



Date: March 4, 2014

To: Gayle Gorrill, VP Finance

From: Kristi Simpson, AVP, Financial Planning & Operations &  
Ron Proulx, Executive Director, Facilities Management

Re: **Facilities Management - Chargeback Fees Proposal – Effective Date: April 1, 2014**

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### Service Overview:

Facilities Management provides a wide range of services across campus including services rendered for ancillary and agencies in affiliation with Uvic. Services are provided for expertise in areas such as carpentry, electrical, grounds and horticultural, janitorial, mechanical, painting, plumbing, and distribution services (mail and delivery). It has been determined through this review that supplemental services are those that are requested either from ancillary and agency or requests that are deemed above the normal service levels (Core Services). We are not currently proposing any changes to Facilities Managements Core or Supplemental services. Capital Development services and chargeback rate will be reviewed separately and has not been included in our recommendation below.

### Proposed Chargeback Rate Composition:

- 1) **Average Hourly Rate Paid:** We have based the average hourly rate on total dollar paid (includes April 1, 2013 wage increase) over hours paid per shop. This hourly rate does not include management wages, overtime, and termination payouts. The rate does include supervisory wages, provisional pay and premiums.
- 2) **Time off recovery:** We have included a 19% charge to the average hourly rates for time off recovery (i.e. backfill for vacation, sick time, training time and other time off)
- 3) **Preparation and cleanup:** We have included 10% for job preparation and job/shop cleanup.
- 4) **Vehicle and Equipment Recovery:** \$2.00 per billable hour has been added to the chargeback rate for equipment and vehicle replacement and repairs.
- 5) **Administrative Recovery:** We have factored in \$2.10 per billable hour for administrative time recovery.
- 6) **Benefit Recovery:** We have increased the chargeback rate for Ancillary and Agencies to include 20% for benefits. Currently benefit costs are not recovered and are expensed to the central account.

*These costs will be reviewed each year and increased or decreased in conjunction the average hourly wage and Collective Agreement changes.*

**Chargeback Fees: Table 1 Proposed Internal Chargeback Rates:**

Shop	Proposed Chargeback Rates	Current Rates	Variance	% Variance
Carpentry Shop	41.00	\$44.71	-\$3.71	-8%
Distribution Services	32.00	\$49.97	-\$17.97	-36%
Electrical Shop	40.00	\$46.67	-\$6.67	-14%
Grounds Maintenance	32.00	\$36.86	-\$4.86	-13%
Janitorial Operations	28.00	\$32.11	-\$4.11	-13%
Mechanical Shop	42.00	\$46.67	-\$4.67	-10%
Paint Shop	40.00	\$44.71	-\$4.71	-11%
Plumbing Shop	42.00	\$46.67	-\$4.67	-10%

*The rates above include April 1, 2013 wage increase.*

**Chargeback Fees: Table 2 Proposed Ancillary and Agency Chargeback Rates (Includes 20% benefit recovery):**

Shop	Proposed Chargeback Rates	Current Rates	Variance	% Variance
Carpentry Shop	\$46.00	\$44.71	\$1.29	3%
Distribution Services	\$36.00	\$49.97	-\$13.97	-28%
Electrical Shop	\$45.00	\$46.67	-\$1.67	-4%
Grounds Maintenance	\$37.00	\$36.86	\$0.14	0%
Janitorial Operations	\$32.00	\$32.11	-\$0.11	0%
Mechanical Shop	\$48.00	\$46.67	\$1.33	3%
Paint Shop	\$46.00	\$44.71	\$1.29	3%
Plumbing Shop	\$48.00	\$46.67	\$1.33	3%

*The rates above include April 1, 2013 wage increase.*

**Conclusion:**

We propose the approval of the revised chargeback fee in the specified areas of Facilities Management as listed in Table 1 &2 above. The rates above will come into effect April 1, 2014.