MINNESOTA STATE

30 East 7th Street
St. Paul, MN 55101

651-201-1800
888-667-2848

Instructions - Preparing 2020 HEAPR Requests

A. New Projects

- Requirements
  - Predesign (pdf) – 50% due September 20 - - 100% due November 22
  - Project Narrative (Word) – due November 22
  - Budget Worksheet (Excel) – 50% due September 20 - - 100% due November 22
- College / University Priorities
  - Provide System office with a preliminary reprioritized list of campus priorities (September 20)
  - Final priorities due November 22

B. Carryforward Projects

- **Due November 22**
- Updated Narrative (verifying scope and updating costs)
- Updated Budget Worksheet
- Predesigns – 1 page supplement summarizing change to existing predesign unless material scope change. If scope changes, campus will need to revise the predesign and resubmit to the system office.

C. Common to Both. All projects shall have –

- Predesign
- Project Narrative
- Budget Worksheet (including updated schedule)
- Include:
  - *Energy Analysis for HVAC projects – expected simple payback, expected operating savings and renewable energy evaluation*
  - *Facilities Condition Index for the building and campus (FY2019)*
  - *Estimated Deferred Maintenance Reduction if project is funded*

D. Where to Send the updated materials

- Capital Budget Request: https://mnscu.sharepoint.com/sites/CBR/SitePages/Home.aspx

Last updated: October 2018

MINNESOTA STATE COLLEGES AND UNIVERSITIES

- Select “Documents” and then “Upload”
- File Naming Convention:
- "2020HEAPR_[priority number]_InstName_Name of Project_Percent Submittal_DocType.xyz"
- Submittal docType
    - Predesign
    - Predesign update
    - Narrative
    - Workbook
    - Other (e.g. images)

E. Resource Links

HEAPR Schedule:
https://www.minnstate.edu/system/finance/facilities/capitalbudget/Capital%20Budget%20Schedule%20with%20HEAPR%20-%20Published%20April.pdf

Predesign RFP Template
https://www.minnstate.edu/system/finance/facilities/planning-programming/predesign/docs/2018-Full-RFP-Template_012318.docx

Professional/Technical Contract when soliciting from PT/Master Contract List
https://www.minnstate.edu/system/finance/facilities/planning-programming/predesign/docs/2018-PTMC-RFP-Template_012318.docx

HEAPR Forms
Narrative:
https://www.minnstate.edu/system/finance/facilities/capitalbudget/doc/Template---2019-2020-HEAPR-Project-Narrative.docx
Budget:
https://www.minnstate.edu/system/finance/facilities/design-construction/pm_emanual/doc/New%20Branding%20docs/PI%2021%20HEAPR_Small%20Project_Budget_worksheet%208-3-16.xlsx

HEAPR Guidelines (Attached)

Guidance for Prioritization of Higher Education Asset Preservation and Replacement (HEAPR) Projects

Eligible Projects

The State of Minnesota enacted a Higher Education Asset Preservation and Replacement statute (HEAPR) in 1994 to ensure that colleges and universities have a means to address deficiencies in campus facilities, focused on keeping colleges and universities safe, warm and dry. State statute outlines the types of projects that qualify for HEAPR funding, which include:

- Code compliance including health and safety
- Americans with Disabilities Act requirements
- Hazardous material abatement
- Access improvement, or air quality improvement
- Building energy efficiency improvements using current best practices
- Building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings, or
- Renewal to support the existing programmatic mission of the campuses

From Minn. Stat. 135A.046, Subd. 2

HEAPR funds are considered "restricted" funds in that amounts can only be spent for eligible purposes.

Funding Strategy

The system office develops prioritized HEAPR lists during the capital budget process based on key strategic priorities and input from campuses as to their top reinvestment needs. During a typical capital budget cycle, the system office cultivates and publishes a list of proposed HEAPR projects based on input from campuses.

Each college and university has deferred maintenance backlog and a need for reinvestment in their campus facilities. Because of this need, and unlike the individual capital project process, the system's HEAPR strategy seeks to maximize reinvestment as broadly as possible, focusing on individual college and university HEAPR priorities.

HEAPR Funding and Timing of Requests

Capital Budget Process
The system office organizes a formal process to develop a list of HEAPR projects in advance of any given capital budget cycle. The process requires submittal of predesign and financial

information on specific timelines and is a pre-condition to be included on a formal, publicized HEAPR project list.

The system office manages HEAPR project lists from year to year. Campuses have opportunities to adjust the priority order of their lists periodically until the lists are "frozen" during legislative sessions.

After the Bonding Bill
After a given capital budget is passed, the official HEAPR lists containing proposed campus priority projects are re-verified. At that time, campuses should re-endorse their priorities or may elect to reprioritize their project list. If the latter, any reprioritization or swap of their HEAPR project that is identified for funding must have 1) justification for the swap and 2) a current predesign, narrative and financial details.

After the HEAPR list project funding occurs, the system will often carry unassigned HEAPR funds to account for 1) Emergency needs (Emergency or Urgent Needs) that occur between bonding sessions, 2) Funding design work on future HEAPR projects (Advance Design), and 3) if warranted, open a mid-year review and consideration of project funding from unassigned HEAPR funds. (Mid-Year Appropriation)

Prioritization

Core Considerations

The system has established the following core considerations when prioritizing HEAPR projects:

A. **Campus Facilities Condition Index**. Minnesota State maintains a facilities condition index (FCI) that measures maintenance backlog and future renewal needs. The system seeks to achieve and maintain FCI of 0.10, which represents approximately 10% of a campus's building systems in backlog status. The system's current overall FCI is 0.11. FCI is updated annually and serves as a broad element in prioritizing asset preservation requests.

B. **Campus Priorities.** Minnesota State evaluates and monitors actual building conditions through a variety of means, such as roof surveys, engineering studies and through monitoring energy and water consumption. Prior to each capital budget cycle, the system solicits campus HEAPR priorities and asks the campus to rank order its priorities. The system uses individual college and university rank ordering as part of its consideration of what system level priorities should be put forth on the HEAPR list.

C. **Project Readiness.** Minnesota State prioritizes projects that are more ready than others. For example, projects that are designed and are ready to be bid out are weighed more favorably for funding than those that are earlier in the planning process.

D. **Utility Master Planning.** Campuses are strongly encouraged to undertake utility master planning in coordination with their regular comprehensive facilities plan updates. The system has

promulgated utility master plan guidelines to assist campuses in efforts to identify key areas for repair and replacement that meet a campus's overall strategic objectives.

E. Geographic Equity. The system considers whether a campus or region of campuses has received equitable funding to advance their asset preservation priorities during the last 2-3 biennial cycles.

F. Qualitative Factors of Asset Preservation

A HEAPR project is meant to address major, capital repairs that is beyond ordinary repair and maintenance a campus is expected to complete using its own resources. After evaluating the core considerations, Minnesota State considers five qualitative (5) factors when prioritizing overall system-wide HEAPR requests:

1. Safety and security. A building system (or lack thereof) or condition that poses an impending threat or harm to the safety of students, faculty, and staff if not corrected. ***Campuses should not rely solely on receipt of HEAPR dollars to address conditions that pose an immediate and direct threat to life or property and may need to use campus funds to implement a temporary fix.*** For example, securing loose bricks on the exterior of the building or replacing a boiler or piping system that is at risk of rupture or failure.

Priority Level	Condition
High	Injury has occurred or very likely to occur without corrective action
Medium	Constant monitoring required to manage the risk of injury
Low	Campus monitoring ongoing, conditions expected to worsen, but no immediate risk to health, life or safety

2. Code, compliance or identified obligation. Imminent enforcement actions or fines for failure to comply. Campus unable to accomplish a permanent fix solely with campus operating funds. For example, this may include upgrading restrooms to meet current codes or upgrading indoor air quality to meet more rigid standards.

Priority Level	Condition
High	Fines or enforcement has occurred or very likely to occur; corrective agreement with enforcing agency in place, or campus needs to make code updates as part of an internal renovation (the latter requires appropriate financial plans approved)
Medium	Code upgrades needed, but no immediate enforcement action
Low	Code or compliance solution can be managed by campus

3. Imminent facility system failure. Where there is no suitable back up option and failure will directly halt or severely impact space or operations. For example, a roof failure that causes water to flow into a classroom, library or lab, making the space unusable, or replacement parts that are no longer being manufactured for a boiler system heightens the risk that a failure could shut down a building on campus.

Priority Level	Condition

High	Imminent failure; replacement is only viable option Failure would halt instruction or create dangerous conditions
Medium	Failure causes occupant discomfort (e.g. roof leaks) that may be corrected temporarily; longer term solution is more cost effective
Low	Identified in backlog and on schedule for repair or replacement, but campus manages discomfort or unsightliness of condition

4. Integral part of state system needs and/or leverages other funds. A situation where the college or university may have other sources of funds and where leveraging HEAPR dollars is advantageous. For example, if the college or university uses performance contracts to improve energy efficiency, there may be advantage to leveraging HEAPR dollars at the same time.

Priority Level	**Condition**
High	Asset preservation funds are identified in advance as part of the construction project; campus has prepared a financial plan to fund the capital improvement approved by the system office in advance of the request
Medium	Without HEAPR funds, newly renovated space may be jeopardized by leaks or
Low	Failing to plan for total cost of project; need for funds comes after the project

5. Supporting existing academic programming. Where a companion renovation project requires additional building infrastructure needs, such as power or specialized air handling, to accomplish the program objectives. Examples include enhanced building systems to accommodate welding, automotive and chemistry programs or the need to establish a centralized plant to accommodate steam or other specialized needs.

Priority Level	**Condition**
High	Funding tied to support an academic program
Medium	Funding supports student support or faculty / staff office
Low	Funding does not support academic programming or has minimal impact