



NEES

Major Equipment Repair Policy and Procedures



Version 1.0 – October 6, 2010

Introduction

The NEES Equipment Sites comprise a large investment in capital infrastructure, including \$83 million of direct investment by the National Science Foundation, leveraging of the existing laboratory facilities and matching contributions from the site institutions. It is expected that unpredictable and potentially extensive repairs of a portion of the equipment will be needed in the future.

This policy establishes guidelines and procedures for the successful completion of major equipment repairs. The goals of the policy are to:

- use NSF resources responsibly;
- be fair and equitable to Equipment Sites, Facility Users and the NEES Community;
- be consistent with the original vision of NEES;
- have realistic expectations of responsible parties;
- minimize the impact to services provided by the NEES network and infrastructure.

For equipment covered under the MTS subaward, this policy applies only to non-budgeted equipment repairs totaling more than \$25,000. For equipment not covered under the MTS subaward, this policy applies only to non-budgeted equipment repair costs in excess of \$10,000.

Funding Sources

Sites and NEEScomm have a variety of resources available to address major repairs. The following funding sources will be considered when constructing a major repair strategy:

- NEES Management, Operations and Maintenance (O&M) Budgets. The NEES Equipment Sites receive annual funding to support facility, staff, equipment, travel, materials and supplies. With the approval of the NEEScomm DSO, sites may reallocate funds within their O&M budgets to cover all or a portion of the cost of major equipment repairs.
- MTS flexible funds. Most of the equipment at MTS-supported sites is maintained under a separate centralized subaward to MTS. Funds (known as MTS flexible funds) are budgeted annually for repairs for MTS-supported equipment.
- Program Income. Program Income is gross income earned by the subawardee that is directly generated by a supported activity or earned as a result of the award. Program Income is to be used to further project objectives, including repairing, upgrading, and maintaining the NSF funded equipment.

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- Other Non-NEES Funding Sources. Additional potential funding sources at NEES facilities include, but are not limited to: the university, the college, the department and engineering centers.
- NEEScomm Capital Replacement Budget. The NEEScomm Capital Replacement Budget is dedicated to major equipment repairs. This budget is intended to be used to purchase repair/replacement parts and engage outside vendors to assist with repairs. In general, site personnel costs should be reallocated within the normal O&M budget, but in special circumstances, NEEScomm will consider requests for additional support for Site personnel costs.

Procedure

- 1) NEES Sites will notify NEEScomm Director of Site Operations of the need for major equipment repair support as soon as practical.
- 2) If deemed an emergency, NEEScomm Director of Site Operations may make available immediate funding up to \$50,000 through the Capital Replacement Budget in order to commence repairs while the following formal procedure is executed.
- 3) The NEES Equipment Site will provide a Repair Support Request to NEEScomm that includes:
 - a. A description of the damaged equipment including Manufacturer and Model Number,
 - b. Description of the incident or conditions in which the damage to the equipment occurred.
 - c. Likely explanations for why the damage occurred. If applicable, include a description of any suspected manufacturer defects or errors made by contracted vendors.
 - d. Previous use of the damaged equipment over the past twelve months including approximate dates of use and whether the experiments were approved NEES shared-use projects or non-NEES projects.
 - e. Forecasted demand for the damaged equipment for the next year, including estimated dates of use and whether the experiments are approved NEES shared-use projects or non-NEES projects.
 - f. An initial estimate of the complete repair budget, including indirect costs and quotes from all vendors. If there are multiple repair options, the request should include budgets and descriptions for each option, and the Site's recommendations on repair options.
 - g. The anticipated capability of the Equipment Site to re-budget and reallocate site O&M funds to cover a portion of the repair costs.

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- 4) The NEEScomm DSO will review the Repair Support Request and prepare a Repair Support Recommendation for funding the equipment repair within 15 business days of receiving a complete Repair Support Request. The recommendation will consider:
 - a. current balances in, or availability of, the funding sources listed above.
 - b. the anticipated project demand for damaged equipment
 - c. the time in the fiscal year
 - d. the impact on a Site's ability to carry-out planned activities and maintain staff
 - e. the ability to shift near-term work to alternate Sites
 - f. the cause of damaging incident and the equipment maintenance/repair history.
 - g. other pertinent factors.

- 5) If the total repair cost does not exceed \$100,000 the NEEScomm Director of Site Operations will review the Repair Support Request; approval authority resides with the NEEScomm Director of Site Operations.

- 6) If the total repair cost is greater than \$100,000 but does not exceed \$200,000 the Director of Site Operations will review the request and make recommendations regarding approval to the NEEScomm Deputy Center Director. Approval authority resides with the NEEScomm Deputy Center Director.

- 7) If the total repair cost exceeds \$200,000 the Director of Site Operations will review the request and make recommendations regarding approval to the NEEScomm Deputy Center Director and Center Director. Approval authority resides with the NEEScomm Center Director.

For requests exceeding \$100,000, the NEEScomm Director of Site Operations will convene a group of at least three non-interested technical advisors, including at least one from a site and one from the SOS, to provide advice and a recommendation regarding the request. Approval authority resides with NEEScomm.

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If an Equipment Site disagrees with NEEScomm's initial funding decision, the Site may submit an appeal to the NEEScomm DSO. This appeal will be reviewed by a committee consisting of the Deputy Center Director, Center Director and the chair of the Equipment Site Forum. This committee may contact the Equipment Site for additional information if necessary. If an Equipment Site disagrees with NEEScomm's decision on the appeal, then the site may appeal to the NEES Governance Board. The Governance Board will review the NEEScomm decision and Equipment Site appeal and make a recommendation to the NEEScomm Center Director. The Center Director will take into account the Governance Board's recommendation and consult with the National Science Foundation and make a final decision regarding the appeal.

- 8) If re-budgeting of the Equipment Site Operations and Maintenance budget is included as part of the approved recommendation, the NEES Equipment Site must also follow the re-budgeting guidelines defined in the Fiscal Control Policy (FCP).

If additional funding is approved by NEEScomm, Sites should submit to NEEScomm a formal proposal thru their Sponsored Programs Office (SPO) in order that subaward amendment paperwork can be prepared. On request, NEEScomm will provide a letter of intent to Sites regarding the additional funding so purchases can proceed while contractual paperwork processes.

- 9) After repair funding has been approved, financial monitoring of repair activities will occur through quarterly reporting guidelines. Upon completion of the repair the Site will provide a summary report and a statement of equipment functionality.

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