

Facilities & Services Project Fees Operating Procedure

October 1, 2024

I. Information**Operating Procedure (OP) Title:** Facilities & Services Project Fees Operating Procedure**OP Owner:** Associate Vice Chancellor for Facilities and Services**Approved by:** Vice Chancellor for Finance and Administration**Targeted Review Date:** Annually in August**II. Scope**

This OP defines the fees assessed for repairing and renewing existing facilities and constructing new facilities to support the overhead and burden required of the University of Illinois Springfield (UIS) Facilities & Services (F&S) department.

III. Purpose

These fees cover the indirect costs associated with managing and ensuring the success of repair, modernization, and new construction projects and ensuring the department has the resources to meet various regulatory, safety, and quality standards. The indirect costs include:

1. **Project Management Costs:** Facilities and Services incur costs related to project management, including salaries of project managers, coordinators, and support staff. This fee helps cover the administrative expenses of planning, organizing, and overseeing construction and renovation projects. Attachment 1 lists the services levied on project managers during the lifespan of a project.
2. **Administrative Overhead:** Beyond direct project management, there are general administrative costs for running the Facilities and Services department. Overhead includes salaries, technology and software expenses, equipment, office supplies, fixtures, and other administrative functions. The fee helps ensure that these overhead costs are accounted for and do not place an unfunded expense on the F&S budget.
3. **Compliance and Regulatory Costs:** Ensuring construction projects comply with building codes, safety regulations, and other legal requirements incur additional costs. The fee can contribute to covering expenses related to obtaining permits, conducting inspections, and meeting regulatory standards.
4. **Quality Assurance:** The Facilities and Services department may invest in quality assurance measures to ensure construction and renovation projects meet established standards and specifications. Work can involve additional testing, inspections, and quality control processes funded through the overhead fee.

IV. Administrative Classification of Work

The administrative classification of work, distinguishing between projects and work orders, is crucial for effective resource allocation, budgeting, and compliance with institutional and regulatory requirements. Correctly classifying work also ensures appropriate management, adherence to procurement protocols, and proper coordination across departments, ultimately leading to better outcomes and accountability in facility repair, maintenance, renewal, and new construction.

1. **Repair and Maintenance Work Order:** A work order is a formal request to repair and maintain existing facilities and building systems. This type of order typically addresses issues that are necessary to maintain the safety, functionality, and appearance of a building. Work orders usually involve a single skilled trade and are managed internally by the facilities management team. They do not typically require professional service consultants, external contracts, or project management oversight. Work orders are used for:
 - **Routine Maintenance:** Ongoing activities necessary to maintain the proper function and safety of facilities and building systems. This includes tasks such as servicing heating, ventilation, and air conditioning (HVAC) systems, repairing plumbing, and conducting electrical maintenance, roof inspections, etc.
 - **Repairs:** Fixing or replacing damaged components, such as broken windows, leaky pipes, or faulty electrical outlets.
 - **Minor Adjustments or Updates:** Small-scale building and equipment updates that do not significantly alter the structure or function of a space, like repainting a wall or replacing a light fixture.

2. **Project:** A project involves more extensive management and oversight than a typical repair and maintenance work order and may include new construction or the renewal of existing equipment, spaces, or facilities. Construction projects often require the involvement of professional service consultants (such as architects and engineers) and contracts or purchase orders with external contractors. These projects typically involve multiple skilled trades and require significant coordination and planning. Projects, including those involving the Capital Development Board (CDB) or Public-Private Partnerships (P3), require the assignment of a university project manager (PM). A PM oversees the project's scope, budget, schedule, and quality, ensuring that all university and regulatory requirements are met. Key characteristics of a construction project include:
 - **New Construction:** Building new structures or significant additions to existing buildings.
 - **Renovations:** Major modifications to existing spaces that may involve reconfiguring layouts, updating systems (like plumbing, electrical, or HVAC), and altering finishes.
 - **Renewal:** Comprehensive upgrades to extend the useful life of a facility, such as complete roof replacements, structural improvements, or extensive mechanical system overhauls.

V. Procedures

Projects to renovate and modernize existing facilities and construct new facilities to meet university unit requirements are accomplished through appropriating and distributing project-specific funds. These projects will incur an assessment of the following fees:

1. **Project Management Fee:**
 - A project management fee will be collected on all project materials, services, and labor associated with the completion of the project. The fee includes but is not limited to the costs for planning, design, bidding, construction, project closeout, warranty coordination, and consulting in acquiring and installing furniture, fixtures, and equipment.

Project Budget	PM Fee
Less than \$100,000	8% of the Project Budget
\$100,000 to \$499,999	\$1K flat fee + 7% of the Total Project Budget
\$500,000 to \$999,999	\$5K flat fee + 6% of the Total Project Budget
\$1,000,000 to \$9,999,999	\$10K flat fee + 5% of the Total Project Budget
\$10,000,000 to \$24,999,999	\$100K flat fee + 4% of the Total Project Budget
\$25,000,000 to \$49,999,999	\$250K flat fee + 3% of the Total Project Budget
\$50,000,000 and greater	\$500K flat fee + 2% of the Total Project Budget
P3 Project	0.5% of the Total Project Budget
Other PM consultations (note 1)	\$75/hour

Note 1 – examples include coordinating the acquisition of unit-purchased furniture, fixtures, and equipment, coordinating the inspection or repair of unit mobile equipment, consultation and coordination of the installation of memorials, works of art, etc.

2. Project Administrative Fee:

- All projects will be assessed an administrative fee based on the project’s total cost, including the project management fee. This fee covers the overhead and burden rate of securing materials, issuing purchase orders, processing payments, project closeout, and other administrative tasks associated with project completion.

Project Budget	Project Administrative Fee
Less than \$1,000,000	3% of the Total Project Budget
\$1,000,000 to \$9,999,999	\$20,000 flat fee + 1% of the Total Project Budget
\$10,000,000 to \$24,999,999	\$25,000 flat fee + .75% of the Total Project Budget
\$25,000,000 and greater	\$62,500 flat fee + .5% of the Total Project Budget
P3 Project	0.1% of the Total Project Budget

3. Project Estimating Fee:

- Units requesting formal estimates will be assessed a fee of \$250.00 per estimate for up to four hours of work.
- Detailed estimates requiring more than four hours will incur an additional \$75.00 per hour assessment.
- If a unit proceeds with the project, the estimating fee will be applied and incorporated under the project management fee.
- Estimating fees do not include the costs associated with procuring the professional services consultants.

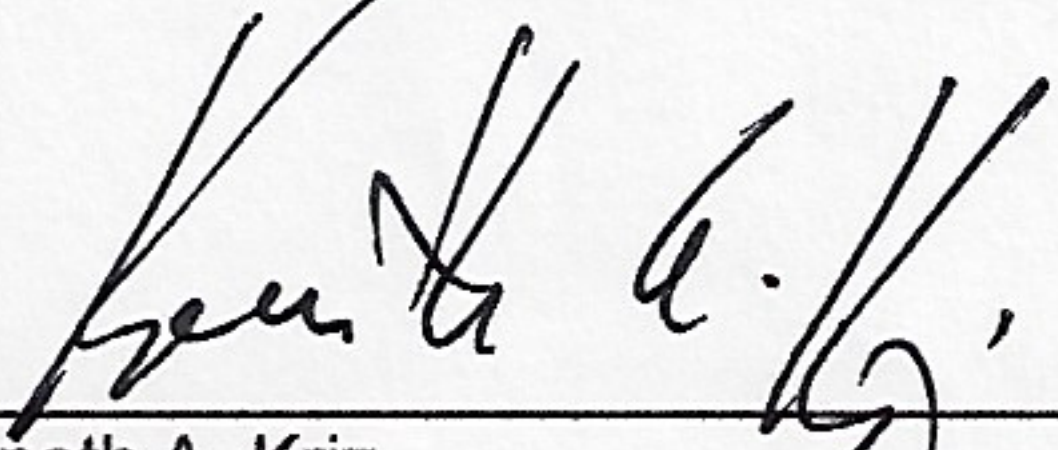
4. University Labor:

- When working on projects, an administrative service fee will be incorporated into the hourly labor rate for the staff in skilled trades, grounds maintenance, building services, and steam and power plant operations. This fee covers overhead costs, including vehicle maintenance and operation, communication services, and an administrative allowance for planning, sourcing, and acquiring materials and services. It also accounts for the depreciation of equipment and tools the staff uses. By including this service fee in the

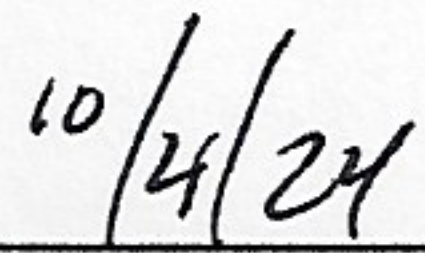
hourly rate, we ensure that necessary resources and support services are accounted for, enabling university employees to perform their duties efficiently and effectively.

Note: The university funds F&S to provide reoccurring preventative maintenance and repairs to state-funded facilities and their associated fixed building systems. These systems include structural, mechanical, electrical, plumbing, building envelope, life safety, and the periodic replacement of interior finishes in academic spaces that have reached the end of their service life. Research units, academic departments, academic support units, auxiliary units, and activities (e.g., Athletics, Performing Arts Center, Cox Children's Center, etc.) fund:

1. The renovation and modernization of existing facilities and the construction of new facilities to meet their enterprise requirements.
2. The acquisition of all furniture, fixtures, and equipment required to support the unit's enterprise.



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Effective Date

Attachment 1: Project Management Services

Project Management Services

1. Project Management and Oversight
 - 1.1 Act as primary liaison with management for project activities
 - 1.2 Manage and monitor project scope, schedule, and budget
 - 1.3 Manage relationships between design professionals, contractors, and staff
 - 1.4 Manage project communications
 - 1.5 Monitor design professionals, contractors, and technical service providers
 - 1.6 Procure design, construction, and technical service provider services
 - 1.7 Recommend alternative solutions while protecting clients' needs
 - 1.8 Support university leadership in strategic and campus master planning

2. Project Planning and Development
 - 2.1 Develop project delivery method strategy
 - 2.2 Conduct Life Cycle Cost Analysis
 - 2.3 Coordinate project easement requirements
 - 2.4 Develop owner's project requirements
 - 2.5 Establish "Basis of Design"
 - 2.6 Assist with capital improvement planning
 - 2.7 Support campus master planning
 - 2.8 Assist with campus infrastructure evaluation

3. Budgeting and Financial Management
 - 3.1 Approve, monitor, and develop detailed budgets
 - 3.2 Develop cash flows and monitor expenditures
 - 3.3 Function as fiduciary agent
 - 3.4 Perform budget and schedule scenario analysis
 - 3.5 Provide project accounting and audit services

4. Scheduling and Progress Monitoring
 - 4.1 Develop, analyze, evaluate, and forecast project schedules
 - 4.2 Monitor program budgets and schedules for compliance
 - 4.3 Assess impact of design or construction changes
 - 4.4 Report project status to stakeholders

5. Documentation and Compliance
 - 5.1 Manage and maintain project documentation
 - 5.2 Ensure document compliance with requirements
 - 5.3 Approve and administer contracts and work orders
 - 5.4 Review and process approval letters
 - 5.5 Confirm regulatory and code compliance
 - 5.6 Oversee project compliance throughout delivery phases
 - 5.7 Ensure, facilitate, and monitor usage of BEP/VPB businesses
 - 5.8 Monitor subcontracting plans for diversity compliance

6. Stakeholder Management

- 6.1 Facilitate timely decisions and report progress
- 6.2 Coordinate Board agenda items
- 6.3 Represent Institutions in negotiations
- 6.4 Schedule and conduct project meetings

- 7. Risk Management and Quality Assurance
 - 7.1 Coordinate project insurance requirements
 - 7.2 Provide drawing and specification quality assurance
 - 7.3 Manage Storm Water Pollution Prevention Plan
 - 7.4 Conduct contractor bonding and insurance reviews
 - 7.5 Provide legal counsel for design and construction issues
 - 7.6 Offer expert review of design documents and construction quality

- 8. Construction Inspection Services
 - 8.1 Conduct project safety inspections
 - 8.2 Attend pre-installation meetings
 - 8.3 Conduct various inspections (ceiling, wall, completion)
 - 8.4 Coordinate and monitor 3rd party testing
 - 8.5 Issue field directives and orders
 - 8.6 Monitor and document job site safety
 - 8.7 Review contractor submittals

- 9. Project Commissioning and Closeout
 - 9.1 Provide commissioning process support
 - 9.2 Monitor commissioning process
 - 9.3 Coordinate closeout document turnover
 - 9.4 Determine Substantial and Final Completion
 - 9.5 Monitor punch list completion
 - 9.6 Manage project closeout process
 - 9.7 Conduct warranty walk-through and reporting
 - 9.8 Monitor warranty issues

- 10. Furniture, Fixtures, and Equipment (FF&E) Services
 - 10.1 Plan and procure furnishings
 - 10.2 Evaluate furniture concepts, design, and construction
 - 10.3 Coordinate furniture move-in and activation
 - 10.4 Assist with facility activation

- 11. Additional Services and Resources
 - 11.1 Provide project delivery training
 - 11.2 Offer professional and technical process training
 - 11.3 Provide online building codes access
 - 11.4 Maintain design guidelines and specifications
 - 11.5 Offer technical services provider contracts
 - 11.6 Conduct real property acquisitions analysis
 - 11.7 Provide historical costs and schedule modeling