




Office of Facilities

DISCOVER THE POWER OF IDEAS

## MEMORANDUM

**DATE:** April 1, 2008

**TO:** UNT Denton Campus

**FROM:** Charles Jackson  
Executive Director of Facilities 

**RE:** Renovation / Remodel billing

Facilities has evaluated the way we deliver small to medium size remodeling projects in keeping with our concept of continuous improvement. We have reviewed the methodologies and approaches used by other institutions and as a result we are changing our billing policy for remodels and renovations.

A significant issue is that the Facilities work order system is a management information tool and not a billing system. As a result, our customers see a steady stream of small charges instead of a single billed amount in their departmental budget summary as the trades people complete their individual work orders. This makes it next-to-impossible for the customer to determine the true cost of their project in a timely manner since in many cases these charges trickle in over several months as the work orders are closed.

When an outside vendor prices remodel work, the contractor provides a firm price for a defined scope of work. The cost of the items might be negotiated, but at the end of the discussion a scope and price of the work are mutually agreed to. The contractor might ask for a payment to "get started" and definitely for a final payment at the end when the work is satisfactorily complete.

UNT Facilities is determined to be the "provider of choice" and to conduct our business competitively as an outside vendor. With Budget Office assistance a Facilities construction account has been established. What this means is that the customer will see only two charges to their departmental account instead of multiple IDTs for each facet of the project.

When a remodeling project is initiated through the Project Initiation Worksheet (PIW) process, Facilities Management and Construction will assign a Project Manager who will prepare project plans and a detailed estimate. The customer and the Project Manager will agree to the scope and the price prior to the commencement of any work. The customer will sign a document with the agreed upon scope and cost and be billed for 50% for the approved amount.

Purchase orders for materials, supplies, and outside labor (if required) will be written on the Facilities account instead of the customer's account as is the practice now. The final 50% of the agreed upon cost will be billed at the end of the project along with any approved change orders. This charge will occur only when the customer and Project Manager tour the remodel and agree that the work is satisfactorily complete in accordance with the defined scope.

This process will end the cost overrun issue for the customer and resolve the billing issues that exist with our current system. In addition, Facilities will be operating as an accountable outside contractor; after all, our goal is to deliver a superior product at a lower cost.

If you have any questions about this new billing process, please contact Bobbie Tassinari, Associate Director of Business Services.