

Facilities Planning: Strategies to Avoid Band-Aid Fixes (CapEx Planning)



Today's Topics

- Preventative maintenance plans
- Maintenance budgets & CapEx forecasts
- Facilities department technology

Provide an interactive forum for sharing facilities best practices

Preventative Maintenance

*We always manage to fix problems as they occur,
why do we need PM plans?*

Preventative Maintenance Plans

- Work scheduled/performed regularly
 - Increase asset useful life
 - Boost efficiency and profitability
 - Minimize reactive repairs

Developing Preventative Maintenance Plans

- Operations and maintenance manuals
- Manufacture recommendations
- Regulatory agency requirements
- Set organization wide standards



Sample Preventative Maintenance Tasks

- | | |
|-----------------------------------|--------------------------------|
| • Sprinkler head inspections | • Roof top A/C inspections |
| • Value testing | • Baseboard heater inspections |
| • Fire extinguisher inspections | • Vent cleaning |
| • Stove inspections | • Circulating pump inspections |
| • Coolers & freezers inspections | • Grease trap cleaning |
| • Dryer inspections | • Sump pump cleaning |
| • Dryer Exhaust ductwork cleaning | • Furnace inspections |
| • Window A/C unit Inspections | • Exit light inspections |

Routine Regulatory Testing & Inspections

- Department of Public Health / Life Safety
- Department of Social Services
- Local agencies – e.g.,
 - Fire Marshal
 - Elevators
 - Backflow Preventers
 - Local Health Inspector

Tracking Preventative Maintenance Plans

- Transition from paper (checklists and spreadsheets) to CMMS reports
- Expanding from merely survey facilitation to support planning and resource allocation efforts, resulting in more effective and efficient management of operations

Annual Maintenance Budgets

How can we budget if everything is functioning correctly?

CapEx Forecast Process

- Initial data gathering & conditions assessment
- Cost of replacement and improvements
- Reliable & accurate sources
- Discretionary vs. required & prioritize
- Budget across timeline (forecast)
- Confirmation of fundamental forecast assumptions

Investigation

- Data Collection
 - Site and floor plans
 - Square footage and program count/mix
 - Current year capital budget & emergency fund
 - Typical re-occupancy and refurbishment costs
 - Local market and contractor/supplier input
- Conditions Assessment
 - Exterior
 - Interior
 - Mechanical, Electrical, Plumbing (MEP) systems
 - Grounds

Budget Data & Reporting

- Use easy to understand descriptions
- Base costs on local market & vendor input
- Customize to fit your needs
- Consider technology

Sample Annual Budget

- Operating Budget
 - Census/Revenue Projections
 - History & Trends
 - New Programs
- Capital Budget
 - Prioritization Considerations

Company *

☐ Friendship Senior Options
☐ Friendship Village of Schaumburg
☐ Greenfields of Geneva
☐ Friendship Senior Options Foundation

Department *

Select

Submitted By *

Date Needed *

Description *

Reason Code *

☐ 1 - Addresses Safety Issue
☐ 2 - Regulatory Requirement
☐ 3 - Replaces Existing Equipment
☐ 4 - Renovation / Remodeling
☐ 5 - Strategic Plan Initiative
☐ 6 - Reduces Cost
☐ 7 - Program Enhancement

Priority Code *

☐ 1 - Urgent / Immediate Need
☐ 2 - Needed ASAP
☐ 3 - Needed but can defer to next year
☐ 4 - Management decision
☐ 5 - Wish list

Brief Project Narrative *

of Units *

Cost Per Unit *

Attachments

Please attach any documentation to support your request.

Drag and drop files here or [browse files](#)

☐ Send me a copy of my responses

Submit

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Sample Forecast

Sample Community
Lincolnshire, IL

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Forecast Summary
With an annual escalation of 2%

1-Sep-2018

Forecasting	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Exteriors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interiors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MEFP/Vertical Transportation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Escalation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grouping Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building/Area	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Building 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building 3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building 5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Escalation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building/Area Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ReDoc/Refurb's	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Emergency Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Escalation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals (Build/Area & Other)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Average per year total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Average per year incl'dg Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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[illegible]

Sample CapEx Priorities

- Retaining wall structural issues
- Phased roof replacement
- Mechanical systems upgrades
- Domestic hot water upgrades
- LED lighting replacements
- Expansion of generator coverage

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Clear Spending Processes

- With limited capital dollars, clear spending process is important
- Determine appropriate review workflow
- Create common and consistent evaluation criteria

ASSET PURCHASE FORM			
Request for Campus Facility:		Request No.:	
<input type="checkbox"/> Approval of Project in Plan	Plan Project No.:	Estimated Cost for this request (based on current quotation (attach a copy of quote))	\$
	Total Plan Project Amount	\$	
<input type="checkbox"/> Approval of Apartment Refurbishment Project	Project Items over \$25,000	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Refurbishment or <input type="checkbox"/> Re-occupancy	Project requires permit	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Project No.:	If you answered "yes" to either of above, Corp. Facilities sign off is required. See signature lines below.		
Project Amount	Project to be funded from:		
	<input type="checkbox"/> Operations – Emergency, Apt. Rehab, Routine		
<input type="checkbox"/> Approval of Emergency Project	<input type="checkbox"/> Property Replacement Reserve		
Project No.:	<input type="checkbox"/> Designated Contributions		
Project Amount	<input type="checkbox"/> Other:		
	Estimated timing of expenditure		
<input type="checkbox"/> Approval of Project not in Plan			
Project No.:			
Project Amount			
Project Description and Benefits:			
Does asset replace an asset that has been or will be disposed? If yes, complete the asset disposal form (No. _____)			
<input type="checkbox"/> Yes <input type="checkbox"/> No			
Comments:			
Administrator / FM Director	Date	Executive Director	Date
Corporate Facilities		Chief Technology Officer	
Expenditures > \$25,000 or requiring a permit		Expenditures requiring any sort of involvement	
Chief Financial Officer	Date	Chief Executive Officer	Date
Expenditures > \$25,000		Expenditures > \$25,000	
Expenditures > \$100,000 require board of directors approval		Date of board approval	

Check List for Capital Asset Request

- ☐ A completed Form No. _____ signed by the Executive Director
 - ☐ An identified campus representative who will manage the project work flow
 - ☐ Outline of the scope of work
 - ☐ Three (3) proposals / contracts that have been obtained to complete the work
 - ☐ A review and assessment of bids, identifying the recommended vendor and an explanation for the selection.
 - ☐ Total funds to complete the scope work, identifying all sources of funding.
- ### Check List for Emergency Capital Asset Request
- ☐ A completed Form No. _____ signed by the Executive Director
 - ☐ An identified campus representative who will manage the project work flow
 - ☐ Outline of the issue and proposed scope of work
 - ☐ Estimated cost of work and/or 1 proposal contract (minimum)

See administrative policy No. _____ – Capital Expenditure Limits

Approval Needed	Up to \$10,000	\$10,000 - \$25,000	\$25,000 - \$100,000	\$100,000 - \$500,000	More than \$500,000
Campus Executive Director	✓	✓	✓	✓	✓
Chief Financial Officer		✓	✓	✓	✓
Corporate Facilities			✓	✓	✓
Chief Executive Officer			✓	✓	✓
Board of Directors				✓	✓
Feasibility Study					✓

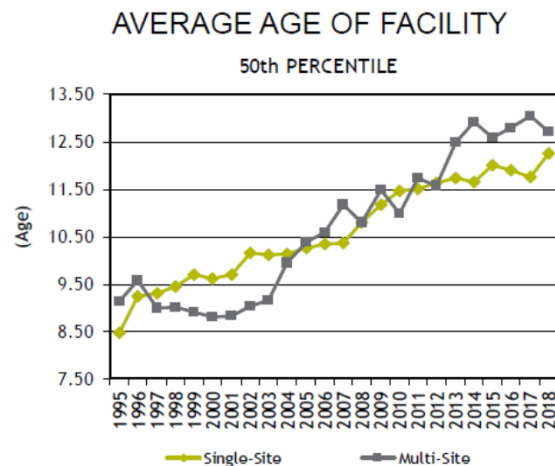
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Average Age of Facilities

- AGE measures an organization's commitment to maintaining its physical plant
- AGE suggest the capital investment isn't sufficient to counter the aging of physical plants
- The median AGE for single-site organizations weakened to 12.26
- The median AGE for multi-site organizations improved to 12.71



Source: Financial Ratios & Trend Analysis of CARF Accredited Organizations, 2019

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Budgeting Lessons Learned

- Involvement of facilities front-line staff
- Real-time, local market inputs
- Consider contingency/escalation
- Prioritize listing

Facilities Department Technology

Why do I need technology when ledger works just fine?

Electronic Work Order Systems Benefits

- Less “middle men/women”
- Real time reporting & historic data
- Less down time/checking-in
- Easier to track Key Performance Indicators (KPIs)
- Functionality

Software Functionality Case Study

- Before
 - Lack of work type categorization capability
 - Drill down by location or worker
 - Shared data tables with other modules; auto-population
- After
 - Real time, timers, PMs, integration, automation, reporting, accountability

Align Tracking with Facilities Policies

- Priority levels
 - Standardized definitions
- Reporting frequencies
 - Consistent data
- KPI's
 - Clear Organization wide standards

What are KPIs?

- Measurable data used to determine success towards objectives
 - Work order completion percentage
 - Days to resolve/close the work order
 - Number of overdue work orders
 - Labor time
 - Number of work orders

Work Order Software – Plenty of Options

- TheWorxHub by Dude Solutions
- Hippo CMMS
- Maintenance Connection
- Fiix
- ManagerPlus
- UpKeep
- eMaint CMMS
- FMX - Facilities Management eXpress

Let's Eliminate Software Pitfalls

- Time Consuming Initial Data Upload - *Outsource or team*
- Lack of Proper Training - *Hands-on approach & internal advocates*
- Underutilization - *Serve as advocate & lead by example*
- Benchmarks Left Unmeasured - *Take advantage of systems*

Today's Takeaways

- Plan in order to increase asset useful life
- Consider technology to increase efficiency
- Identify KPIs to hold your team accountable
- Rely on your skilled team
- Re-evaluate and adjust on routine basis

Questions & Contact Information

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