

CHARGE BACK/COST RECOVERY POLICY AND PROCEDURE

POLICY

General Fund Supported Operations

Under the guidelines established by the CSU Executive Order No. 847 - Policy Statement on Facility Maintenance. Dated January 10, 2003, campus service providers are required to develop a charge back/cost recovery system. In addition, campus policy and procedures must ensure the return of all costs to the physical plant operations budget for those services.

Self-Supporting Organizations

Funds provided from the general fund may be used to provide support for ancillary operations that are not funded through the general fund so long as there is recovery of the cost of such support. Source: Executive Order No. 753 – Allocation of Costs to Auxiliary Enterprises.

PURPOSE

Facilities Services' primary function is to provide maintenance or baseline services for the campus facilities and grounds and is funded by the General Fund. When receiving requests for non-maintenance services or for maintenance work beyond the program schedule, the costs of performing these activities are reimbursed by the requesting party.

Maintenance/Baseline Services

Baseline services include: Maintenance of electrical, natural gas, steam water, storm and sanitary distribution systems, heating, ventilation, air conditioning mechanical equipment, elevators and escalators and all associated equipment and accessories; building envelopes including walls, windows, and roofs; interior components as floors, stairs, ceilings, floor coverings, wall coverings, millwork, doors and hardware; special permanently affixed appurtenances such as signage, railing, hardscape such as sidewalks, curbing, roads, and stairways; and general grounds and landscape maintenance activities.

Sacramento State Self Supporting Organization

The following organizations are known to be self-supporting enterprises and do not receive State funding. There may be others not identified bellow.:

- Associated Students, Inc.
- Athletics
- Capital Public Radio, Inc. (See Contract)
- Child Care Center
- College of Continuing Education
- Contractor Support
- Copy Graphics Center
- Dining Commons
- Food Services
- Peak Adventures
- Recreational Sports
- Recycle Center
- Residential Life
- Student Health Center
- U.S. Geological Survey
- University Enterprises, Inc. (Adams, Bookstore, Placer, Modoc, Napa)
- University Union
- University Transportation and Parking

Charge Back/Cost Recovery Services

Facilities Services renders non-maintenance services upon special request. These services are not otherwise funded by the General Fund budget allocation. This work may include new construction, alterations, remodeling, the fabrication and installation of equipment or furnishings and maintenance services requested above and beyond the regularly scheduled occurrence. The charge to the requesting department will include labor, benefits and materials as well as appropriate indirect overhead costs.

Examples of charge back/cost recovery services include:

- Construction, installation and/or disassembling of cabinetry, shelving, furniture, bulletin boards, white boards, chalkboards, and the relocation of such items.
- Changes in door locks, including the re-keying of locks that are otherwise functional and sound.
- Any space change alterations or remodeling of the building structure, its hardware or mechanical and electrical systems.
- Installation and securing of pictures, bookcases, murals, projectors, screen, all computer components, televisions, and microwaves; and other similar equipment.
- Maintenance, repair, relocation, or disposal of departmental equipment and apparatus such as autoclaves, water distillers, icemakers, freezers, refrigerators,

athletic equipment, theater or production equipment including lighting and staging equipment.

- Maintenance and repair of departmental vehicles including fuel costs.
- Moving services and/or the removal of property including off-campus pickups and deliveries; providing packing materials for such moves.
- Special events setup and take down for various departmental functions that may include, but not limited to, tables and chairs and the installation of staging or platforms.
- Service requests that necessitate Facilities Services' employees to work events outside of their regularly scheduled work hours.
- Personal nameplates, office hour signs, special office directional and information signs. (Permanent building signage are considered baseline maintenance)
- Repairs to facilities due to departmental neglect or misuse.
- Custodial and grounds services requested outside of regularly scheduled working hours including service requests that exceed the frequency provided (under baseline maintenance).

Procedure

The following components make up Facilities Services' Procedures pertaining to General Fund Charge Back/Cost Recovery.

The customer is charged the actual cost if the project costs including all labor and materials are less than the estimate provided. In the event that the project cost exceeds the estimate, the customer is charged only the estimate amount.

Labor Costs

1. Labor rates are derived by averaging the actual hourly wage for each worker within a given craft. A composite dollar per hour average is established for the craft and a percentage is added to the hourly rate to cover overhead and appropriate chargeable benefits..
2. Labor rates shall be updated annually. Beginning in July of each fiscal year, all labor rates are recalculated to reflect changes in compensation within each bargaining unit's Memorandum of Understanding.

Materials

1. Material costs are billed as actual costs including tax, freight and shipping charges. A a percentage mark up is added to cover overhead costs.
2. Material costs are adjusted each time an order is received and is entered into the inventory control module.

Permit Process

See back page

Work Order Review

All non-maintenance work is considered cost recovery work and, therefore, requires a speed type that is provided by the requesting department or organization. Approval to charge the department or organization is required prior to scheduling the work. Approval constitutes an electronic signature by an authorized representative of the department or organization seeking the service.

In some instances, it may be necessary to contract the work. All contracted work must be reviewed, coordinated and approved by Facilities Services for code compliance, safety and collective bargaining (labor) considerations.

Scheduling

Once the work has been approved by the authorized requestor, the work is planned and scheduled. Materials are ordered and a start date is coordinated. Scheduling may be limited due to noise or disruptive nature of the work. The project can be expedited if the requestor can approve time and materials. Requestor should mention any sensitive dates that must be considered.

Inspection

During construction or in the course of rendering services, each cost recovery job is inspected from initiation through completion. Inspection and review is handled by a craft supervisor, a manager of record, and/or the Customer Services staff consisting of the manager or the Planner/Estimator/Scheduler to ensure that the work meets appropriate building codes, university standards, quality considerations and the customer's expectations.

Change Order Request

If additional work is requested by the customer or the scope of work changes during the course of the project, the requestor submits to Facilities Services a Change Order Request. The Manager of Customer Services or the Planner/Estimator/Scheduler assesses the change and determines whether a cost increase or decrease is required. A modified estimate in the form of a Change Order Request is given to the customer for approval to proceed. The customer has an opportunity to approve or reject the change order. Approval constitutes a signature from an authorized representative of the department or organization.

Review of Charges

Preliminary Report: Each cost recovery project or service order is reviewed before it is billed. A Preliminary Report is printed monthly and each charge back/cost recovery job is reviewed. The Preliminary Report consists of the project (work order) number, speed type, description of work, and the billed amount. Customer Service assures that all fields are populated with correct labor date entries, account numbers and that the billing type designations are accurate.

The Customer Service Manager and the Director of Facilities and Utilities will proceed to review the report for accuracy of labor and material costs, adherence to in-house charge back policy, and determine whether the billing type is accurate.

Billing

Once the billing review has taken place and discrepancies are dealt with, the billing procedure begins. This procedure begins by posting all work for the previous month on or about the tenth day of each month. The billing listing is electronically filed and submitted to Management Services at month's end for campus billing.

Cancellation

If a Project Request is cancelled after work has started, a charge will be made for the labor and material utilized. If the work order is cancelled before beginning the work, no charge is assessed to the customer.

Disputes

When the customer disputes charges, resolutions are handled individually by the Manager of Customer Service. Generally, the Manager of Customer Service discusses the issue with the customer and may provide the customer with a cost breakdown of labor and materials. Disputes are settled on a case-by-case basis.

Services Requests and Estimates

To request a service without a cost estimate, a work order request form is submitted with all relevant information along with a valid account number. The work will be performed on a time and material basis. If an estimate is desired, the requestor shall provide all of the pertinent information on a work order request form and submit the form to the Customer Service Center.

Uncomplicated requests are estimated on the information provided by the requestor. More complex requests may require a site visit to confirm all aspects of the project with the requestor. There are two types of estimates, 1) a budget or informal estimate and 2) a firm quotation.

Informal Estimate: is generally used by the requestor as input for a decision-making or budget planning purposes. This type of estimate will not involve the preparation of drawings, specifications or require specific planning activities. For general fund supported organizations there is no charge for this service. Self-supporting organizations will be charged for the estimate. In either case Facilities Services will not be obligated by the estimate due to its superficial nature.

Firm Quotation: provides the requestor with an approximate cost figure. The development of a firm quotation will generally require a site evaluation and departmental consultation. Appropriate drawings and specifications may be necessary in preparing an estimate for remodel and alteration work. Self supporting organizations will be charged for the estimate and any drawings or specification development. General fund operations will not be charged for estimates but will be assessed a fee for drawings and specification development. Estimates are valid for thirty days.

Prior to beginning any project, the requesting department must formally accept the estimate as provided by authorizing a work order and providing an account number signed by an individual authorized by the department to expend funds. Upon receipt of the authorized work order, Facilities Services will make a commitment to do the work at the Firm Quotation cost. General fund operations will not be charged any more than the Firm Quotation and in instances where the cost of the work is less than the quotation the customer receives the benefit of the lower price. Self-supporting organizations will be assessed actual costs including benefits.

In some instances because of workload conditions or the priority needs of the requesting department, it may be necessary for Facilities Services to contract with an off-campus vendor. Generally, contracting services may result in a higher cost that will be paid for by the requesting department. Any subsequent changes to the original scope of work or unforeseen conditions may also result in higher costs. Revisions to the original scope should be formalized by a Change Order Request submitted to the Customer Service Center and approved by an individual authorized to expend departmental funds. Approval constitutes a signature from an authorized representative of the department or organization.

Permit Process refer to : http://www.fm.csus.edu/Building_Permit_Program.htm

Code compliance for construction projects at CSUS is the responsibility of Facilities Services. Consistent with the Health and Safety Code Section 18901-18949.6 and California Building Code Section 101.17, Facilities Services has established a process for issuing university Building Permits. A building permit is required for all construction, alterations or additions to any structure or grounds area. The Building Permit program formalizes planning reviews and code compliance reviews performed by various committees and departments. In addition, the Building Permit re-enforces our primary objective to ensure that all construction projects on campus are quality improvements that are safe, accessible, energy efficient, and easy to maintain.