or engineering studies may require review not only by the senior officer, but also by the Vice President for Finance and administration and the President, before an outside professional is retained. These additional reviews will depend upon the scope of work being proposed. A feasibility study may take several months or longer, depending upon the complexity of the task. Once information is obtained about the cost of a proposal to renovate existing space, B&G Services will propose a timeline that integrates with other planned work in the building.

C. Proposals from the Classroom Committee The Classroom Committee, under the leadership of the Director of Academic Facilities Development, identifies priorities for the renewal and upgrading of

general purpose classrooms on an individual basis. This approach has enabled the College to improve specific classrooms around the campus, recognizing that major building renovations will be spread over many years. The Classroom Committee may be consulted and play a coordinating role on proposals to convert existing classroom space to office or other non-classroom purposes, to ensure successful implementation of the College's Classroom Master Plan.

Ideally, the Classroom Committee will identify individual classroom renewal projects no later than December, for integration with the College's overall capital budget for the following academic year. This timetable allows B&G Services to schedule and bid the work, in coordination with other major construction and renovation.

D. Proposals for Laboratory or Dedicated Classroom Facilities for Incoming Faculty The hiring of laboratory science faculty can require substantial renovations to existing laboratory space. The Dean of Faculty will identify targets for hiring in the fall, so that preliminary conversations regarding the need for laboratory renovations can take place between the hiring department and B&G Services staff. Once a candidate has been retained, B&G Services will work with the department and the incoming faculty member to determine the scope of work and a timetable for completion. It is important to begin these discussions as soon as possible in the spring, so that laboratory renovation plans are included in the multi-year plan.

E. Proposals from CIS for Technology Infrastructure Computing and Information Services staff provide information on necessary improvements to the wired network infrastructure for the capital project forecast. Normally the improvement of Vassar's wired network is completed in conjunction with other building renovations to minimize cost.

F. Donor-Financed Projects Development staff receive information from the President and senior officers regarding priorities for fundraising, and generally solicit gifts for established fundraising goals. Recent examples include funding for the Vogelstein Center for Drama and Film, the renovation of Kenyon, Prentiss Fields, and improvement of Taylor Hall's main auditorium and renovation of the Maria Mitchell Observatory for offices and classroom space. Occasionally, a donor may propose a donation for renovations and construction outside of identified priorities. When a gift for facilities or equipment is accepted by the College, through procedures established by the President and the Vice President for Development, the capital budget is amended to integrate the gift into the longer range plan for facilities.

Integrating All Sources of Information into a Comprehensive Capital Plan Each fall, the financial staff update the College's capital budget plans based on new information provided by all of the channels listed above. The capital plan is reviewed carefully by several groups on campus, prior to Board review. The President and the senior officers, the Committee on Priorities and Planning, the Campus Master Planning Committee, the Development staff, and the financial staff are the primary groups that review the details of the updated capital budget plan. Information is also shared with the Classroom Committee, the Sustainability Committee, various program committees, and other parties who are interested in the development of campus plans.

During the review process, each group may focus on different aspects of the proposed investments in Vassar facilities. Among the considerations are:

- Programmatic need – Do the proposed investments support immediate, well-identified program requirements?
- Strategic considerations – Do the proposed investments support high level plans for moving the College forward?
- The urgency of addressing deferred maintenance and facility renewal

- Compliance considerations, including access for those with disabilities, environmental protection standards, fire code and life safety, etc.
- Issues associated with energy conservation and green building standards
- Issues of disruption and continuity on campus, not only for Vassar's core academic programs, but also for special summer programs, alumnae/i activities and community events
- Funding sources, including bond financing, donations, and unrestricted college resources
- Project management – Can we manage the full range of projects proposed, including oversight of architects and contractors, relocation and swing space, and communications with building occupants?

The final responsibility for recommending an integrated plan for facilities rests with the President and senior officers. The updated plan is presented to the Trustee Buildings and Grounds Committee and is an integral part of the budget recommended to the Trustee Budget and Finance Committee at their February meeting. The plans for the coming summer must be known to a high degree of certainty, while the information on subsequent fiscal years represents a preliminary estimate and is subject to revision when the plan is updated the following fall.

II. Cycle Maintenance

Based on a detailed analysis of Vassar facilities, the Committee on Priorities and Planning endorsed the concept of budgeting for the routine renewal of facility elements that have a relatively short useful life (5 to 7 years), but whose condition can be quite significant to the day-to-day experience in a facility. Such items include replacement of carpeting or tile, renewal of wood floors, periodic repainting, updating of lighting and scheduled bulb replacement, periodic exterior window cleaning. These items may take place during a major capital project, but under normal conditions, should be scheduled as part of routine maintenance by B&G Services.

The detailed proposal prepared for the Committee on Priorities and Planning indicated that an annual budget on the order of \$2 million annually would be necessary to provide the minimum level of periodic replacement and renewal. For 2008/09, a total of \$500,000 has been budgeted. As the College works to steadily increase the allowance for cycle maintenance, B&G Services will direct the resources at their disposal to the highest priorities.

A multi-year plan for use of cycle maintenance resources is shared annually with the Committee on Priorities and Planning. Inquiries regarding the schedule for use of cycle maintenance funds should be directed to Kiki Williams, the Director of Facilities Operations and Grounds at extension 5996 or kiwilliams@vassar.edu.

III. Furniture, Equipment, Technology and Vehicles

Departments, programs and offices should *normally request funding* for the purchase of office and instructional equipment *through the annual budget process initiated each year*. The budget guidelines and worksheets issued each fall by the Director of Budget and Planning identify categories for budgeting and the type of information needed to obtain approval. Definitions include

- **Minor equipment** – furniture and equipment other than computers and associated hardware/software, valued at \$1,000 or less at purchase. Such purchases should be budgeted and charged to **account code 62110** in the chart of accounts, for proper accounting and analysis.
- **Major equipment** – furniture and equipment other than computers and associated hardware/software, valued at more than \$1,000. Such purchases should be requested during the

operating budget process and eventually purchased using **account code 62105** in the chart of accounts).

When an equipment purchase requires support from B&G Services (connections to water, significantly higher power requirements, built-in cabinetry or other physical changes to the space), it is essential for the requesting department, program or office to coordinate with B&G early in the planning process. *At times, it may be more appropriate to consider the installation of major equipment as a “capital project” to be integrated into the planning and scheduling of renovations on campus.*

- **Technology (computers, peripherals, specialized media equipment)** – The College budgets all funding centrally through Computing and Information Services, and relies on CIS staff and their advisory committees to determine priorities. The College follows a regular allocation process to schedule the timing of desktop computer replacement, normally every four years. Departments, programs, and offices with special needs should discuss their concerns with John Collier, Director of User Services in CIS, ideally in the fall term, so that the budget plans of CIS can be adjusted to meet emerging needs.
- **Vehicles** – Most departments that rely on Vassar-owned cars or vans for transportation participate in the fleet management program coordinated by Dennis Cody, Lieutenant and Transportation Director in the Security Department. Those departments share vehicles, and Security budgets for maintenance and replacement of vehicles over time. The College encourages reliance on the vehicle pool whenever possible. Some departments – notably B&G, Security, CIS, Dining, and Residential Life – have justified a need for vehicles (usually carts and trucks) that serve only those departments. Each department should work with the Director of Budget and Planning to establish maintenance budgets within their department accounts, and appropriate funding levels for annual replacement charges.

In most cases, the College will follow a process of “zero-based budgeting,” with the department or office submitting a justification for significant costs related to furniture, equipment, technology, or vehicles. Certain departments with regular need for minor equipment purchases may be approved for block budgeting, subject to periodic confirmation of the continuing need with the Senior Officer and the Director of Budget and Planning.