

FACILITIES AND INFRASTRUCTURE SUBCOMMITTEE FOR COST CONTAINMENT REPORT

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Committee Members:

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The Facilities and Infrastructure Subcommittee has met monthly over the last 6 months to consider ideas for cost containment. The Subcommittee focused on cost containment as a professional stewardship of assets with a focus on total asset management and a view to optimize efficiency and effectiveness through life cycle cost analysis rather than cheapest first cost.

Scope and budget for facilities operations in Facilities Management were reviewed and discussed relative to overall adequacy and processes that inhibit optimization. Budgets for all facilities accounts were distributed for review, along with APPA Facilities Performance Indicators benchmarking. Relevance of other functional areas of university operations that impact or involve physical infrastructure of the campus, e.g. ITS, Auxiliaries, etc. were also considered.

Energy management and conservation represents perhaps the most significant opportunity for cost containment both short term and long term. Considerable time was spent discussing these opportunities in broad terms.

A number of other areas for potential optimization were discussed at length, including:

- 1) Fleet management, particularly fleet rental outsourcing,
- 2) capital renewal funding and project estimating processes,
- 3) reallocation of salary costs via attrition and consolidation,
- 4) Traditional and fundamental budget policies relative to charge back process and lack of EOY budget carryovers--negative impacts on spending decisions by departments,
- 5) Cell phone and internet installation fees,
- 6) Use of seasonal workers to offset need for additional full time staff in certain areas,
- 7) Facilities Management operating procedures developed that improve efficiency, e.g. annual warehouse inventory process, uniform contract administration, work flow, etc.

Based on the above referenced reviews and discussion, the Committee has reached consensus to submit the following recommendations for more detailed study and implementation:

COST CONTAINMENT RECOMMENDATIONS:

1) POOL RESOURCES FOR DEPARTMENTAL REMODELING—Eliminate current estimate/IDT process and expand BG&F funding to achieve this transition;

2. IMPLEMENT A COMPREHENSIVE ENERGY MANAGEMENT PROGRAM WITH THE FOLLOWING COMPONENTS:

- a) Revolving fund for capital energy conservation projects with utility budget savings as source (already in process);
- b) Campus wide energy conservation education;
- c) Temperature control improvements and thermostat settings compliance;
- d) Retro commissioning all buildings on campus;
- e) Expansion of Chilled Water Loop;

3. POOL CAPITAL FUNDING SOURCES FOR INFRASTRUCTURE MODERNIZATION—e.g. deferred maintenance, classroom/lab renovation, student infrastructure fee, and student technology fee budget allocations;
4. BUDGET CARRYOVERS—allow departments to carry some or all of unspent budget balances forward from year to year in order to encourage savings, better planning, and better decision making on use of resources;
5. OUTSOURCE ALL VEHICLE RENTALS AND LONG DISTANCE BUS RENTALS—Enterprise contract already in place for vehicles—Coach bus service multi-year contract recommended for out of town athletic teams and group travel;
6. EXPAND USE OF STANDARDIZATION AND APPROVAL PROCESSES FOR COMMODITIES ACROSS CAMPUS—e.g. furniture, ITS components, and other items;
7. STUDY POTENTIAL CONSOLIDATIONS OF AUXILIARY FACILITIES OPERATIONS WITH FACILITIES MANAGEMENT—i.e. Residence Life, Convo Center, Athletics, Student Union, and Red Wolf Center;
8. CENTRALIZE CLASSROOM AND EVENT SCHEDULING SYSTEM—Deploy a database computer system that provides for maximum flexibility, prioritized use by department, and shared database with multiple activity and event scheduling origination points utilizing existing staff;
9. COMPREHENSIVE PROGRAM REVIEW—All programs and operating units would undergo a self-study of processes, staffing, and technology in order to find technology and efficiency improvements that reduce labor costs without layoffs (use attrition when possible to reduce staffing if appropriate)—require all operating departments to look for costs savings that will match average inflation rate over a 3-5 year period.