Business Planning

All of University Services was asked:
• What services do you provide?

• How we provide them?
  - reliable, safe, consistent,

• Can we improve them?
  - benchmark, best practices, efficiency
Facilities Management

**Mission:**
FM’s mission is to provide a safe, functional, clean and welcoming campus

**Vision:**
FM’s vision is to become world class in delivering Customer-focused and Cost-effective service while promoting a Culture of accountability
What we have done – 3C’s

Customer-focused
• Transformation – to Property Services Model
• Bridge; Customer Advisory Groups; SLAs; SPOCs

Cost effective
• Pillar Projects
• It All Adds Up Campaign
• Created and Maintained Balanced Budget (reducing costs $18M since FY09)

Culture of accountability
• PBES
• Monthly Scorecard
• Sightlines
What’s coming up

• 3 D Consolidation
• Time & Attendance System
• Pillar II
What we know

- Planning for budget cuts of 10%
- New assignments for some FM staff
- Moving to a 3D configuration
Three pieces to balance budget

- ISO’s or businesses
  - (e.g. U Construction, Sign shop)
- Energy Cost Pool
- O & M Cost Pool
Facilities Management: FY11

Budget: $198.6 Million
FTE’s: 1103

Services Provided:

– District Based Building and Maintenance Services
  • Custodial, Preventative Maintenance, Routine Repairs, Emergency Services

– Energy Management Services
  • Utilities: Steam, Electricity, Chilled Water, Water, Sewer, Sanitary and Storm
  • Engineering Services
  • Building Systems & Automation (BSAC)

– Central Services
  • Elevator Shop, Facilities Records, Landcare, Quality & Work Control Unit, Signs & Graphics, Waste Management & Recycling, ReUse Center, Asbestos Abatement
Internal Service Org or ISO’s

• Provide needed services in a timely and customer friendly manner

• Match revenue to expenses
Energy Principles

• Reliable
  – Ensure reliable energy supply

• Sustainable
  – Reduce CO₂ emissions

• Cost-effective
  – Identify energy efficient opportunities and balance upfront investment costs with long-term savings potential
Energy Management

• Dropped 5,000 BTU’s used per sq. ft.

• It All Adds Up saved more than $4M to date
Space has increased over 3 M gsf
Energy use/gsf dropped by 1/3
O&M Cost Pool

- Provide good service
- Manage our cost per square foot
FM Expenses FY11: $75.8 Million

- Custodial: $27,242
- R&R: $7,877
- Support Services: $9,883
- Admin: $1,267
- Maintenance and Projects: $29,575
Administrative Services Principles

• Service
  – Deliver timely and accurate information, analysis, projects and problem resolution

• Improvement
  – Provide change management and proactive improvement in FM processes

• Technology
  – Ensure applications, systems, and other technologies are reliable, useful and current
Administrative Cuts

- Reduce administrative costs 10%
- Reduce training & travel budgets
FM Headcount by Employee Group
(Excluding Energy)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- All FM (excluding energy)
- Civil Serv & Acad.
- Supported GSF
Central Services Principles

• Welcoming
  – Provide a welcoming experience for those coming to the University

• Safe
  – Ensure the University is safe for campus students, staff and visitors

• Cost-effective
  – Deploy resources and equipment in the most productive and efficient way
Central Services Initiatives

• Continue Development of U Construction

• Inventory management
  – Centralize Stores receiving, management
  – Implement Satellite Storerooms
  – Utilize U Stores resources and competencies

• Landcare services
  – Expand Customer base

• Vertical transportation
  – Consolidate contract management and oversight

• Waste and Recycling
  – Reviewing business model and processes
Maintenance Principles

• Reliable
  – Ensure the most critical equipment maintains reliable functionality

• Safe
  – Ensure the built environment is safe for campus students, staff and visitors

• Cost-effective
  – Deploy resources to minimize life cycle costs
Maintenance Reductions

- In-sourcing WBOB
- Fire alarm testing RFP
- Adjust staffing to match reduced PMs
  - Reducing Mechanic positions:
    - 9 taking a voluntary severance
    - 7 current vacancies
    - no involuntary layoffs
Custodial Guiding Principles

• Clean & Safe Environment
  Maintain a healthy indoor environment using sustainable products and methods

• Consistent Service
  Set clear expectations and deliver consistent service quality

• Cost-effective Process
  Deploy resources and equipment in the most effective and efficient way
Key Goals

• Develop a balanced & efficient custodial program
  – Employ Team/Green Cleaning approach which contains project staff and incorporates use of most efficient technologies/tools

• Focus efforts towards high impact spaces
  – If budget mandates, reduce services from private spaces.

• Achieve $3.1 M in annual savings while minimizing labor reductions.
# Challenge – Benchmarks to Industry/Peers

<table>
<thead>
<tr>
<th></th>
<th>FM (FY09 avg. office buildings)</th>
<th>Peers (Sightlines)</th>
<th>Industry (IFMA)</th>
<th>Private (Office Bldgs - MSI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Custodial Cost $/GSF</td>
<td>$2.10</td>
<td></td>
<td>$1.07</td>
<td>$0.98</td>
</tr>
<tr>
<td>Productivity GSF/FTE</td>
<td>32,000 (4,500/hr)</td>
<td>41,000</td>
<td>36,000</td>
<td>45,000 (6,000/hr)</td>
</tr>
</tbody>
</table>

*Source: Office building examples include Morrill Hall, Donhowe, Mondale, WBOB (MSI), U Office Plaza (MSI)*
## Challenge – Benchmarks to Industry/Peers

<table>
<thead>
<tr>
<th>School</th>
<th>Sq ft / hour</th>
<th># of Students</th>
<th>Cleanable Sq Ft</th>
<th># of Custodians</th>
<th>Union</th>
<th>Team Cleaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Michigan</td>
<td>6,735</td>
<td>37,197</td>
<td>13,000,000</td>
<td>386</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>University of Washington</td>
<td>6,106</td>
<td>38,000</td>
<td>10,900,000</td>
<td>255</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>University of Illinois</td>
<td>4,630</td>
<td>36,738</td>
<td>9,400,000</td>
<td>290</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>University of Minnesota</td>
<td>3,766</td>
<td>60,000</td>
<td>11,100,000</td>
<td>421</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>University of Wisconsin</td>
<td>3,571</td>
<td>41,219</td>
<td>10,000,000</td>
<td>400</td>
<td>Y</td>
<td>N</td>
</tr>
</tbody>
</table>

**Source:** Sightlines FY09 report and information obtained directly from peer institutions
Options

1. Increase area size
2. Outsource program
3. New program
The New Program

Solve by:

• Green-Team Cleaning
• Adjusted Shifts
• New equipment
• Custodial closets/PAR levels
• Fewer chemicals
• Training program focus on safety, consistency and productivity
Zone Cleaning -vs- Green Cleaning

**Zone Cleaning: Historical**
- B&G’s assigned to an area, generally work independently
- Individual responsible for all services
- Isolated work (difficult to supervise)

**Green Cleaning: Scientific**
- B&G’s assigned to an area, work as a team
- Specialize in one Function (*Rotate often*)
- Ergonomic equipment and safer chemicals
- Less equipment needed (less costly)
Four Basic Roles/Duties

- **Vacuum Technician - Blue**
- **Utility Technician - Yellow**
- **Restroom Technician - Red**
- **Point Technician - Green** (trasher/duster)
“Employees shall bid defined areas within the First Level Supervisors area” - MOU

Each one of these squads reports to the same first line supervisor.
<table>
<thead>
<tr>
<th>Activity</th>
<th>Current</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid to Area within 1st Line Supervisor</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Routine training</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Required to Order Supplies</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Standardized equipment</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Optimize Schedule Assignments

• Currently have staff on 3 shifts
  • 10% day
  • 70% evening
  • 20% nights

• May adjust shift times to meet operational needs

• Future shift mix (TBD)
Custodial FTE Summary

<table>
<thead>
<tr>
<th>Staff Number</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>465</td>
<td>FY 11 budgeted positions</td>
</tr>
<tr>
<td>437</td>
<td>As of July 1</td>
</tr>
<tr>
<td>425</td>
<td>FY 12 budgeted positions</td>
</tr>
</tbody>
</table>

No custodial layoffs!
## Draft Milestones

<table>
<thead>
<tr>
<th>Date</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>Meet Teamster Leadership</td>
</tr>
<tr>
<td>March</td>
<td>Meet with Labor Relations</td>
</tr>
<tr>
<td>April 14</td>
<td>Labor Relation Contract Negotiations Start</td>
</tr>
<tr>
<td>Week of May 16</td>
<td>All FM Meetings, Custodial Crew Meeting</td>
</tr>
<tr>
<td>May 16 – July 30</td>
<td>Train all FM staff starting with Sups</td>
</tr>
<tr>
<td>Week of May 30</td>
<td>Talk to Union about transition options</td>
</tr>
<tr>
<td>June 13 - 24</td>
<td>Rebid Campus??</td>
</tr>
<tr>
<td>By August 1</td>
<td>New Assignments Begin</td>
</tr>
<tr>
<td>September 6</td>
<td>Fall Semester Begins</td>
</tr>
</tbody>
</table>
Benefits for B&G’s

• The new custodial program:
  – Preserves jobs
  – Maintains bidding rights and seniority
  – Adjusts workload based on staffing that is available to work each day
  – Uses new equipment
  – Improves worker safety
Experience Change Model

1. **UNDERSTAND**
   Understand the need for change.

2. **ENLIST**
   Enlist a core change team.

3. **ENVISAGE**
   Develop vision and strategy.

4. **MOTIVATE**
   Create a sense of urgency.

5. **COMMUNICATE**
   Communicate the vision.

6. **ACT**
   Take action.

7. **CONSOLIDATE**
   Consolidate gains.
Questions?
FM Expenses FY11: $198.6 Million

- Utilities: $103,112
- Maintenance and Projects: $50,934
- Support Services: $9,571
- Admin: $1,267
- R&R: $6,577
- Custodial: $27,151
New Equipment

- Ergonomically designed backpack
- Vacuums w/HEPA Filtration system
- Color-coded cleaning system
- Microfiber
- Riding equipment
Green Team Cleaning Required

Equipment

Team Check List

DISTRIBUTION TRAY
- Being Used
- Labels Correct
- Pack Count
- Clean
- Job Card

ACCESSORIES

LIGHT DUTY
- Job Card
- Liners
- Clean
- Duster
- Cover
- Cleaning Cloths

VACUUM
- Filters
- Clean
- Power Cords
- Micro Liner Dated
- Hip Pack with Liners
- Job Card
- Vac Station

RESTROOM
- 2nd Bottles
- Clean
- Mop Bucket
- Proper Equipment
- Cleaning Cloths
- Mop Heads
- Job Card

BEYOND COMPLIANCE
- Intro
- Written
- Inventory
- MSDS, Current

CLOSET
- Control Cabinet
- Clean
- Inventory
- First Aid
- BBP
- Paper Products
- Keys Secured

... nothing unusual or overly expensive!

More efficient & quieter Backpack vacuums will standardize vacuums campus-wide
Backpack Vacuum

• Ergonomic
• Flexible use
  – Can be used on carpet or hard flooring
• Faster productivity rate
  – Quick payback for the investment (less than 2 years)
Micro-Fiber

- Improves cleaning ability (captures more dust)
- Replaces our current use of cotton mops
- Can be used in both wet and dry applications
- Is sustainable, can be washed and reused
Absence Staffing Plan
Reduces Impact of Planned or Unplanned Vacancies (13% currently)

<table>
<thead>
<tr>
<th>5 PERSON TEAM</th>
<th>Point Specialist</th>
<th>Vacuum Specialist</th>
<th>Restroom Specialist</th>
<th>Utility Specialist</th>
<th>Riding Specialist</th>
<th>TOTAL HOURS</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Present</td>
<td>8 hours</td>
<td>8 hours</td>
<td>8 hours</td>
<td>8 hours</td>
<td>8 hours</td>
<td>40 hours</td>
</tr>
<tr>
<td>1 Person Absent</td>
<td>Detail in appropriate core</td>
<td>Detail in appropriate core</td>
<td>Refill paper</td>
<td>Remove over flowing trash</td>
<td>Clean Traffic Areas</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Clean restroom</td>
<td>Clean heavy areas</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mop high traffic floors</td>
<td>Take trash to dumpster</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8 hours</td>
<td>8 hours</td>
<td>6 hours</td>
<td>4 hours</td>
<td>6 hours</td>
<td>32 hours</td>
</tr>
<tr>
<td>2 People Absent</td>
<td>Detail in appropriate core</td>
<td>Detail in appropriate core</td>
<td>Refill paper</td>
<td>Remove over flowing trash</td>
<td>Clean Traffic Areas</td>
<td></td>
</tr>
<tr>
<td>Trash in other core</td>
<td>Vacuum Traffic Areas</td>
<td>Clean restroom</td>
<td>Clean heavy areas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trash in other core</td>
<td>Vacuum Traffic Areas</td>
<td>Clean heavy areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trash in other core</td>
<td>Vacuum Traffic Areas</td>
<td>Clean problem fixtures</td>
<td>Take trash to dumpster</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trash in other core</td>
<td>Vacuum Traffic Areas</td>
<td>Remove over flowing trash</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6 hours</td>
<td>6 hours</td>
<td>6 hours</td>
<td>2 hours</td>
<td>4 hours</td>
<td>24 hours</td>
</tr>
<tr>
<td>3 People Absent</td>
<td>Detail in appropriate core</td>
<td>Detail in appropriate core</td>
<td>Refill paper</td>
<td>Remove over flowing trash</td>
<td>Spot Clean Traffic Areas</td>
<td></td>
</tr>
<tr>
<td>Trash in other core</td>
<td>Vacuum Traffic Areas</td>
<td>Clean sinks</td>
<td>Clean heavy areas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trash in other core</td>
<td>Vacuum Traffic Areas</td>
<td>Clean problem fixtures</td>
<td>Take trash to dumpster</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trash in other core</td>
<td>Vacuum Traffic Areas</td>
<td>Remove over flowing trash</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 hours</td>
<td>5 hours</td>
<td>2 hours</td>
<td>2 hours</td>
<td>2 hours</td>
<td>16 hours</td>
</tr>
<tr>
<td>4 People Absent</td>
<td>Detail in appropriate core</td>
<td>Detail in appropriate core</td>
<td>Refill paper</td>
<td>Remove over flowing trash</td>
<td>Clean heavy areas</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Clean heavy areas</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Take trash to dumpster</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 hours</td>
<td>3 hours</td>
<td>1 hour</td>
<td>1 hour including Rider</td>
<td>1 hour including Utility</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8 hours</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Planned tasks change to adjust for absences. Ensures most critical tasks are completed.
Custodial Closets/PAR levels

- Closet inventory currently being reviewed
- Fewer closets will be required
  - New system will allow for fewer PAR closets, because of fewer chemicals, as well as fewer pick-ups and deliveries
  - All unneeded chemicals and equipment will be removed.
  - Expense to Ustores to be reduced
- New focus on efficiency
  - Not all custodians will need all supplies all the time
New Chemical contract – fewer chemicals

- Focused Roles/duties will require less use of chemicals
- Chemical distribution easier to understand
- Chemicals are mostly “Green-Seal” certified