

UGANDA MANAGEMENT INSTITUTE



Policy Name:	FACILITIES' ACQUISITION AND MAINTENANCE (FAM) POLICY		Policy Code Number [ISO NO.]	-----
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FOREWORD

Uganda Management Institute (UMI) owns and operates an extensive portfolio of movable and fixed assets including land utilized to facilitate delivery of its Mandate for *training, education, applied research, consultancies and community engagements*. These assets are often acquired without due regard on *how* they shall be maintained and *what* additional resources ought to be provided in order to manage them well. In general, Facilities Acquisition and Maintenance (FAM) has become a major concern to organisations, particularly educational institutions such as UMI. While the procurement law, regulations and guidelines provide a framework for efficient procurement it is not explicitly guide on acquisition with future maintenance challenges in perspective. The acquisition, preservation and maintenance of UMI assets have hitherto been managed without the guidance of a dedicated policy which has now been developed. It is the Facilities Acquisition and Maintenance (FAM) Policy.

This FAM policy provides the management framework to ensure 1) Institute acquisitions take careful consideration of the required future costs of preservation and maintenance, 2) Institute assets are maintained in excellent working condition, 3) Assets attain maximum useful life, and 4) Minimise Total Cost of Ownership (TCO). The policy document outlines a consistent approach to the maintenance of all the Institute facilities. In addition, it prescribes roles and responsibilities of various organs of institute and all stakeholders involved in the use, maintenance and preservation of the facilities.

I am confident that with the implementation of the Policy, UMI future acquisitions, current facilities will be well preserved, maintained in a sustainable, safe and secure condition while prolonging useful life span at optimal total cost of ownership. I wish to assure the Institute Community and Stakeholders that UMI is committed to the full implementation of this policy.

Chev. F.X. Lubanga
Chairperson
UMI Governing Council

ACKNOWLEDGEMENTS

I wish to extend my appreciation to the Management and Staff of UMI for the great contribution made towards formulating the Facilities Acquisition and Maintenance Policy for the Institute.

Special thanks go to the Facilities Maintenance Policy Formulation Committee that spearheaded and coordinated the activities of drafting the policy. You did a great job with a lot of dedication and commitment.

This FAM policy will guide UMI to proactively manage and coordinate acquisitions of facilities, their preservation and maintenance. The policy will also simplify strategic decision making in the promotion of efficient and effective use of facilities while ensuring optimal total cost of ownership.

I call upon management and all staff including other stakeholders of UMI to embrace this policy and actively participate in its operationalisation. Together we shall achieve the dream of being a “World Class Management Development Institute.”

Dr. James L. Nkata
DIRECTOR GENERAL

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ACRONYMS AND ABBREVIATIONS

DG	-	Director General
DFA	-	Director of Finance & Administration
DPSA	-	Director of Programs & Student Affairs
FA	-	Finance & Administration
FAMP	-	Facilities Acquisition & Maintenance Policy
HODs	-	Head of Departments
ICT		Information & Communications Technology
ISO	-	International Standards Organisation
OHS	-	Occupational Health, Safety and Security
TCO		Total Cost of Ownership
TMT	-	Top Management Team
UMI	-	Uganda Management Institute
VAC		Ventilation & Air Conditioning
VFM	-	Value for Money

DEFINITIONS OF KEY CONCEPTS

- Acquisition** The buying or obtaining of assets such as equipment, land or facilities in general
- Assets:** Something that an entity acquires or purchases and have money value. All assets are presumed as facilities.
- Facilities:** Places, amenities or equipment provided for a purpose.
- Facility maintenance** is the process of increasing the utility of a building by regularly servicing capital assets, commercial appliances, and areas inside or around a building.
- Maintenance:** Work performed to a facility or the fixed systems and building service equipment therein, for the purpose of sustaining quality and function.
- Planned maintenance:** Upkeep of property, machinery, and facilities, including buildings, utility systems, roads, and grounds. It is often characterized by its routine or recurring nature.
- Preservation:** Keeping and maintaining to make sure that the object is protected against decay and will be (nearly) the same in future.
- Preventive Maintenance:** Planned actions undertaken to retain an item at a specified level of performance by providing repetitive scheduled tasks that prolong system operation and

useful life: inspection, cleaning, lubrication, and part replacement.

Repairs:

The reconstruction or renewal of any part of an existing facility for the purpose of maintenance or restoration of its state

Total Cost Of Ownership (TCO) is the purchase or acquisition price of an asset plus the costs of operation. TCO aids decision making when choosing among alternatives with a view of *not just at an item's short-term price*, known as its purchase price, but also at its *long-term price*, which is its Total Cost of Ownership. The item with the lower total cost of ownership is the better value in the long run.

EXECUTIVE SUMMARY

Preservation and maintenance of Institute assets has been a concern of the Governing Council and was observed by the African Development Bank (ADB) at the completion of Jubilee building, one of the major acquisitions of the Institute in the recent past. Due to these concerns by the various key stakeholders of the Institute, the Director General (DG) took an initiative to actualise development of a responsive policy -the **Facilities Acquisition and Maintenance Policy (FAMP)**.

Through the FAMP, Uganda Management Institute expresses its commitment to preservation and maintenance of all movable and fixed assets including land in excellent functional condition to attain maximum useful life while minimising Total Cost of Ownership (TCO). The assets are owned for utilization to *facilitate* delivery of its Mandate in *training, education, research, consultancies* and *community engagements*.

The policy aims:

- a)** To procure strategically with Total Cost of Ownership in perspective
- b)** To preserve institute facilities at Minimal Total Cost of Ownership
- c)** To maintain facilities in excellent functional condition to attain maximum useful life
- d)** To promote proactive management for timely and appropriate facilities maintenance.

The implementation of the Policy is expected to improve corporate governance and establish a reliable basis for decision-making and planning in light of the following obligations:

- i) Compliance with government building and fire codes for safety and in line with Institute Security Policy

- ii) Adherence to established standards for respective facility categories such as Information and Communication Technology (ICT), Electrical Installations, ventilation and air conditioning (VAC).
- iii) Ensuring Business Continuity in the event of a disaster
- iv) Guaranteeing a clean, uncluttered, trash free environment
- v) Conformity with procurement and disposal of assets
- vi) Observance of a frugal financial management system to avoid unnecessary high operating and total cost of facility ownership

The ultimate organ of the Institute responsible for policy implementation is the Governing Council who are also charged with approval of all policies. The Director General (DG) as chief executive officer is responsible for operationalising this policy by directing on development of an **Implementation Manual** for the Facilities Management Policy. The DG may exercise his powers through the Top Management Team (TMT) and all other Actors who perform their roles in delegated capacity as agents of the Director General as the Accounting Officer.

The implementation and monitoring of the Facilities Acquisition and Maintenance Policy shall be supervised by the office of Director of Finance and Administration (DFA) with appropriate advice by the Planning, Monitoring and Evaluation Department whose mandate it is for all Monitoring and Evaluation work of the Institute. The FAMP shall be reviewed at every review of the Institute Strategic Plan.

1.0 SITUATIONAL ANALYSIS AND POLICY CHALLENGE

1.1 Introduction

Identifying, analysing, prioritizing and planning for superior management of facilities preservation and maintenance in most organizations, is a very challenging task, more so in Higher Institutions of Learning (HILs) where it is an emerging issue in their administration. With regard to Uganda Management Institute, maintenance has been a concern of the Governing Council and was observed by the African Development Bank (ADB) at the completion of Jubilee building, one of major construction works of the Institute in the recent past. To these concerns by the various key stakeholders of the Institute, the Director General (DG) took an initiative to actualise development of a responsive policy -the Facilities Acquisition and Maintenance Policy. The DG constituted a formulation committee to draft the Policy. What follows is Background and Policy Challenge, Policy Statement and Scope of Application, Principles, Policy Objectives and implementation arrangements spelling out roles and responsibilities including due diligence undertaken.

1.2 Background and Policy Challenge

Educational institutions in Uganda often operate and carryout out facilities maintenance when they have become emergencies rather than in a systematically planned manner. Inevitably, some maintenance requirements on facilities are left unattended to. Besides, often little or no consideration is given to what the cost of ownership shall entail while acquiring facilities. As a result, preservation and maintenance of facilities is sometimes inadequate. Poor facilities maintenance affects quality of service delivery, comfort and convenience of facilities to the users.

In the recent past, Higher Institutions of Learning (HIL) have acquired new and modern facilities that include well-equipped buildings, plant and machinery from funders and grants. These facilities undoubtedly require adequate and timely maintenance in order to offer sustainable quality service

delivery, comfort and convenience to the users. It is against this background that institutions have adopted a renewed focus in the management and implementation of timely and appropriate facilities maintenance requirements. Discomfort and inconvenience of facilities is mainly caused by not carrying out timely and adequate facilities maintenance. Therefore, institutions are increasingly focusing and adopting facilities maintenance policies, guidelines, work plans and budgets to adequately handle facilities maintenance before they affect the institution's business. The adoption of the facilities maintenance policies, guidelines, work plans and budgets will help UMI to act more confidently on future decisions related to acquisition and utilisation of the institute facilities.

2.0 POLICY STATEMENT AND SCOPE OF APPLICATION

2.1 Policy Statement

Uganda Management Institute is committed to judicious acquisitions, preservation and maintenance of its movable and fixed assets including land in excellent functional condition to attain maximum useful life while minimising Total Cost of Ownership (TCO). The assets are owned for utilization to *facilitate* delivery of its Mandate in *training, education, research, consultancies* and *community engagements*. The Institute has long recognized that Facilities Acquisition and Maintenance are not only operational functions, but are also fundamental components of prudent strategic, budgetary and project planning practices. This policy serves to fortify this commitment at the time total Institute assets (facilities) are in excess of UGX 100 billion.

This Facilities Acquisition and Maintenance Policy is expected to improve corporate governance and establish a reliable basis for decision-making and planning in light of the following obligations:

- a) Compliance with government building and fire codes for safety and in line with Institute Security Policy
- b) Adherence to established standards for respective facility categories such as Information and Communication Technology (ICT), Electrical Installations, Ventilation and Air Conditioning (VAC).
- c) Ensuring Business Continuity in the event of a disaster
- d) Guaranteeing a clean, uncluttered, trash free environment
- e) Conformity with procurement and disposal of assets
- f) Observance of a frugal financial management system to avoid unnecessary high operating and total cost of facility ownership

2.2 Scope of policy application

The application of this Policy shall extend to all key stakeholders in the Institute business. These are but not limited to the Institute Governing Council, Council Committees, Senate and Senate Committees, Director General, all Staff, Participants, visitors and Service providers. The level of engagement in the Institute day-to-day business shall determine the extent to which the Policy applies to the stated categories. The Policy shall apply to all buildings, furniture, plant and machinery of UMI at the Main Campus and all Branches. Particular focus shall be on facilities whose value amount to or exceed Ugx 20,000,000= or as shall be determined by management from time taking in consideration the economic conditions in the country.

2.3 Guiding Principles

The policy will be guided by the following principles:

Professionalism: Professionalism demands, *inter alia*; a thorough knowledge of one's field of endeavour as well as demonstration of skill, high ethical standards, and respect for the clients and other stakeholders.

Transparency: Transparency is about sharing of information about government decisions and it implies that the procedures and methods of decision making are open and visible to all.

Fairness: Fairness will mean "pleasing, attractive." In terms of making a decision, such a decision will be pleasing and offer a solution that is attractive to all parties involved.

Efficiency and effectiveness: Efficiency is the degree to which the actual outputs of the system correspond to its desired or planned outputs. It measures how far the organization has fulfilled its key objectives.

Effectiveness refers to doing the right things. It constantly measures if the actual output meets the desired output. It is how well the process actually accomplishes its intended purpose.

Accountability: In this, the Institute ensures that there is responsibility, answerability, blameworthiness, liability, and issues of account-giving. The Institute clients shall strive to ensure responsibility for individual actions, products, decisions, and policies taken and bear the consequences thereupon.

Customer focus: Customer focus refers to UMI's conviction that the customer/client constitutes the primary reason for the Institute's existence. These are majorly Participants and Consultancy clients. These must be handled with utmost care and respect.

Equity and equality: Equity will refer to justice according to natural law or right; specifically freedom from bias or favouritism, the quality of being fair or impartial, equitableness, justness, even-handedness, objectivity, and justice. Equality will refer to the state or quality of being equal or equivalent.

Value for money: Value for Money (VFM) is the term used to assess whether or not an organization has obtained the maximum benefit from the goods and services it acquires and/ or provides, within the resources available to it. It takes account of the mix of quality, cost, and resource use, fitness for purpose, timeliness and convenience to judge whether or not, when taken together, they constitute good value. Achieving VFM may be described in terms of the 'three Es' - economy, efficiency and effectiveness. VFM in this policy shall also take due consideration of optimal and sustainable total cost of ownership of facilities.

2.4 POLICY OBJECTIVES:

2.4.1 General objective

To ensure preservation and maintenance all institute movable and fixed assets including land in excellent functional condition to attain maximum useful life while minimising Total Cost of Ownership (TCO) in order to facilitate delivery of Mandate in *training, education, research, consultancies and community engagements*.

2.4.2 Specific Objectives:

- 2.4.2.1** To procure strategically with Total Cost of Ownership in perspective
- 2.4.2.2** To preserve institute facilities at Minimal Total Cost of Ownership
- 2.4.2.3** To maintain facilities in excellent functional condition to attain maximum useful life
- 2.4.2.4** To promote proactive management for timely and appropriate facilities maintenance.

2.5 Policy Strategies

The four specific objectives of the Facilities Acquisition and Maintenance Policy will be implemented guided the following actions:

Policy Objective 1: To procure strategically with Total Cost of Ownership in perspective

To achieve the above objective, the Institute will implement the following policy actions:

- i.** Develop a lifecycle framework for decisions on acquisitions
- ii.** Subject acquisitions to functional options in comparison to Total Cost of Ownership

Policy Objective 2: To preserve institute facilities at minimal Total Cost of Ownership

To achieve the above objective, the Institute will implement the following policy actions:

- i.** Regularly review Institute Facilities for preservation or disposal in view of Total Cost of Ownership
- ii.** Institute protection measures of all Institute facilities

Policy Objective 3: To maintain facilities in excellent functional condition to attain maximum useful life

To achieve the above objective, the Institute will implement the following policy actions:

- i.** Develop and maintain a proper asset inventory register and update it periodically.
- ii.** Undertake continuous inventory and assets management audits
- iii.** Develop procedures and techniques to enhance FAM-related opportunities and reduce threats to the achievement of the Institute's strategic objectives.

- iv. Carry out contingency planning related to facilities maintenance.

Policy Objective 4: To promote proactive management for the timely and appropriate facilities maintenance

To achieve the above objective, the Institute will implement the following policy actions:

- i. Institute measures to create an environment where members of the Institute community assume responsibility for facilities maintenance
- ii. Promote in-built quality assurance aspects in relation to facilities maintenance in the day-to-day management of the Institute.
- iii. Strengthen FM-related financial and resource mobilization policies.
- iv. Strengthen audit, monitoring and evaluation of the FM policy.
- v. Put in place insurance arrangements, contracts, partnerships and memoranda of understanding.
- vi. Introduce facilities maintenance preventive and control measures.

2 IMPLEMENTATION, ROLES AND RESPONSIBILITIES

3.1 Policy Implementation and Coordination

The ultimate organ of the Institute responsible for policy implementation is the Governing Council who are also charged with approval of all policies. The Director General (DG) as chief executive officer is responsible for operationalising this policy by directing on development of an **Implementation Manual** for the Facilities Acquisition and Management

Policy. The DG may exercise his powers through the Top Management Team (TMT) and all other Actors to perform their roles in delegated capacity as agents of the Director General as the Accounting Officer.

3.1.1 Top Management Team

The Top Management Team is responsible for:

- a) Ensuring that Facilities Acquisition and Maintenance activities are carried out effectively within the Institute.
- b) Providing leadership in the implementation of the Facilities Acquisition and Maintenance Policy
- c) Responding to and reporting on significant maintenance requirements which may emerge from time to time.
- d) Monitoring and providing direction on the Institute's FM requirements as defined in the Institute's Facilities Acquisition and Maintenance policy, work plans and budget linked into the strategic plan and objectives for the Institute.

The key responsibilities of the TMT are:

- a) To implement policies on Facilities Acquisition and Maintenance.
- b) To evaluate and ensure effective action is taken in regard to the Institute Assets' Facilities Maintenance.

3.1.2 Head of Department –Administration:

The Head of Department – Administration will act effectively in:

- a) Advising Management on lifecycle costing of all assets and procurements with a view of minimising Total Cost of Ownership.
- b) Ensuring the effective management of all FAM-related requirements within their area of responsibility.

- c) Creating and implementing appropriate systems within their areas to ensure that all FAM-related requirements are executed to achieve the overall objectives or goals of the Institute.
- d) Ensuring that Staff are adequately facilitated and trained in Facilities Maintenance related fields and are acquainted with the Institute's FAM policies and procedures.

3.1.3 Head Projects and Consultancy Department

The Head of Department – Projects and Consultancy will advise Management on all projects to minimise Total Cost of Ownership by analysing life cycle costs

3.1.4 Estates Section Staff:

The staff in the Estates Section will be responsible for:

- a) Ensuring the effective management of all Facilities Maintenance related requirements within their area of responsibility.
- b) Creating and implementing appropriate systems within their areas to ensure that all FM related activities are executed with the aim of achieving objectives or realizing opportunities are identified, assessed, managed and reviewed on a regular basis.
- c) Getting the relevant internal and external key stakeholders involved in identifying, monitoring and managing FAM related activities.

3.1.5 UMI Staff

All staff will diligently identify Facilities Maintenance requirements and report them to the Estates Office staff. All Staff shall comply with safeguarding the Institute's facilities and appropriately use them within the work environment.

UMI Participants

All UMI Participants shall be responsible for the safeguarding the Institute's facilities and appropriately use them within their study environment.

3.2 Monitoring and Review of the Policy

3.2.1 The implementation and monitoring of the Facilities Maintenance Policy shall be supervised by the office of Director of Finance and Administration (DFA) with appropriate advice by the Planning, Monitoring and Evaluation Department whose mandate it is for all Monitoring and Evaluation work of the Institute.

3.2.2 The Facilities Maintenance policy shall be reviewed annually and as and when Management deems it necessary.

4.0 DUE DILIGENCE AND POLICY VIOLATION

4.1 This policy will be implemented within the context of National Laws, regulations and codes. Implementation will also take cognizance of other Institute Policies such as Security and Safety Policy, Occupational and safety Manual, Risk Management Policy and the Human Resource Manual (HRM) among others.

4.2 Due to the high cost of preservation and maintenance that continuously increase as more assets are acquired and existing one's age. the Director Finance will always pay attention to advice regarding budgeting for this purpose. All actors in respect of this policy are expected to adhere to the provisions with due diligence. Implementation of provisions of this policy will be closely monitored and once violations are detected will be severely dealt with as per laws and regulations established.