

## CONSTRUCTION VS MAINTENANCE WORK

**Maintenance Work:** The repair or routine servicing, but not the replacement, of existing facilities or systems when the size, type or extent of the existing facilities is not thereby changed or increased. (Per FMPPM Chapter 12)

<https://www.umssystem.edu/ums/rules/fpm>

Dollar Threshold	Payment Method	Process
\$0 - \$5,000	University OneCard or Purchasing Requisition	<p><b>Materials Only (work by in-house staff)</b>– If the necessary materials are not available through a Show Me Shop contract, the University OneCard may be used to purchase materials, if the supplier accepts credit cards.</p> <p><b>Services/Labor by outside Supplier</b> - If the work is performed by an outside supplier, payment should NOT be made with the University OneCard. If a credit card is the only acceptable method of payment allowed, verification of appropriate insurance should occur <b>BEFORE</b> the work is completed.</p> <p><b>Materials and Labor provided by outside Supplier</b> - If the work is performed by an outside supplier, payment should NOT be made with the University OneCard. If a credit card is the only acceptable method of payment allowed, verification of appropriate insurance should occur <b>BEFORE</b> the work is completed.</p>
\$5,001 - \$10,000 (one time need)	Purchasing Requisition	<p><b>Materials Only (work by in-house staff)</b> – If the necessary materials are not available through a Show Me Shop contract, a PeopleSoft requisition is required to be entered BEFORE the goods are purchased.</p> <p><b>Services/Labor by outside Supplier</b> - If the work is performed by an outside supplier, verification of appropriate insurance should occur <b>BEFORE</b> the work is completed.</p> <p><b>Materials and Labor provided by outside Supplier</b> - If the work is performed by an outside supplier, verification of appropriate insurance should occur <b>BEFORE</b> the work is completed.</p>
Over \$10,000 (either one time, or over course of a year)	Purchasing Requisition	<p><b>Materials Only (work by in-house staff)</b>– If the necessary materials are not available through a Show Me Shop contract, a competitively bid contract must be put into place. This can be through a University sponsored bid, or by accessing a Group Purchasing Organization (GPO) contract. If there is an on-going need with the supplier, a blanket purchase order can be established.</p> <p><b>Services/Labor by outside Supplier</b> – If the work is performed by an outside supplier, verification of appropriate insurance should occur <b>BEFORE</b> the work is completed. Competitive bids must be obtained.</p> <p><b>Materials and Labor provided by outside Supplier</b> - If the work is performed by an outside supplier, verification of appropriate insurance should occur <b>BEFORE</b> the work is completed. Competitive bids must be obtained.</p>
Over \$100,000	Purchasing Requisition	Formal competitive bids or proposals must be obtained, unless a Group Purchasing Organization contract exists.

**Construction Work:** The procurement of goods and services for use in the construction, or modifications to physical facilities. Construction shall include material purchases that are included in a project, if the bid includes material and labor. Special material purchases for custom plant equipment may also be classified as construction. (Per FMPPM Chapter 12) <https://www.umsystem.edu/ums/rules/fpm> Examples:

- (1) Replacing the pump motor, bearings or impeller is maintenance. Replacing the pump is construction.
- (2) Patching a leak in a roof is maintenance. Replacing a portion of the roof is construction.

Dollar Threshold	Acquisition Method	Process
\$0 - \$25,000	Direct Award (see attachment for more details)	<p>Can be sent to one contractor for a bid. Avoid using the same contractor for multiple projects, spread the opportunities.</p> <ul style="list-style-type: none"> <li>• A written description of the work is required, including schedule, special conditions, references to drawings and specifications (if applicable).</li> <li>• Design documents must be created, and code implications must be clearly described and detailed. Design documents must be sealed by an architect or engineer (with exceptions per UM procedures (ie paint, floor covering, etc)).</li> <li>• A bid form is not required.</li> <li>• Contractor is to provide written, itemized bid on their letterhead.</li> <li>• Supplier Diversity is not required but SDVE participation is encouraged.</li> <li>• Permits and code inspections are required per UM procedures.</li> <li>• Prevailing wage and certified payrolls is not required.</li> <li>• Bonds are not required.</li> </ul>
\$25,000 - \$100,000	Quick Bid (see attachment for more details)	<p>May solicit bids from a minimum of three (3) contractors without formal advertisement. Confirm all three (3) will submit a bid or seek other bidders.</p> <ul style="list-style-type: none"> <li>• Design documents must be created, and code implications must be clearly described and detailed. Design documents must be sealed by an architect or engineer (with exceptions per UM procedures (ie paint, floor covering, etc)).</li> <li>• A written description of the work is required, including current prevailing wage determination, schedule, special conditions, references to drawings and specifications (if applicable).</li> <li>• Standard UM bid form is required.</li> <li>• Per State statute and University policy, if the construction value is over \$50K then performance and labor &amp; material bonds are required. Since a lien cannot be placed on state property, the payment bond provides the subcontractors and material suppliers a means to be paid if the contractor defaults and the performance bond protects the university if the contractor defaults or doesn't perform.</li> <li>• Per State statute and University policy, if the construction value is over \$75K then prevailing wage for the county in which the work takes place must be paid. Certified payroll is required.</li> <li>• Per State statute and University policy, a 3% SDVE Goal and 3 point bonus is required on all bids.</li> <li>• Per University policy, all project over \$100K require a Minority, Women, Veteran, Disadvantage Supplier Diversity goal and good faith effort requirement.</li> <li>• Final inspection and certification letters are required.</li> </ul>

Over \$100,000	Design Bid Build	Primary method to solicit bids – See FMPPM Chapter 6
	Design/Build	2 step process – Qualifications then Design competition) see FMPPM Chapter 7
	CMR	2 step process – Qualifications then bid fee, GCs, Insurance, Bonds) See FMPPM Chapter 8
	CMA	CMA- Historically we see no value in this See FMPPM Chapter 9
	Master Construction Agreement	Bid every 5 years Currently BRIS See FMPPM Chapter 10

**Construction Work Bid by Procurement** (see FMPPM Chapter 2)

- Procurement may bid some items typical to Construction that require some installation on university property such as blinds, drapery, free standing cabinetry, furniture, and movable partitions (without electrical wiring). The Project Manager may engage procurement to buy such items for a construction project.
- Whenever Procurement receives a request from a department other than Facilities that involves the labor and materials for construction on fixed works on university owned or leased property, Procurement shall contact the campus construction management administrator who shall determine the extent, if any, of campus design & construction services involvement. If campus design & construction support is necessary, support fees may be charged to the client. Typical determinations are:
  - The project should be managed by campus construction, or
  - The project should be bid by Procurement with campus construction staff reviewing design documents, compliance with university building codes and standards, insurance requirements, on-site construction activities, and quality control, or
  - No campus construction support is necessary.
- Examples of work that should be reviewed with the campus construction administrator are:
  - Work requiring the design by an architect/engineer by UM policy and Missouri Law.
  - Work that may alter an existing facility and impact building life safety codes, access standards, and/or university standards.
  - Office remodeling, painting, carpet replacement, lighting/electrical alterations.
  - Agriculture and/or pre-manufactured buildings.
  - Self-contained laboratory clean rooms and installed medical equipment such as an MRI.
  - Parking lots, walks, drives, drainage, exterior lighting, fencing and any other site work.
  - Scoreboards & signs.
  - Fixed works alterations & improvements.
- Materials for construction may be purchased through Procurement
- If construction work is approved to be purchased through Procurement a PO is issued. If over \$10,000, a competitive bid must be processed. If over \$50,000 bonds are required, and if over \$75,000 prevailing wage is required. A Purchase Order doesn't provide the same level of protection to the University that the construction contract does.