Reference 52

Sightlines, LLC
University of Alaska System Presentation
FY2012

Date: April 3, 2013

Presented by: Colin Sanders, Laura Vassilowitch & Sheena Salsberry

Sightlines

University of Illinois at Urbana-Champaign
The University of Maine
University of Maine at Augusta
University of Maine at Farmington
University of Maine at Machias
University of Maine at Presque Isle
University of Maine at Fort Kent
University of Maryland
University of Massachusetts Amherst
University of Massachusetts Boston
University of Massachusetts Dartmouth
University of Massachusetts Lowell
University of Michigan
University of Minnesota
University of Missouri
University of Missouri - Kansas City
University of Missouri - St. Louis
University of New Hampshire
University of New Haven
University of Notre Dame
University of Oregon
University of Pennsylvania
University of Portland
University of Redlands
The University of Rhode Island, Narragansett Bay
The University of Rhode Island, Feinstein Providence
The University of Rhode Island, Kingston
University of Rochester
University of San Diego
University of San Francisco
University of St. Thomas (TX)
University of Southern Maine
University of Toledo
University of Vermont
Upper Iowa University
Utica College
Vassar College
Virginia Commonwealth University
Virginia Department of General Services
Wagner College
Wellesley College
Wesleyan University
West Chester University of Pennsylvania
West Virginia University
Western Oregon University
Wheaton College (MA)

Sightlines Profile

Common vocabulary, consistent methodology, credibility through benchmarking

Reference 52

Asset Value Change

The annual investment needed to ensure buildings will properly perform and reach their useful life *"Keep-Up Costs"*

Annual Stewardship

The accumulated backlog of repair and modernization needs and the definition of resource capacity to correct them. *"Catch-Up Costs"*

Asset Reinvestment

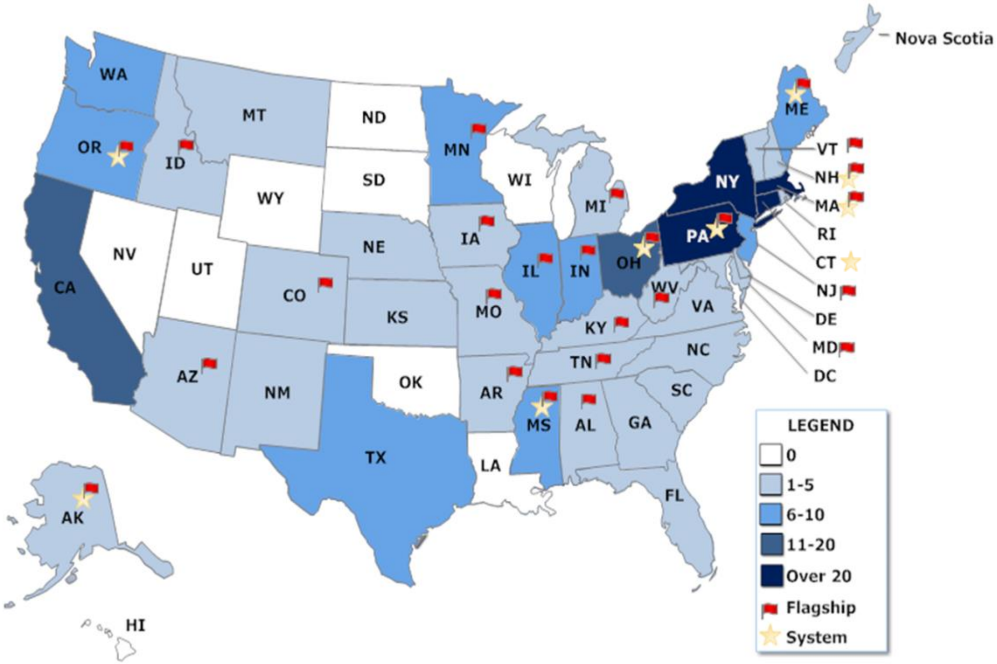
Operations Success

The effectiveness of the facilities operating budget, staffing, supervision, and energy management

Operational Effectiveness

The measure of service process, the maintenance quality of space and systems, and the customers opinion of service delivery

Service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LEGEND
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1-5
6-10
11-20
Over 20
Flagship
System

System Peers

- ***Connecticut****
- Maine
- Missouri
- Mississippi
- New Hampshire
- Oregon
- Pennsylvania

**New system peer*

Sightlines Profile

Common vocabulary, consistent methodology, credibility through benchmarking

Reference 52

Sightlines

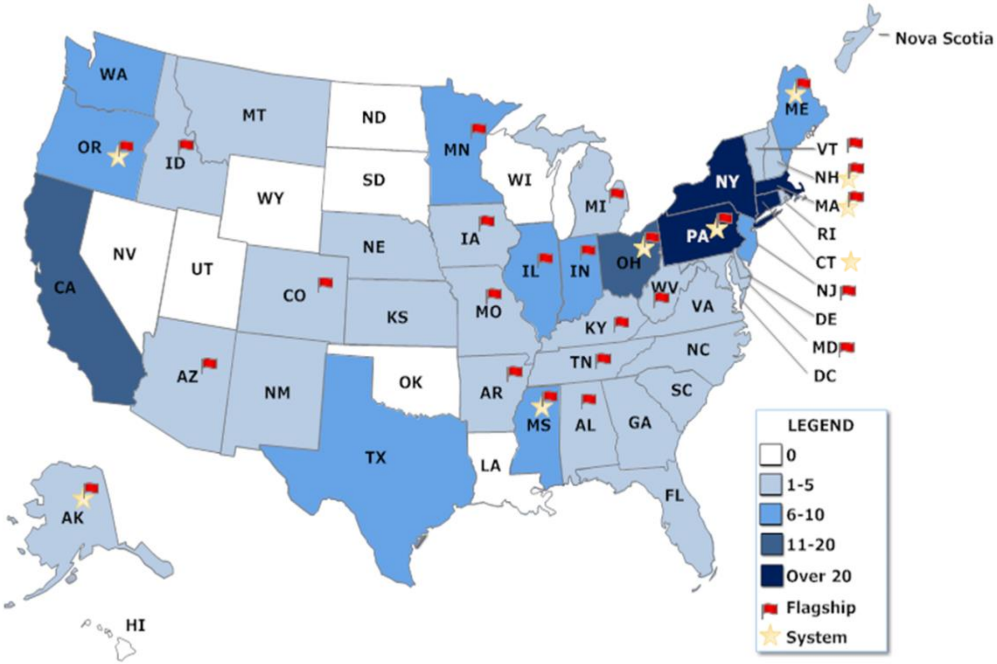
Asset Value Change

Operating funds:
- State General Funds
- Student tuitions & Fees
- F&A Recovery
- Other

Annual Stewardship

Capital funds:
- Bonds
- State General Funds
- Federal Grants
- Foundations Grants

Asset Reinvestment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1-5
6-10
11-20
Over 20
Flagship
System

Operations Success

- •Facilities operating budget
- •Staffing levels
- •Energy cost and consumption

Operational Effectiveness

- •Campus Inspection
- •Service Process
- •Customer Satisfaction Survey

Service

System Peers

- ***Connecticut****
- Maine
- Missouri
- Mississippi
- New Hampshire
- Oregon
- Pennsylvania

New system peer

Scope of work

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Sightlines

Total GSF: 6.6M GSF; 346 buildings

MAUs	UAA UNIVERSITY of ALASKA ANCHORAGE	UAF UNIVERSITY OF ALASKA FAIRBANKS	UAS UNIVERSITY OF ALASKA SOUTHEAST *learn • engage • change*
Campuses	• Anchorage • Kenai Peninsula • Kodiak College • Matanuska- Susitna College • Prince William Sound Community College	• Fairbanks • Community and Technical College • College of Rural & Community Development	• Juneau • Ketchikan • Sitka
GSF	2.6M GSF	3.3M GSF	569K GSF
Bldg. #	95 Buildings	212 Buildings	39 Buildings

Best Practices Nationally Suggests to Us…

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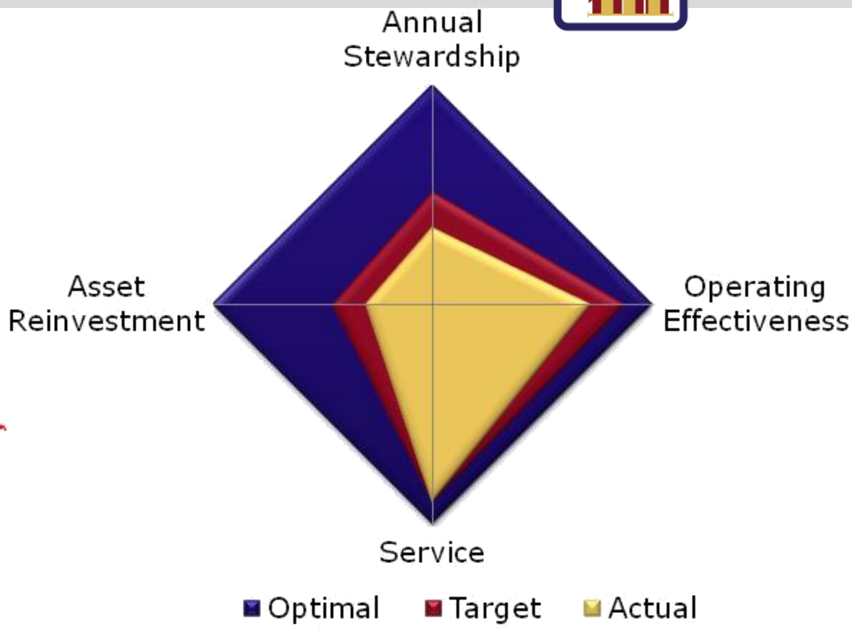
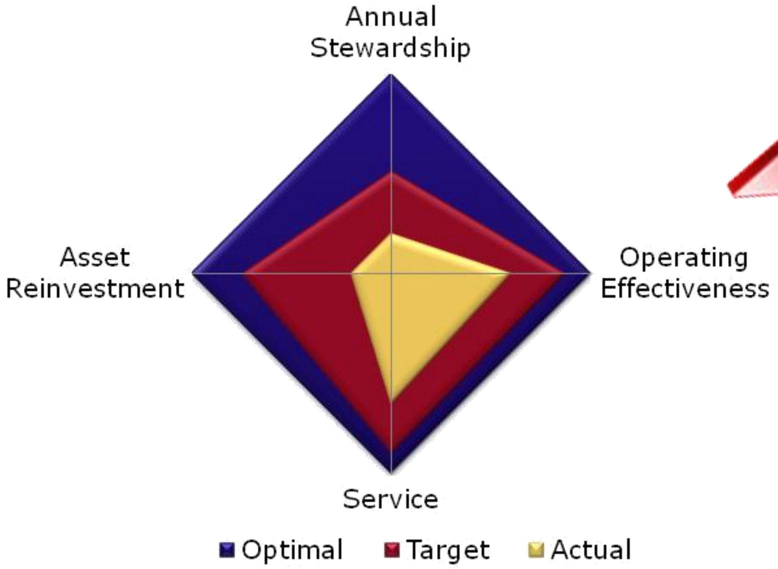
When Stewardship falls…

1. Failures increase
2. Operational effectiveness falls
3. Customer satisfaction decreases
4. Capital investment is driven by customers. Space wins over systems.
5. The backlog of needs increases





Focused project selection…

1. Decreases operating costs
2. Savings Increase stewardship
3. Planned maintenance grows
4. Customer satisfaction improves
5. Greater flexibility of project selection repeats the cycle.

UA System's ROPA Radar Charts

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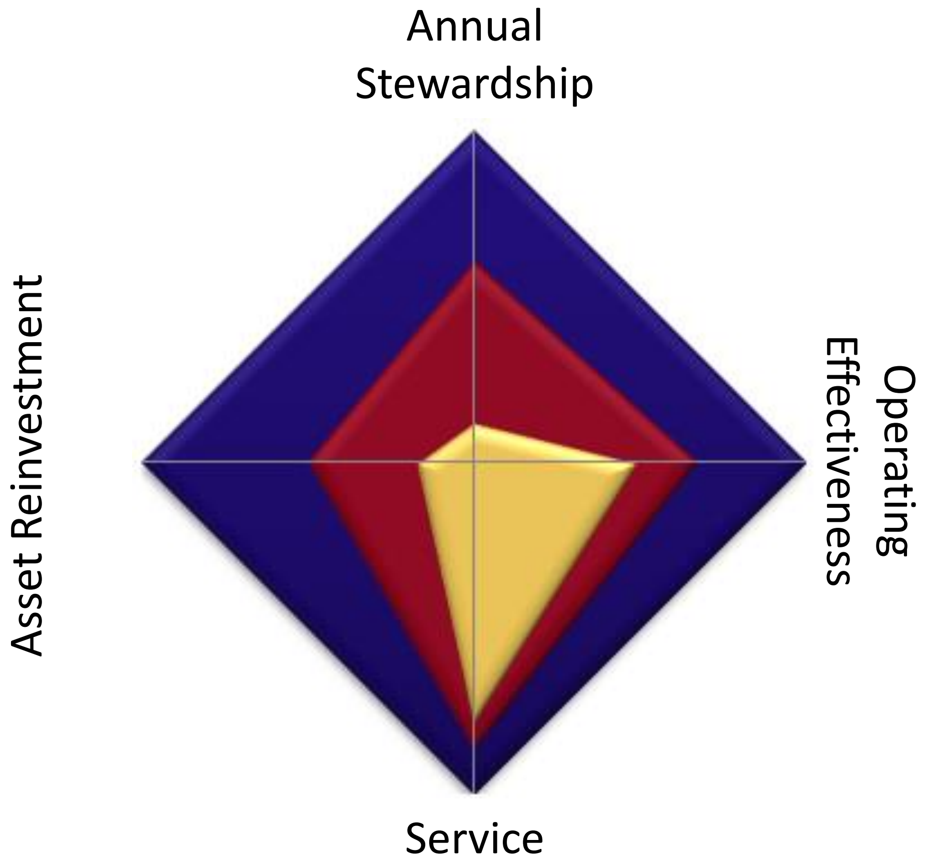
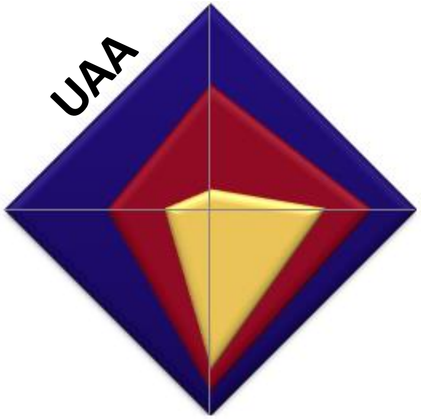
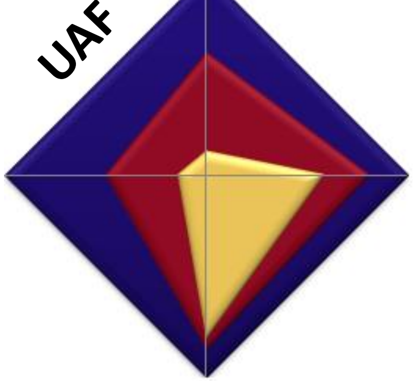
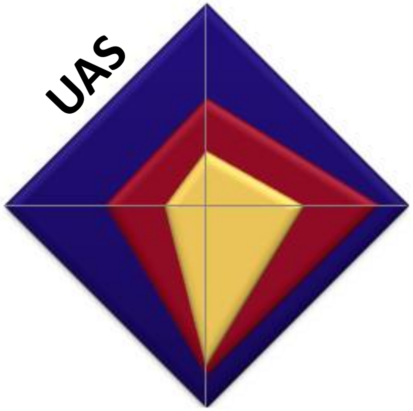
UA System FY12









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Sightlines Database

Western Region Trends

(AK, AZ, CA, CO, ID, MT, NM, OR, TX, WA)

#1 Dichotomy of campus age profiles

Campuses are growing older

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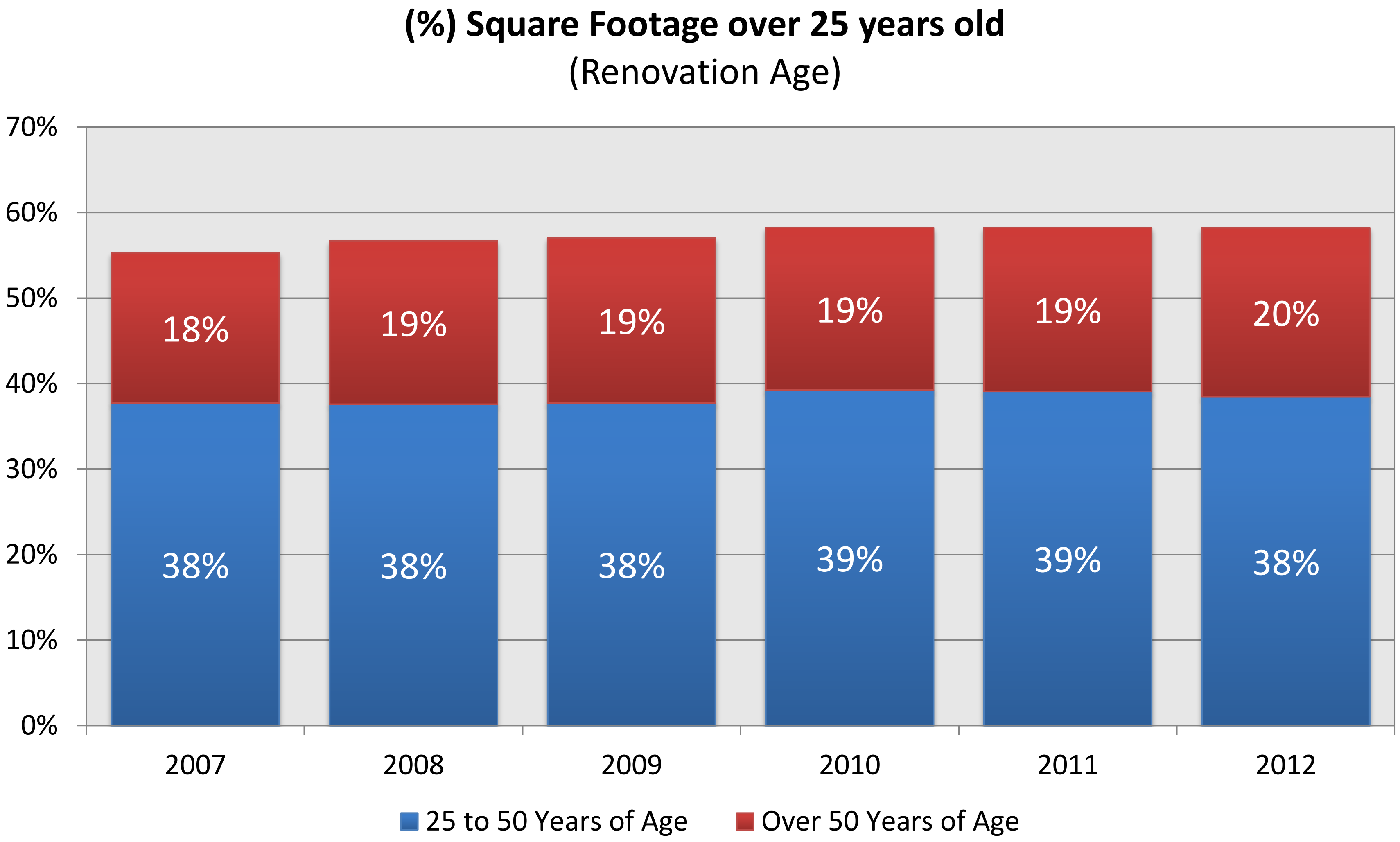

Western Region (AK, AZ, CA, CO, ID, MT, NM, OR, TX, WA)

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#2 Cyclical capital investments

Investments decreasing to national database average

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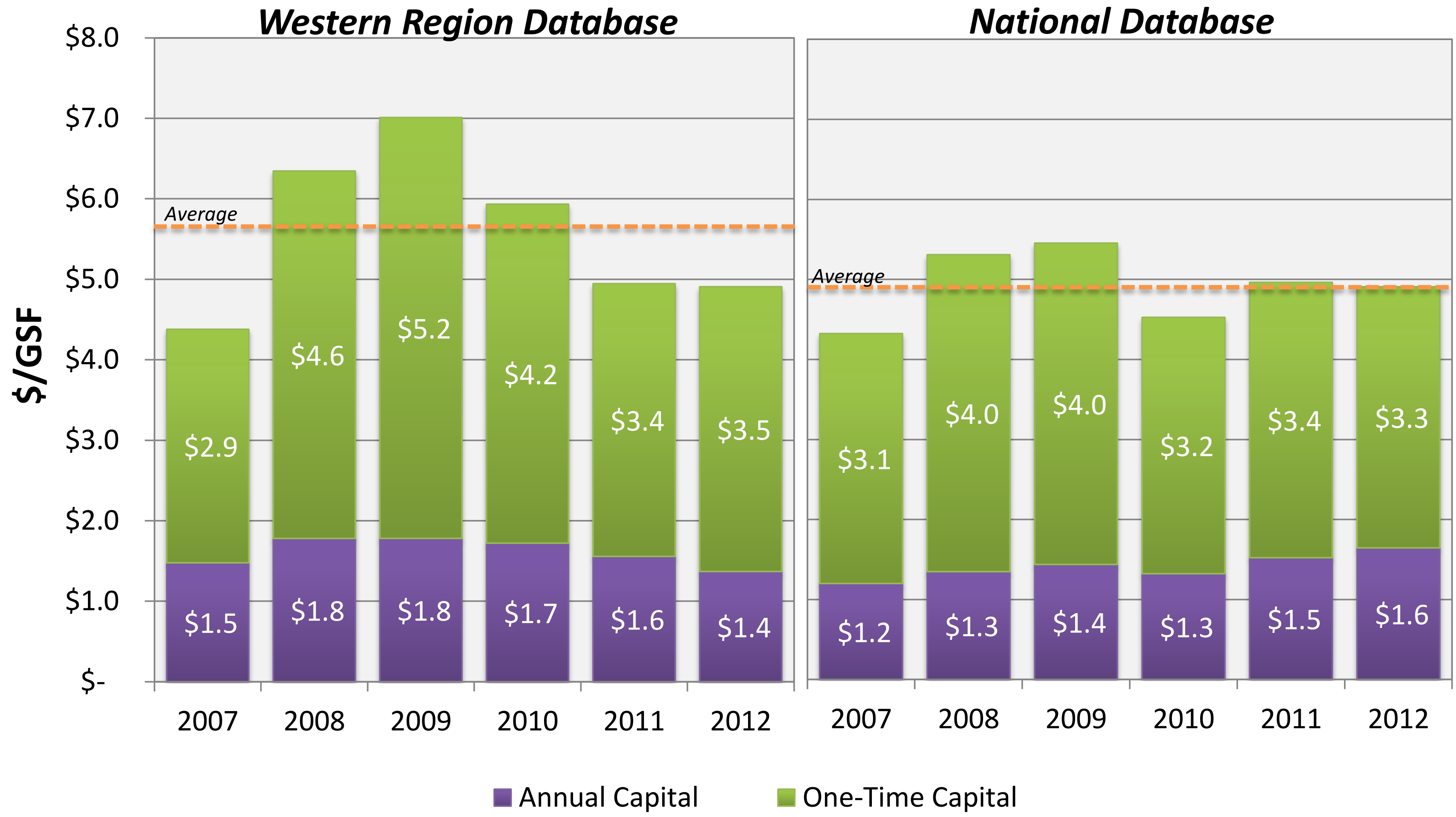
Capital Investment into Existing Space



Western Region (AK, AZ, CA, CO, ID, MT, NM, OR, TX, WA)

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#3 Less investment into space projects in 2012

Shifting investments towards building envelope, system, and infrastructure needs

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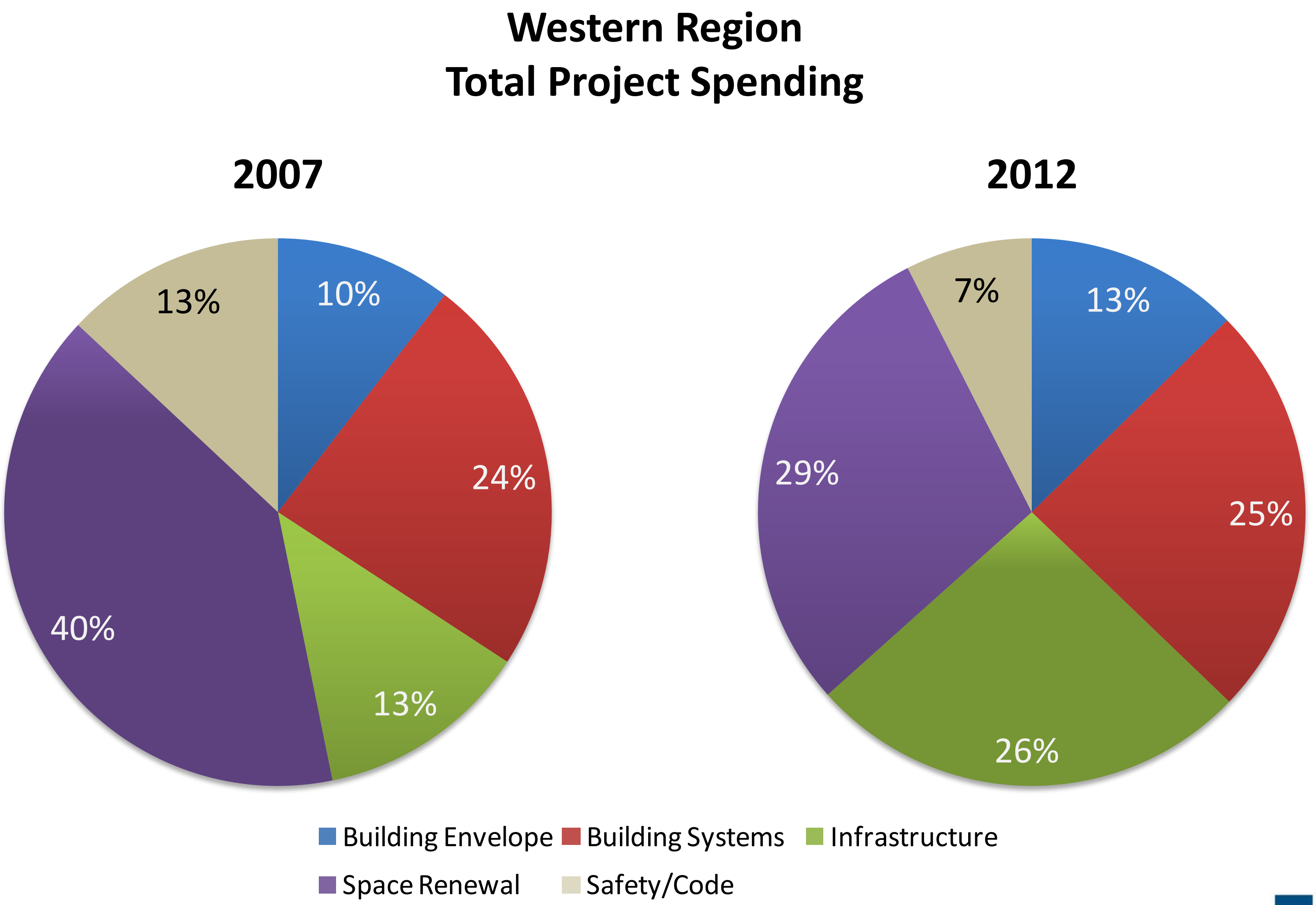

Western Region (AK, AZ, CA, CO, ID, MT, NM, OR, TX, WA)

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#4 Steady increase in backlog

The western region saw an 11% increase in backlog since FY07

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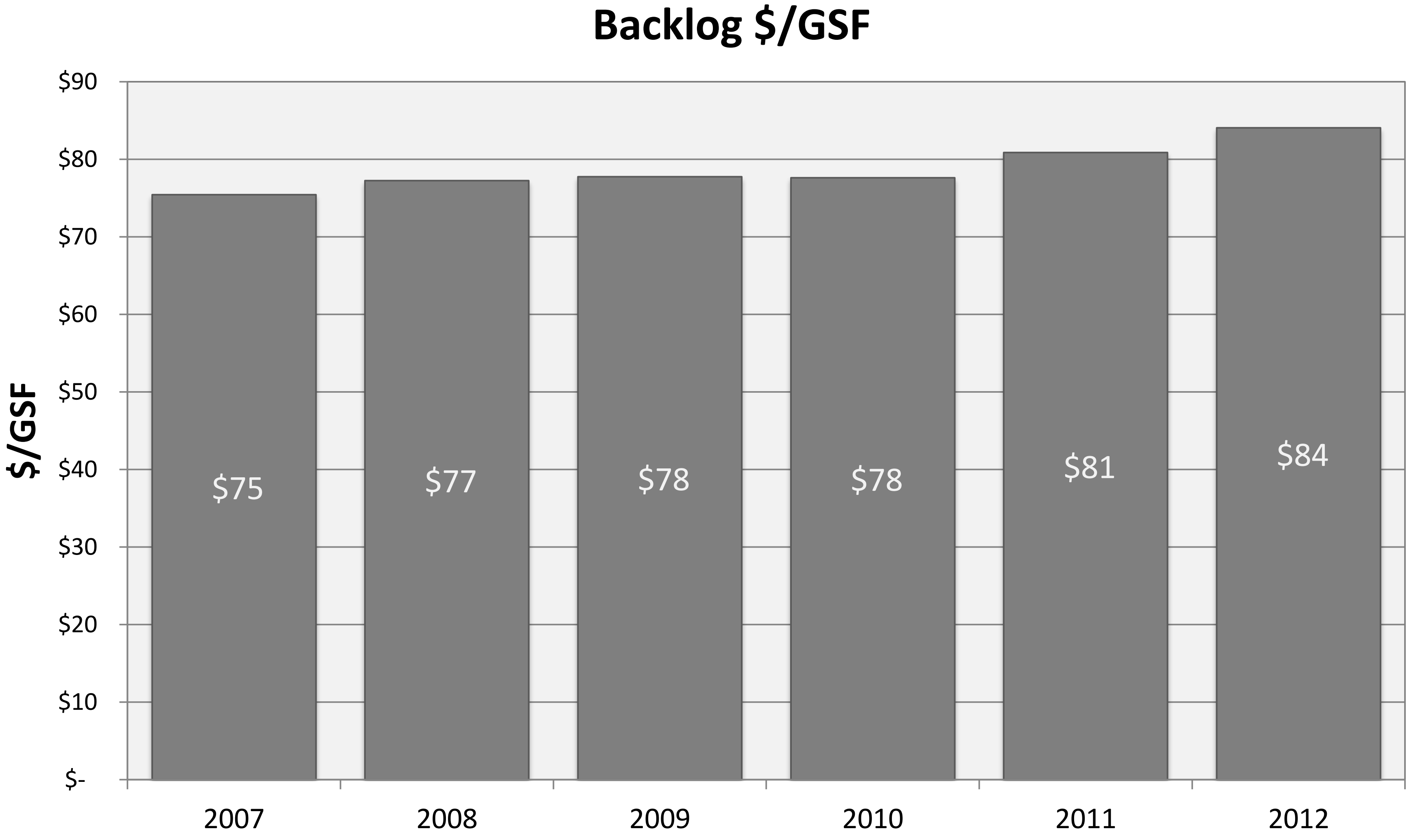

Western Region (AK, AZ, CA, CO, ID, MT, NM, OR, TX, WA)

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UA System profile

Major factors that influence campus operations and decisions

Alaska in Context: Campus renovation age vs. peers

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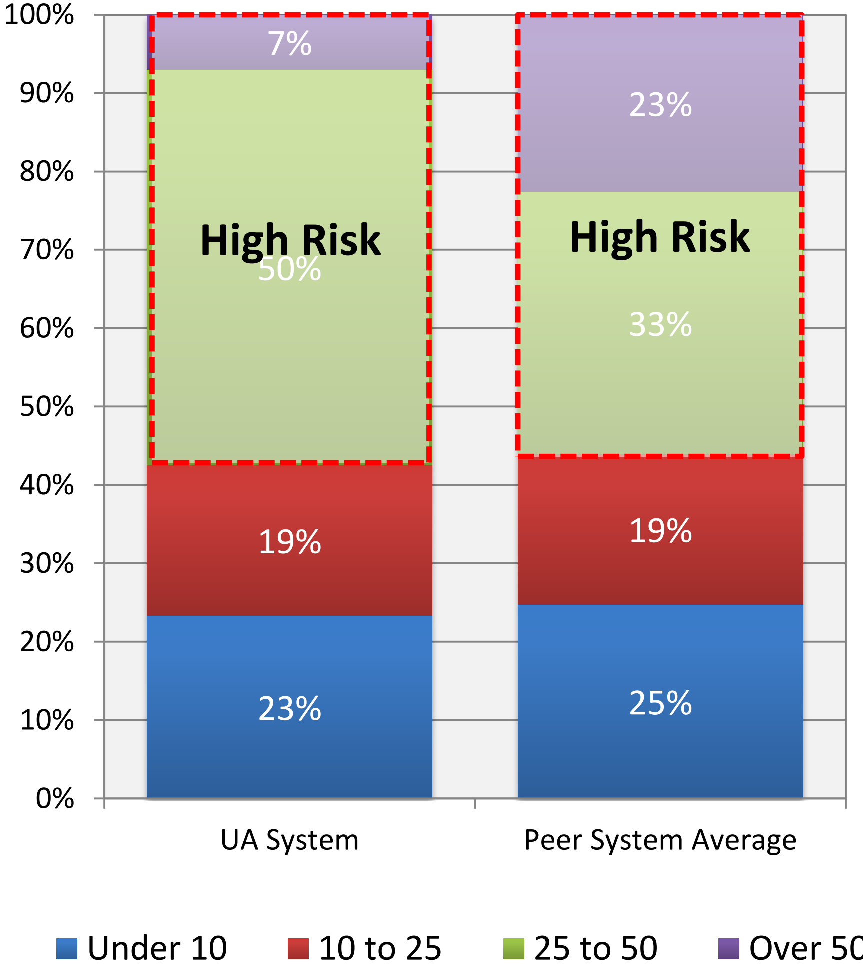
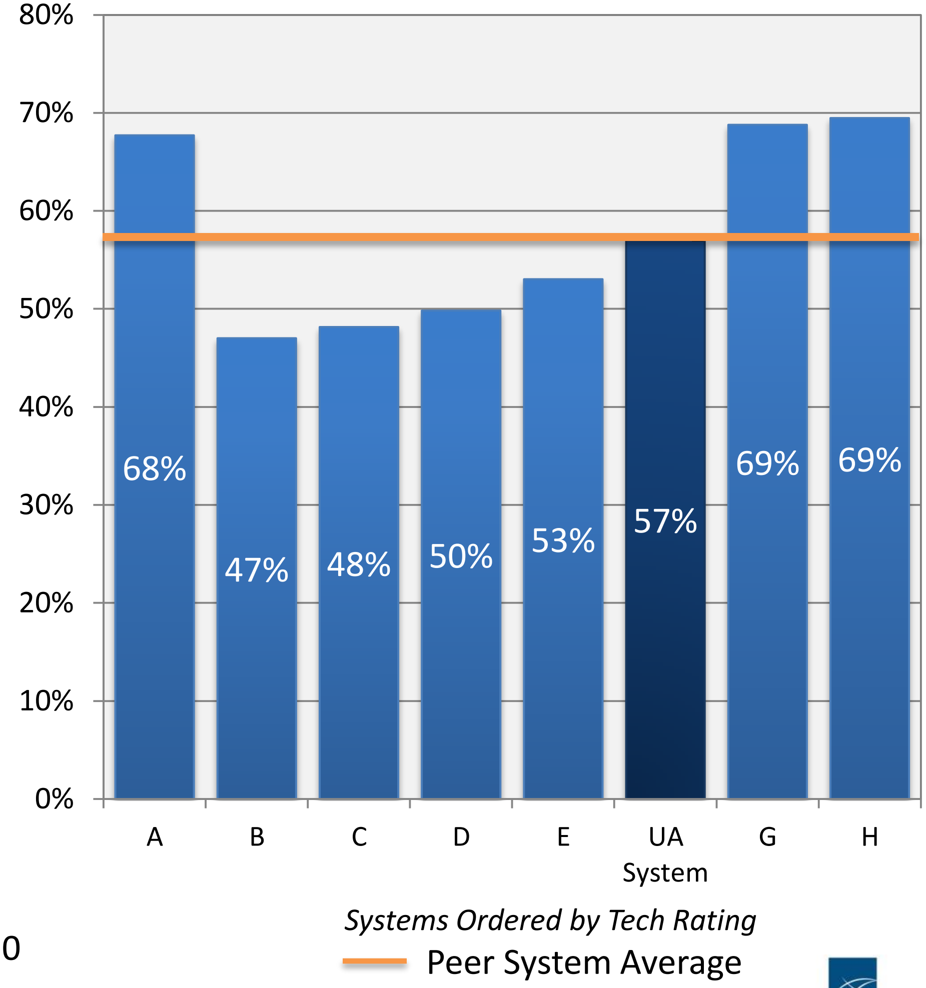
57% of Alaska System space is over 25 years old



Renovation Age Categories

System peer comparison



% of space over 25 years old

Peer system comparison

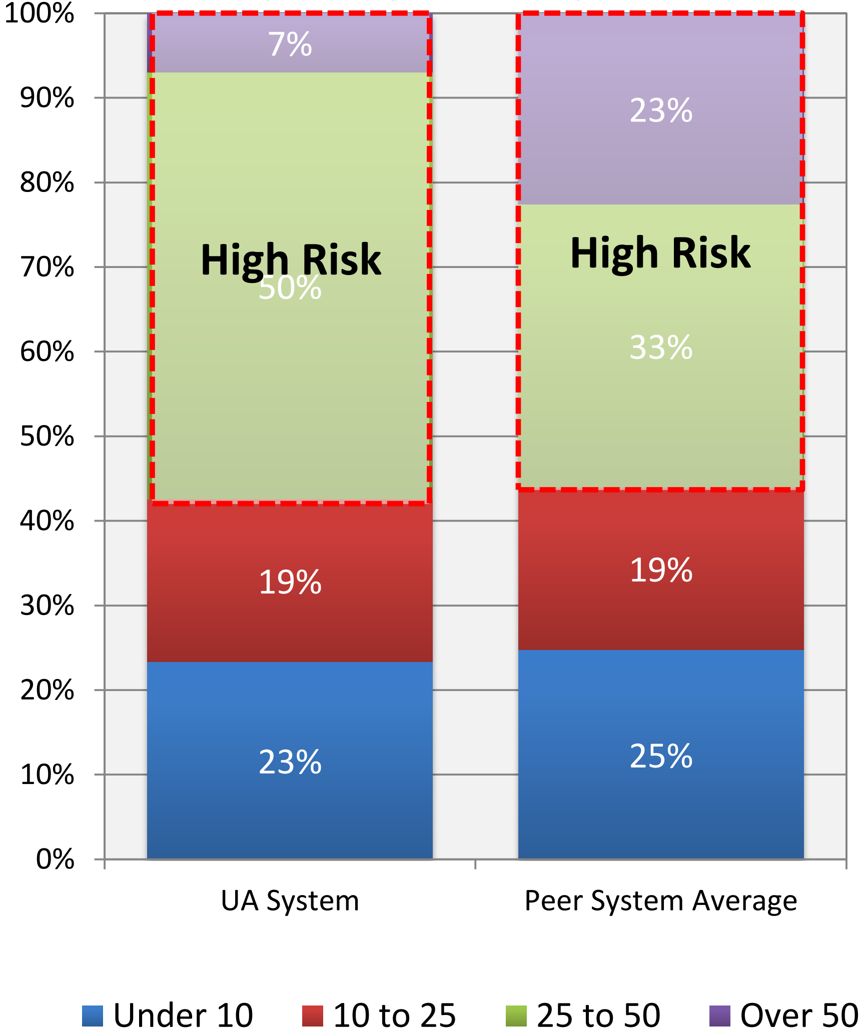
Age profile informs capital strategy

Reference 52

Sightlines

Renovation Age Categories

System peer comparison



Buildings over 50

Life cycles of major building components are past due. Failures are possible. Core modernization cycles are missed.

Highest risk

Buildings 25 to 50

Life cycles are coming due in envelope and mechanical systems. Functional obsolescence prevalent.

Higher Risk

Buildings 10 to 25

Lower cost space renewal updates and initial signs of program pressures

Medium Risk

Buildings Under 10

Little work, “honeymoon” period.

Low Risk

Alaska in Context: Tech rating

Alaska System Tech Ranges from 2.5 to 3.3

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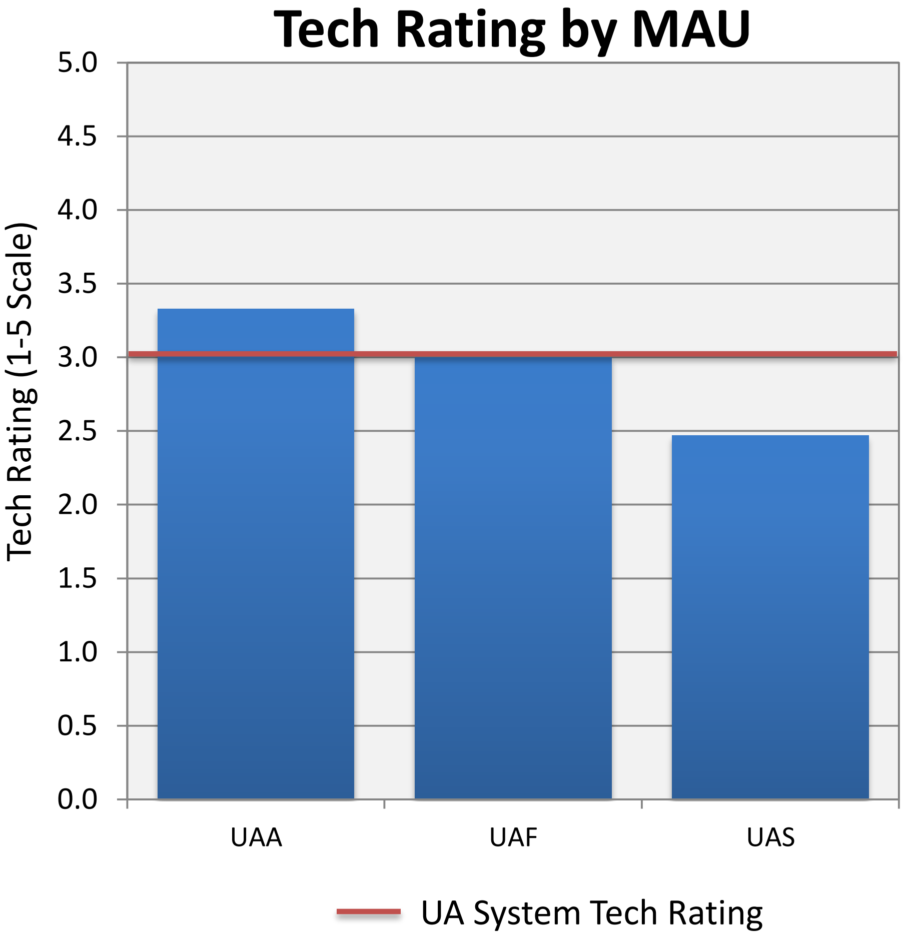

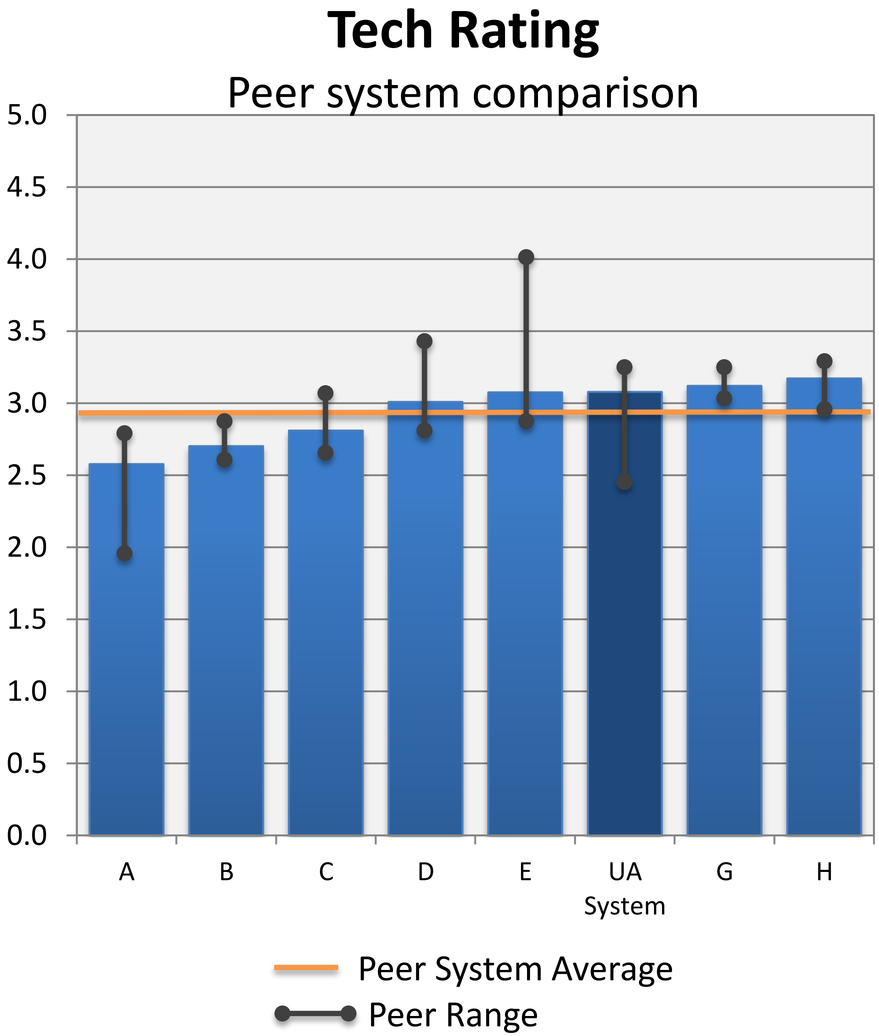

SL Public University FY2012 Average: 2.93

Alaska in Context: Density Factor

UA System Density Factor range: 280-640

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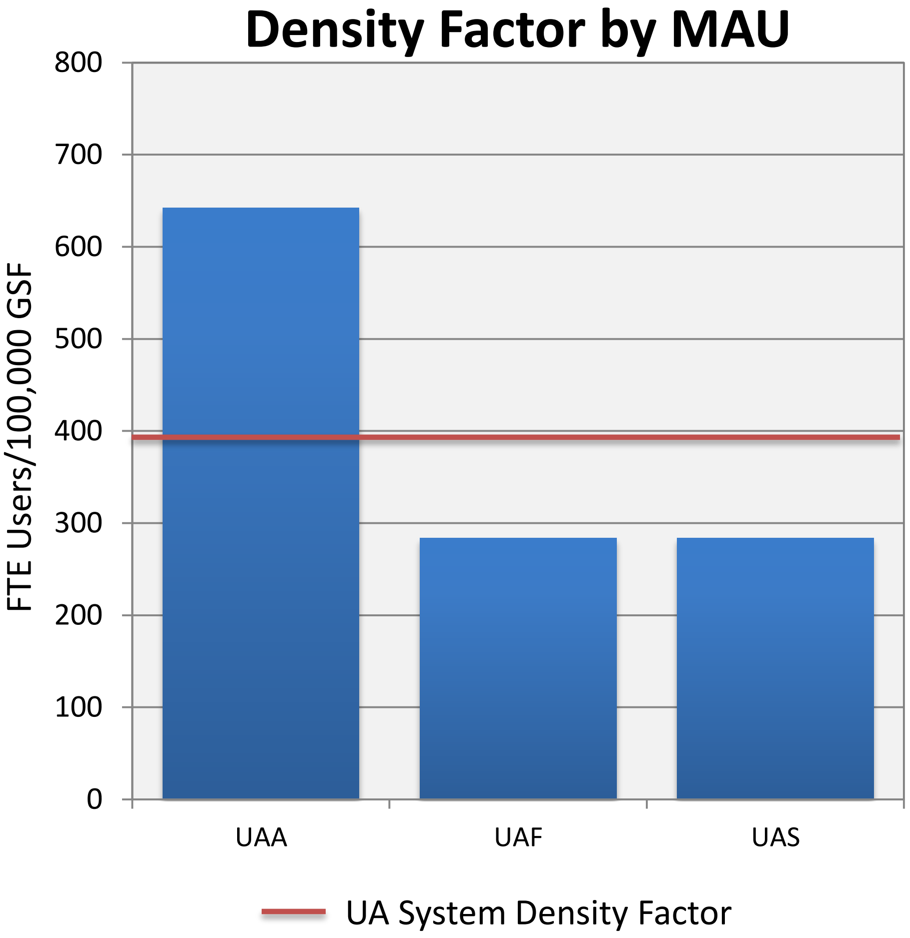

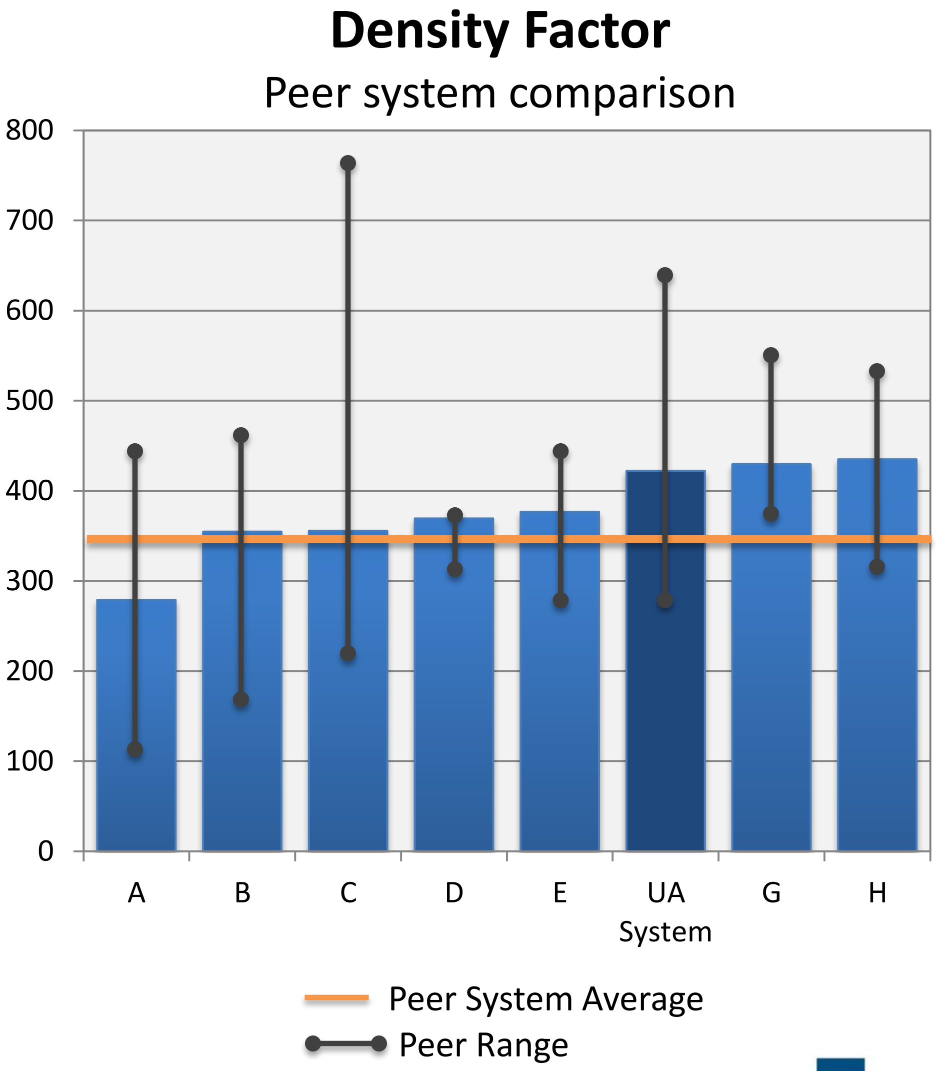

*Users Include Faculty, Staff, Student FTEs

SL Public University FY2012 Average: 616

Alaska in Context: Building Intensity

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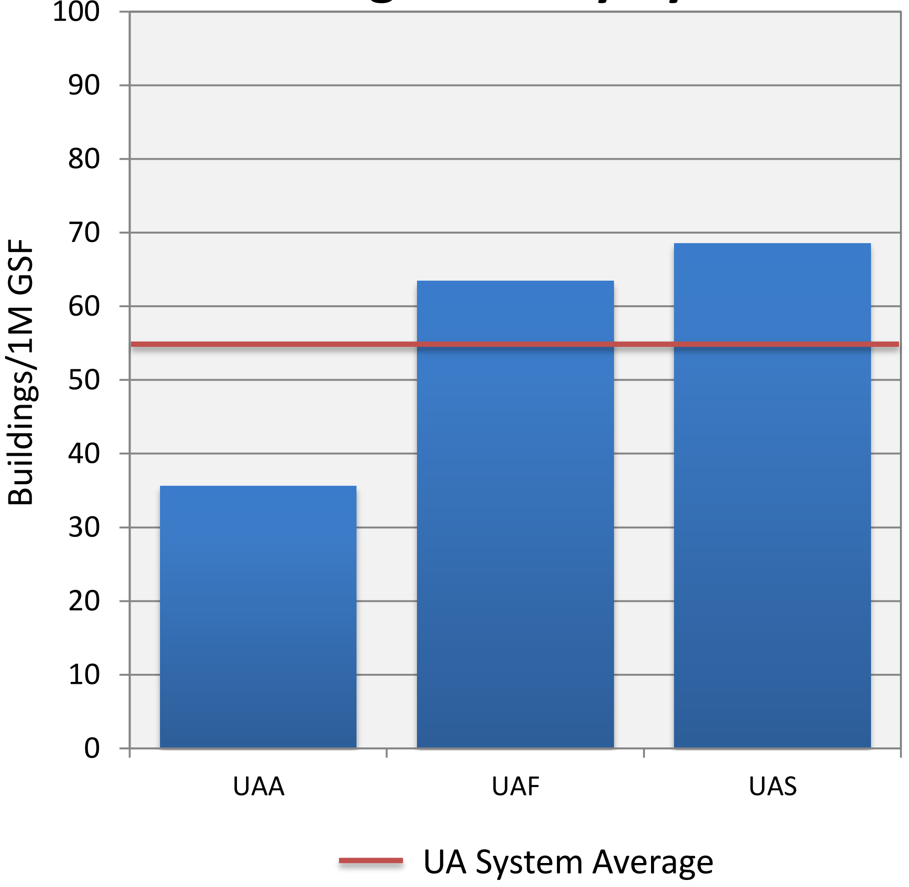
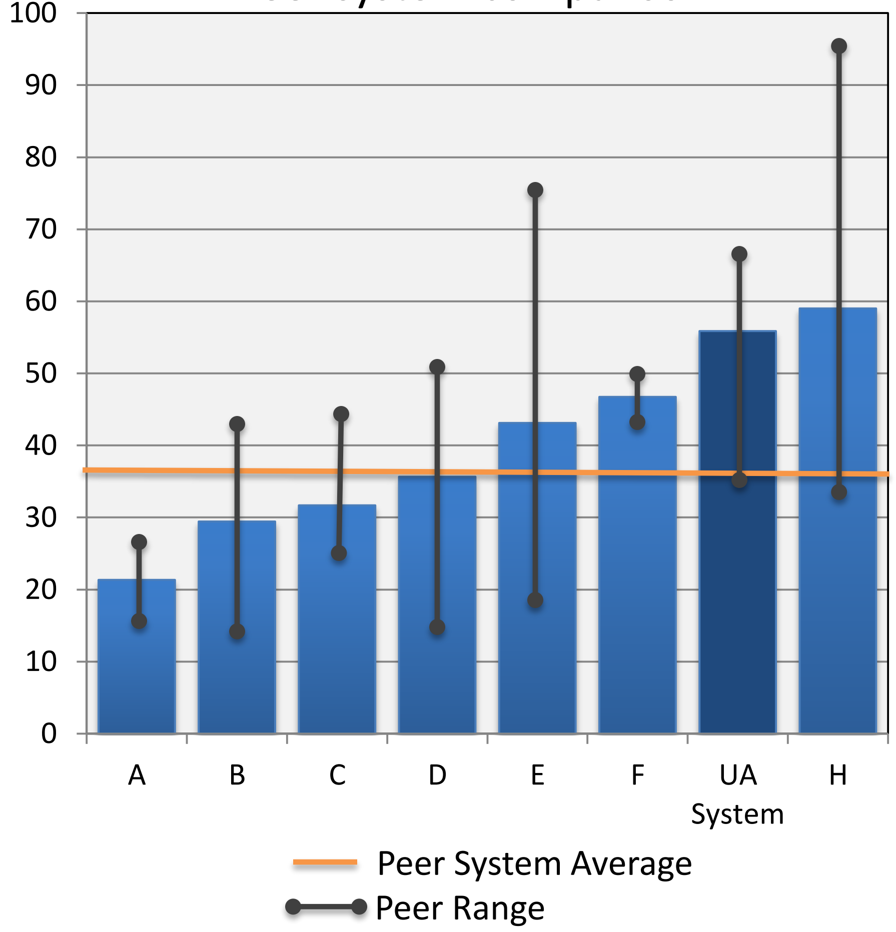
UA System Building Intensity Average : 56 Buildings/ 1M GSF



Building Intensity by MAU



Building Intensity System Averages

Peer system comparison

SL Public University FY2012 Average: 39

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Capital, Budget, and Operations

Asset value change and performance value

UA System terminology to Sightlines

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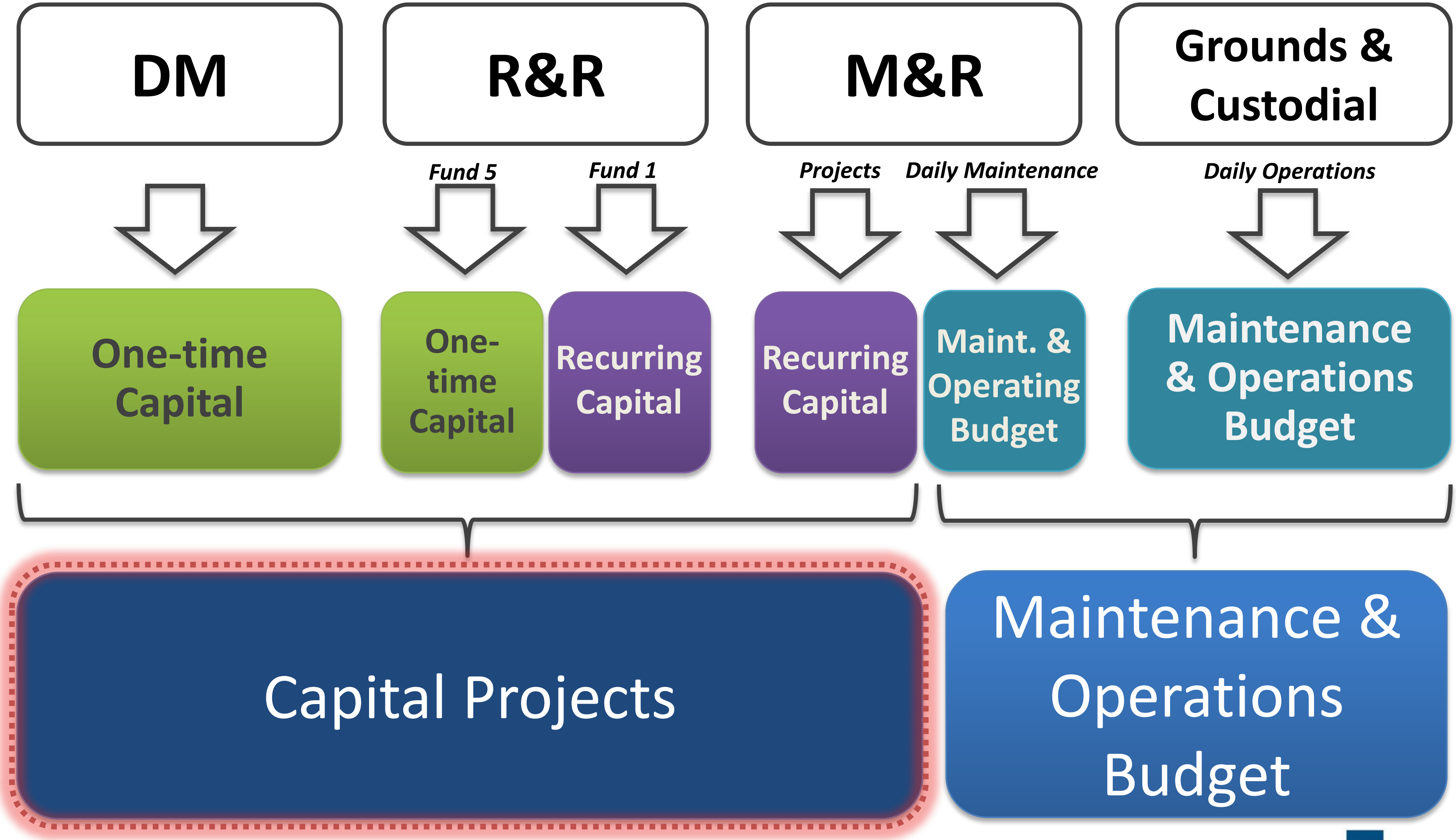
Sightlines


DM
R&R
M&R
Grounds & Custodial
Fund 5
Fund 1
Projects
Daily Maintenance
Daily Operations
One-time Capital
One-time Capital
Recurring Capital
Recurring Capital
Maint. & Operating Budget
Maintenance & Operations Budget
Capital Projects
Maintenance & Operations Budget

*Stewardship and Reinvestment classifications are based on *funding source* rather than *type of work*

Total capital spending

Total FY12 investment was $130M

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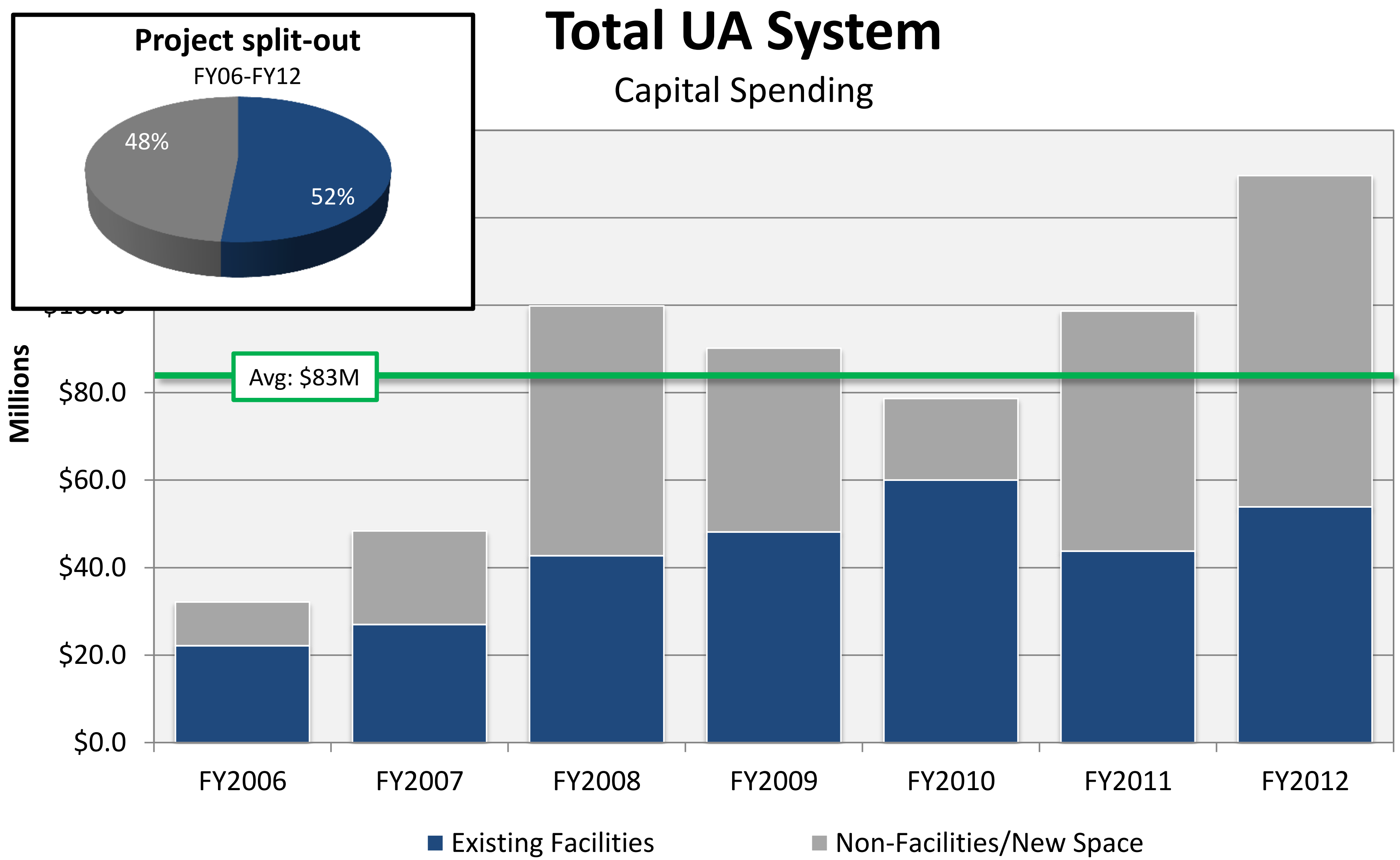

$32.2M	**$28.4M**	**$99.9M**	**$90.2M**	**$78.7M**	**$98.6M**	**$130M**

Total capital spending in facilities

Total facilities related investments in FY12 was $54M

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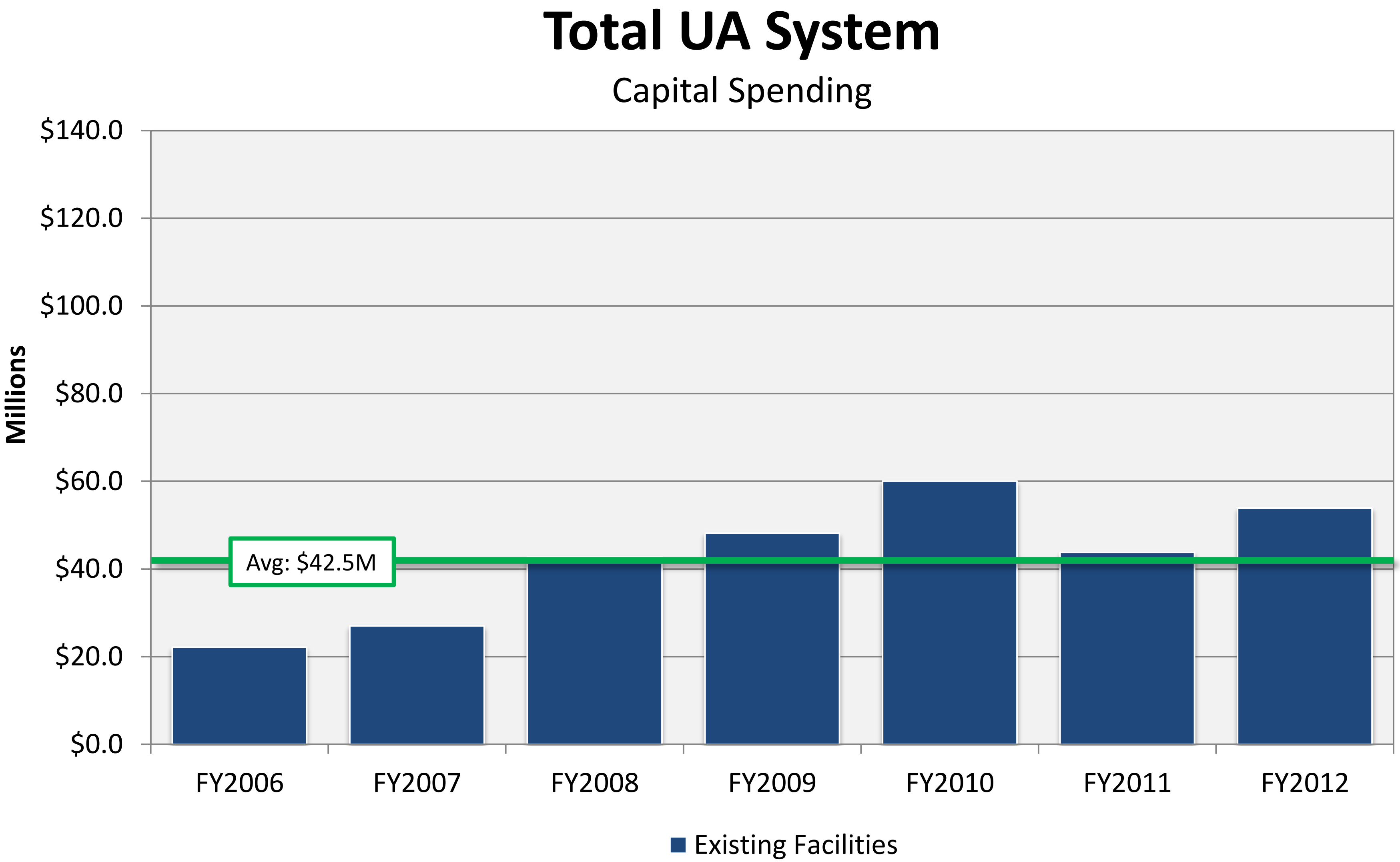
Sightlines



$22.2M	**$27.0M**	**$42.7M**	**$48.2M**	**$60.0M**	**$43.8M**	**$53.9M**

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Sightlines' stewardship "Best Practice" target

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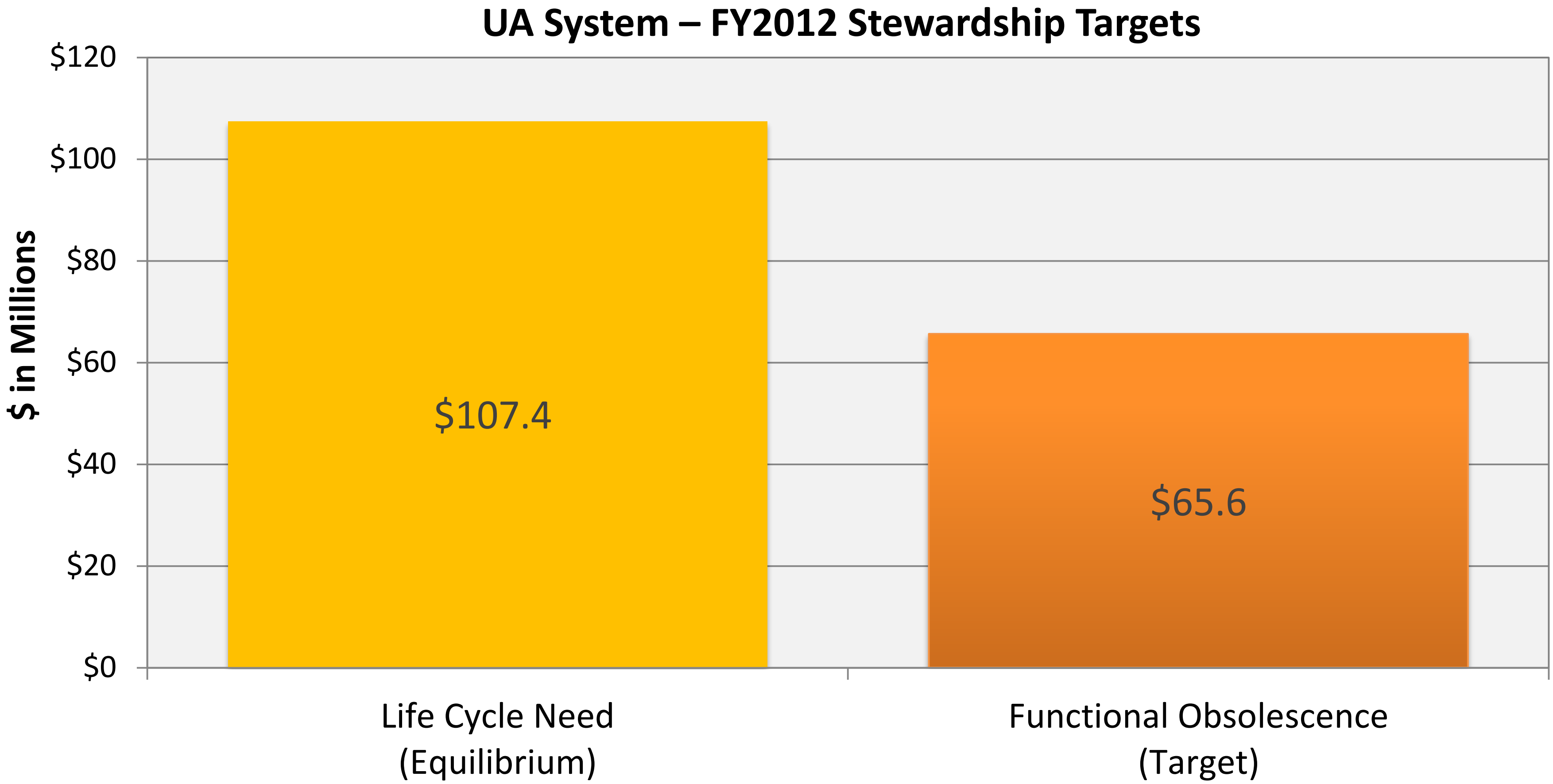
Creating a target for recurring funding sources from operating budget funds



Annual Stewardship

Recurring capital : *M&R and R&R projects**

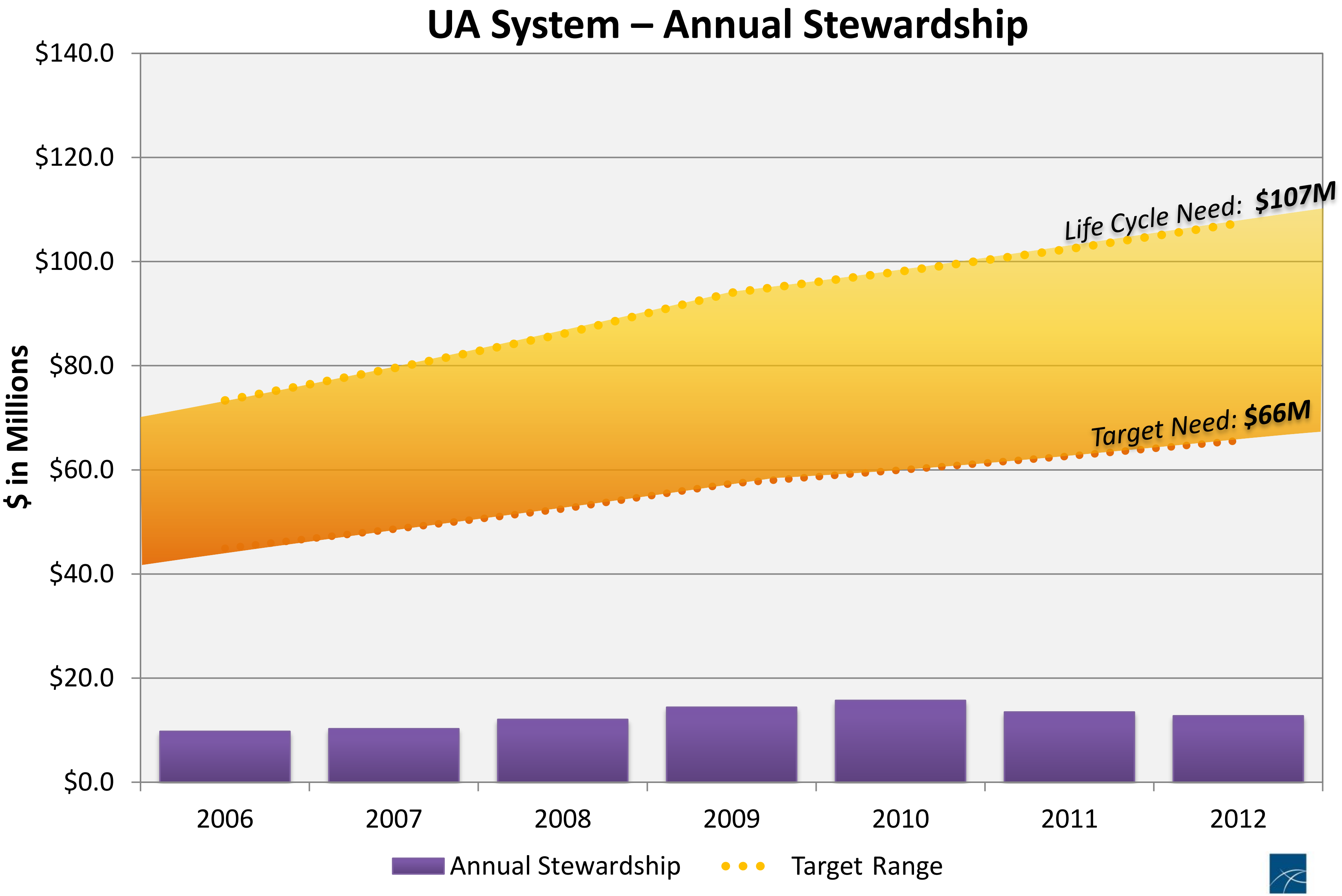
Planned Maintenance: *Service contracts and PM work order labor and materials*

Stewardship and Reinvestment classifications are based on *funding source* rather than *type of work

Total capital investment vs. target need

Reference 52

Funding 19% of stewardship target on average



Capital investments includes renovation of vacated space

Total capital investment vs. target need

Deferral rate since FY06 totals up to $303M

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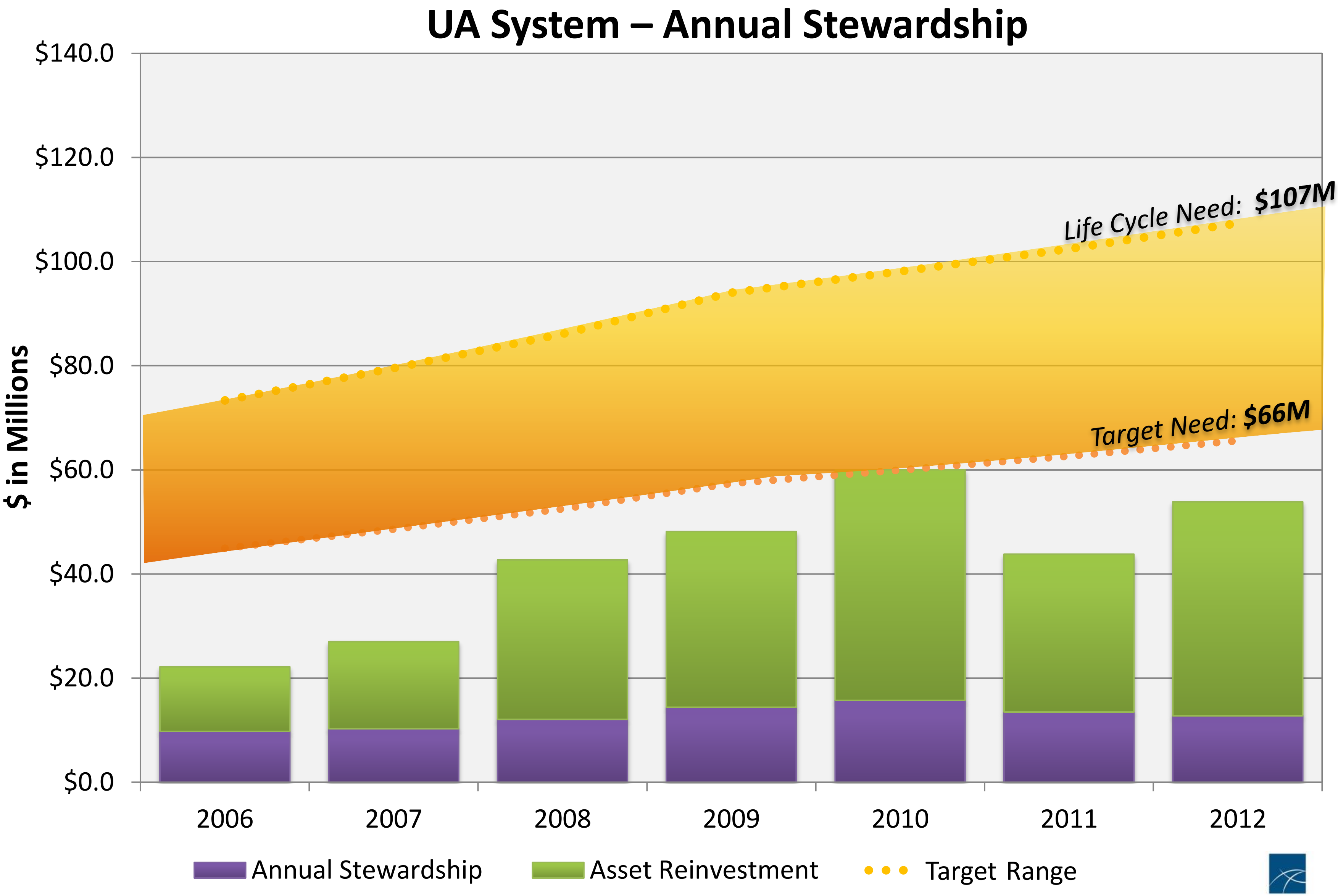

Capital investments includes renovation of vacated space

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Capital investment vs. target comparison

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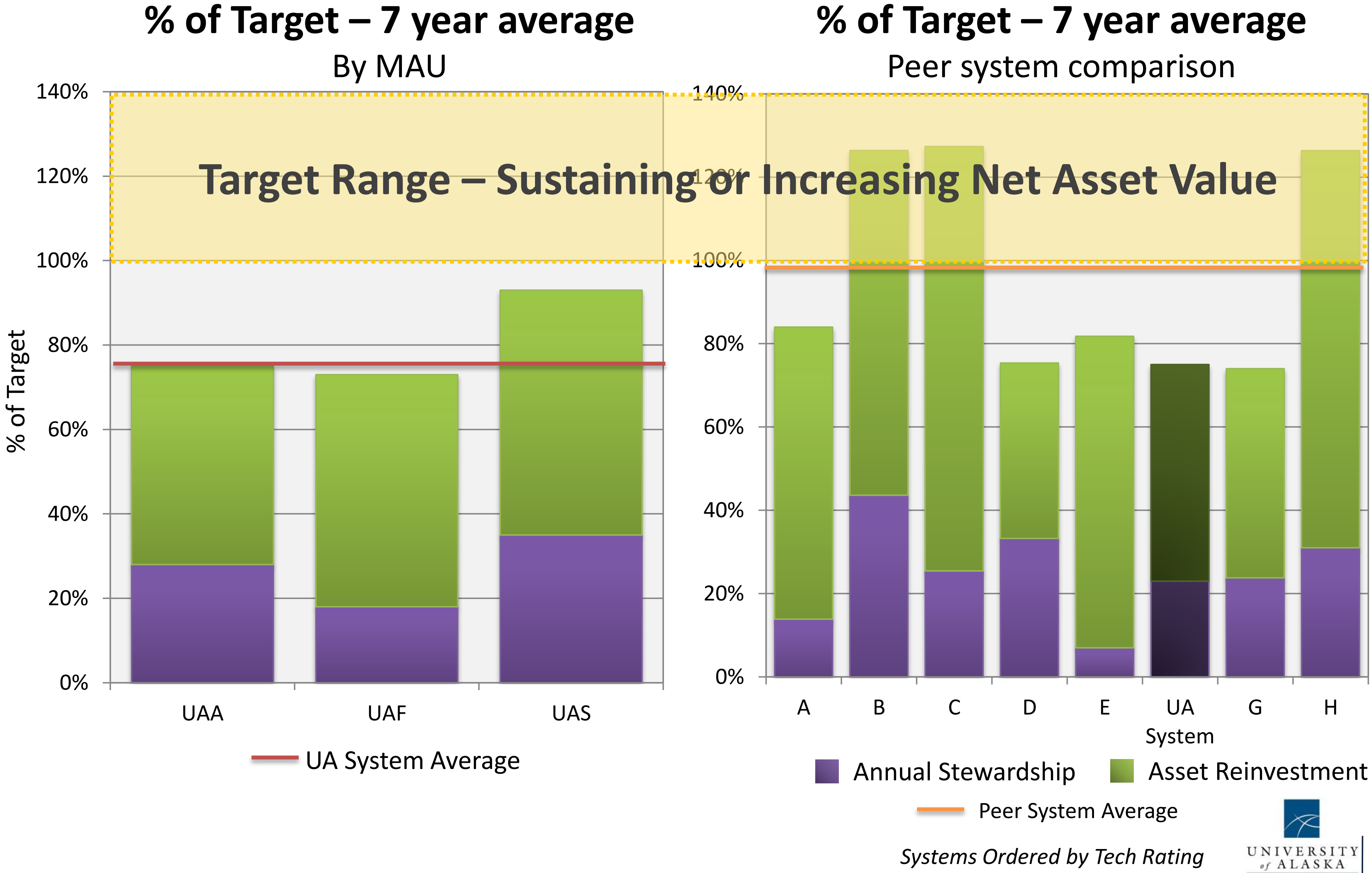
Increasing AS by $8.2M each year will help UA System reach Sightlines' target range

Sightlines



Systems Ordered by Tech Rating

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Capital investment mix profile for UA

UA spending mix follows with regional trend- shifting away from space projects

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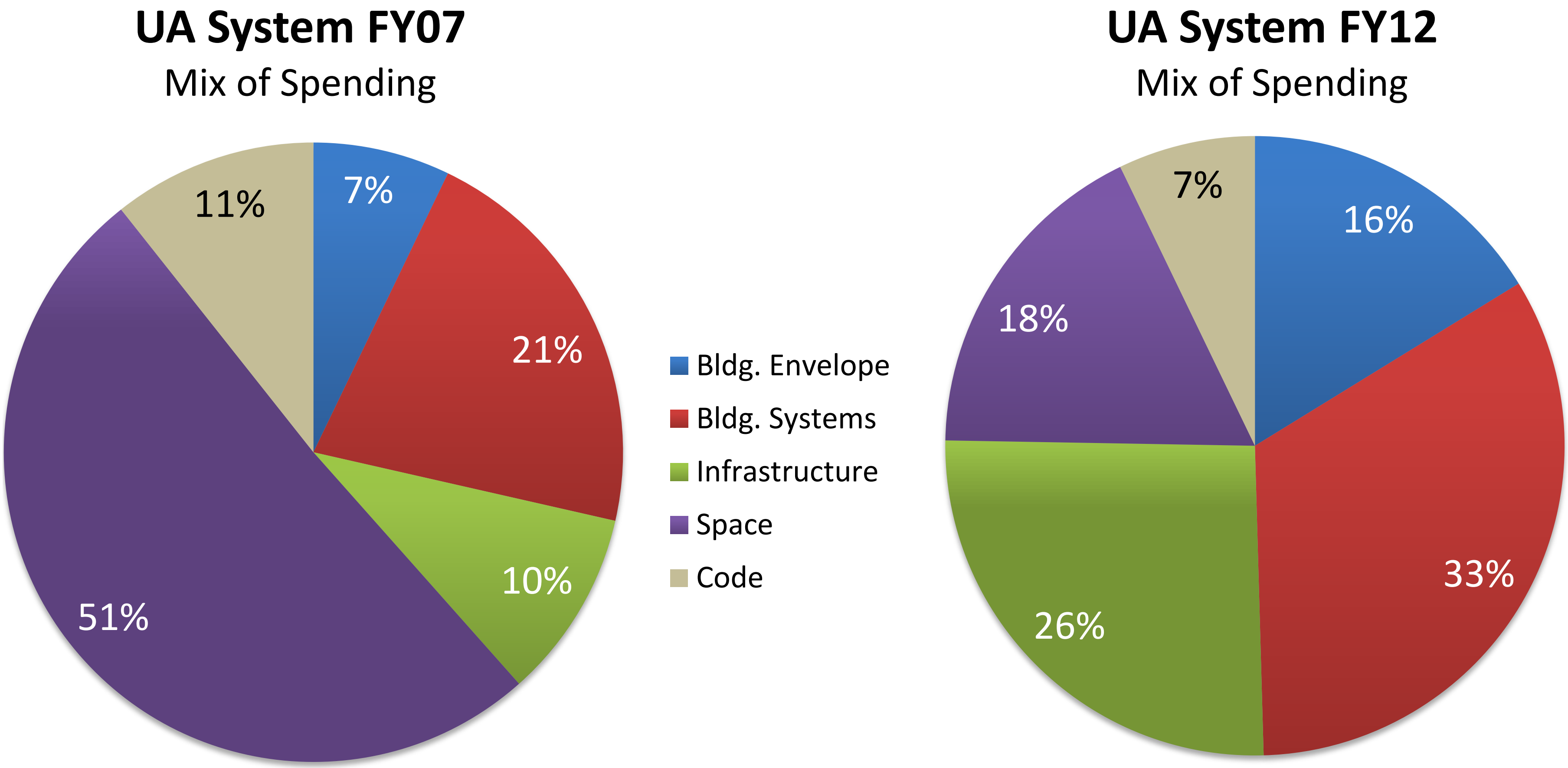

UA System FY07

Mix of Spending

UA System FY12

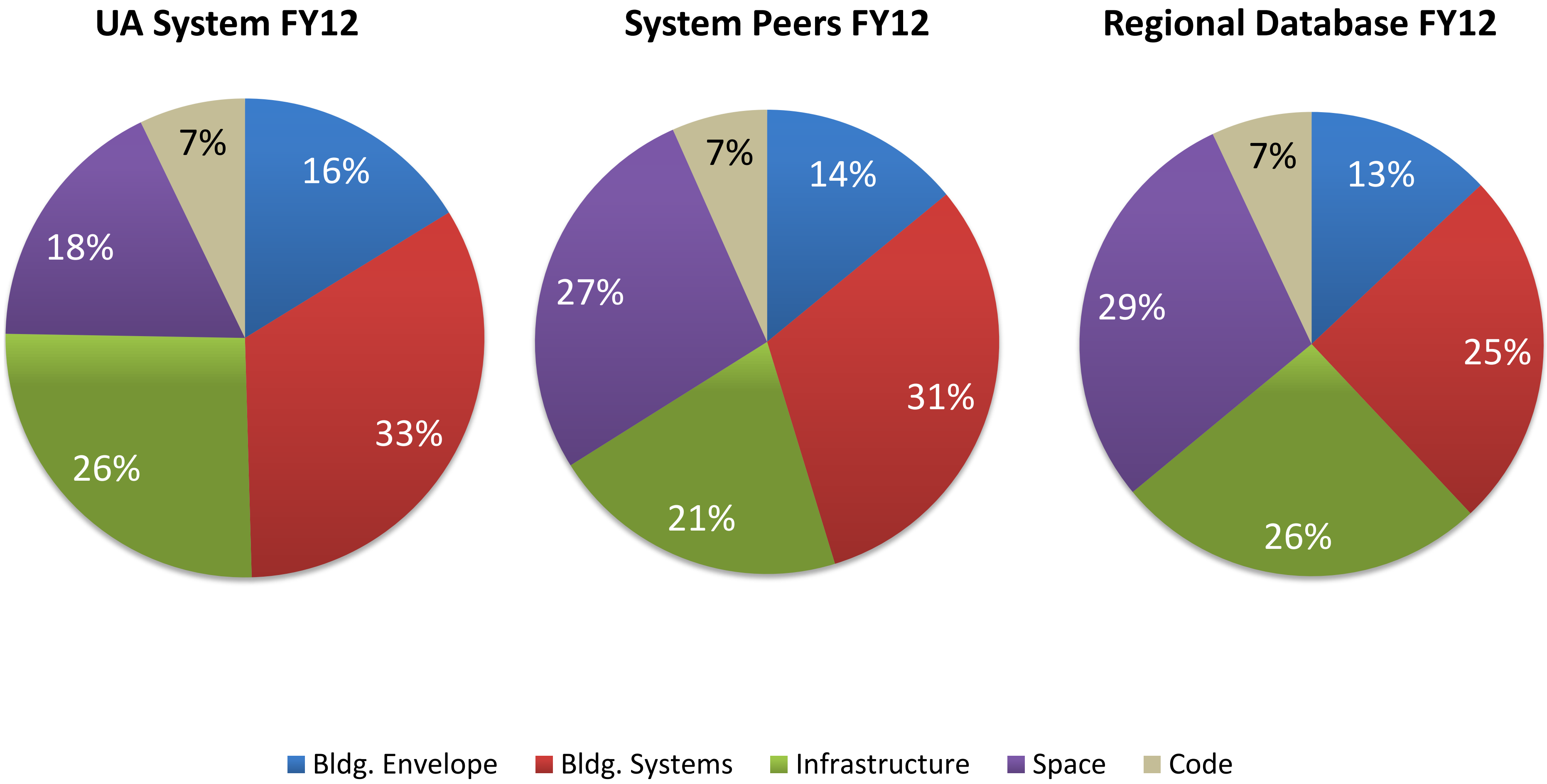
Mix of Spending

Capital investment mix profile comparison FY12

Reference 52

Sightlines

UA system and system peers mix of spending similar to regional database



Investment Focus - Envelope & Mechanical Projects

Recent years focusing on envelope and mechanical needs

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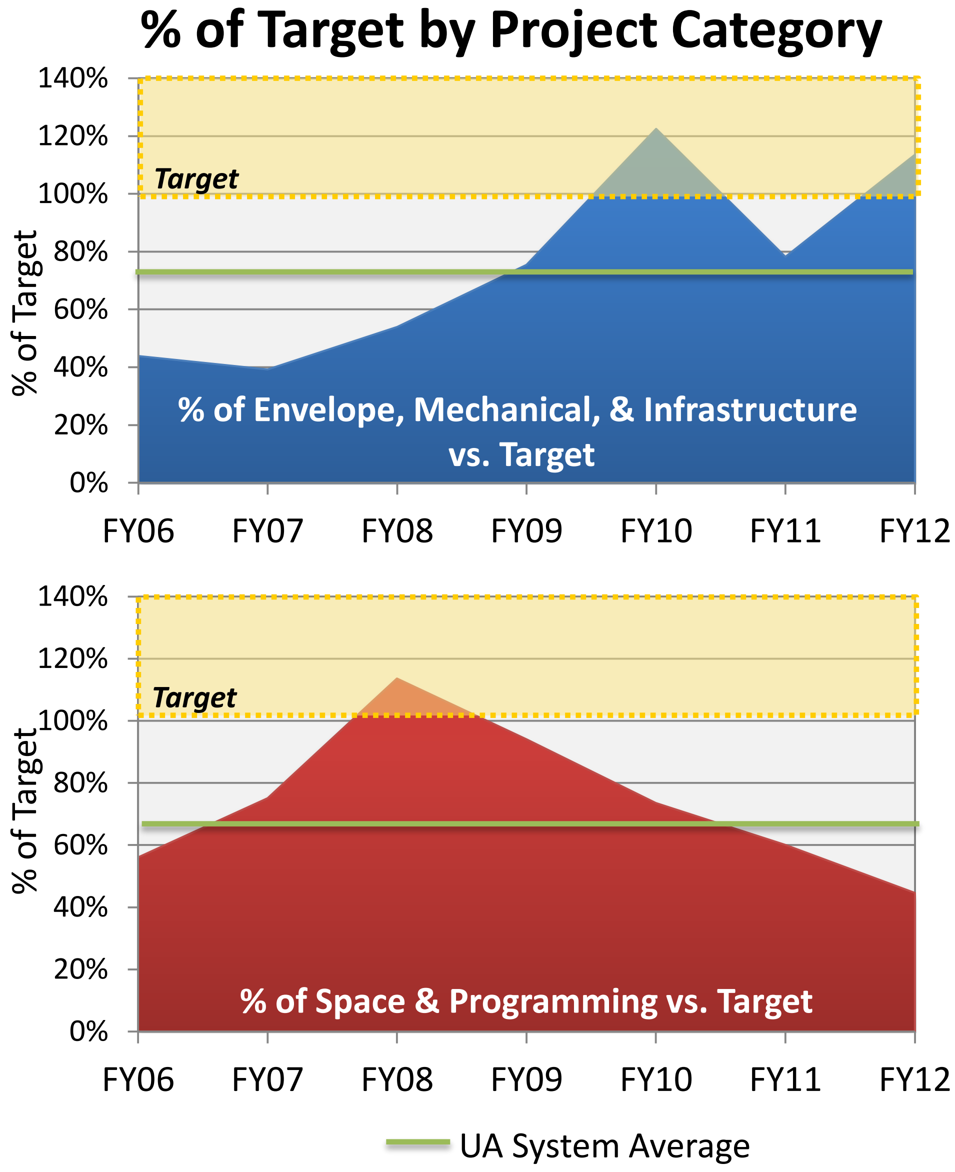

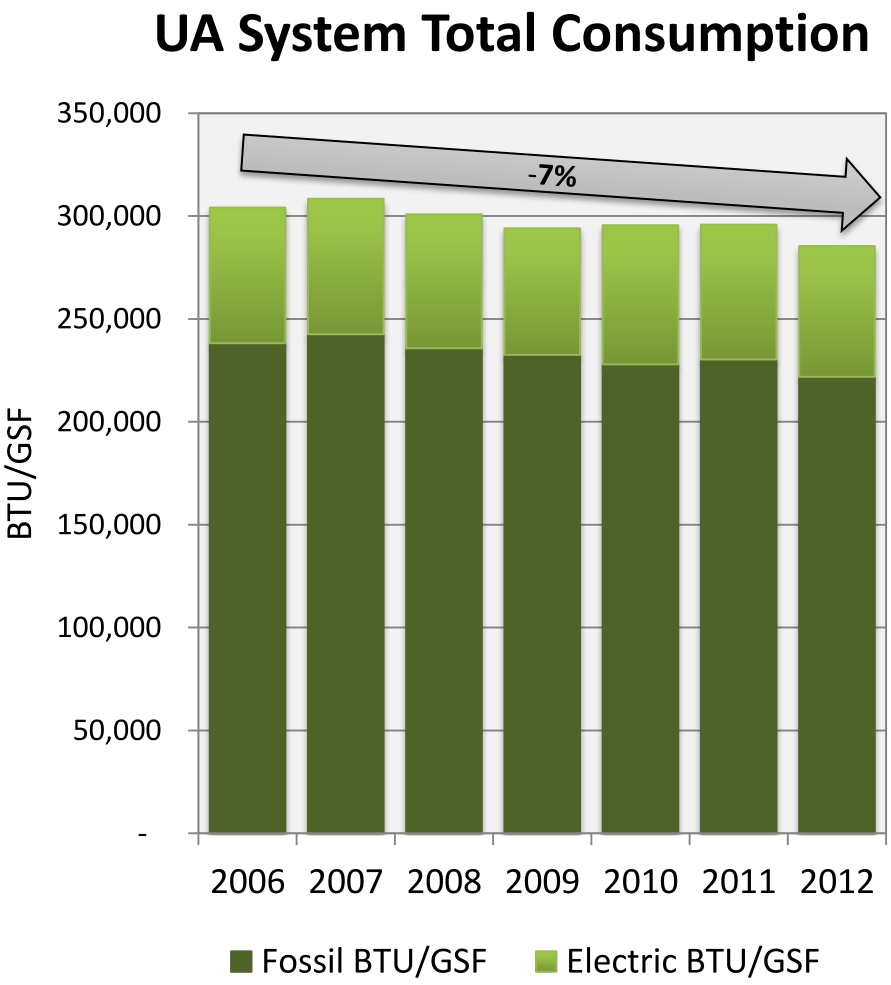

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DM&R Progression over time

UA System backlog of deferred maintenance and renewal totals $1.1B in FY12

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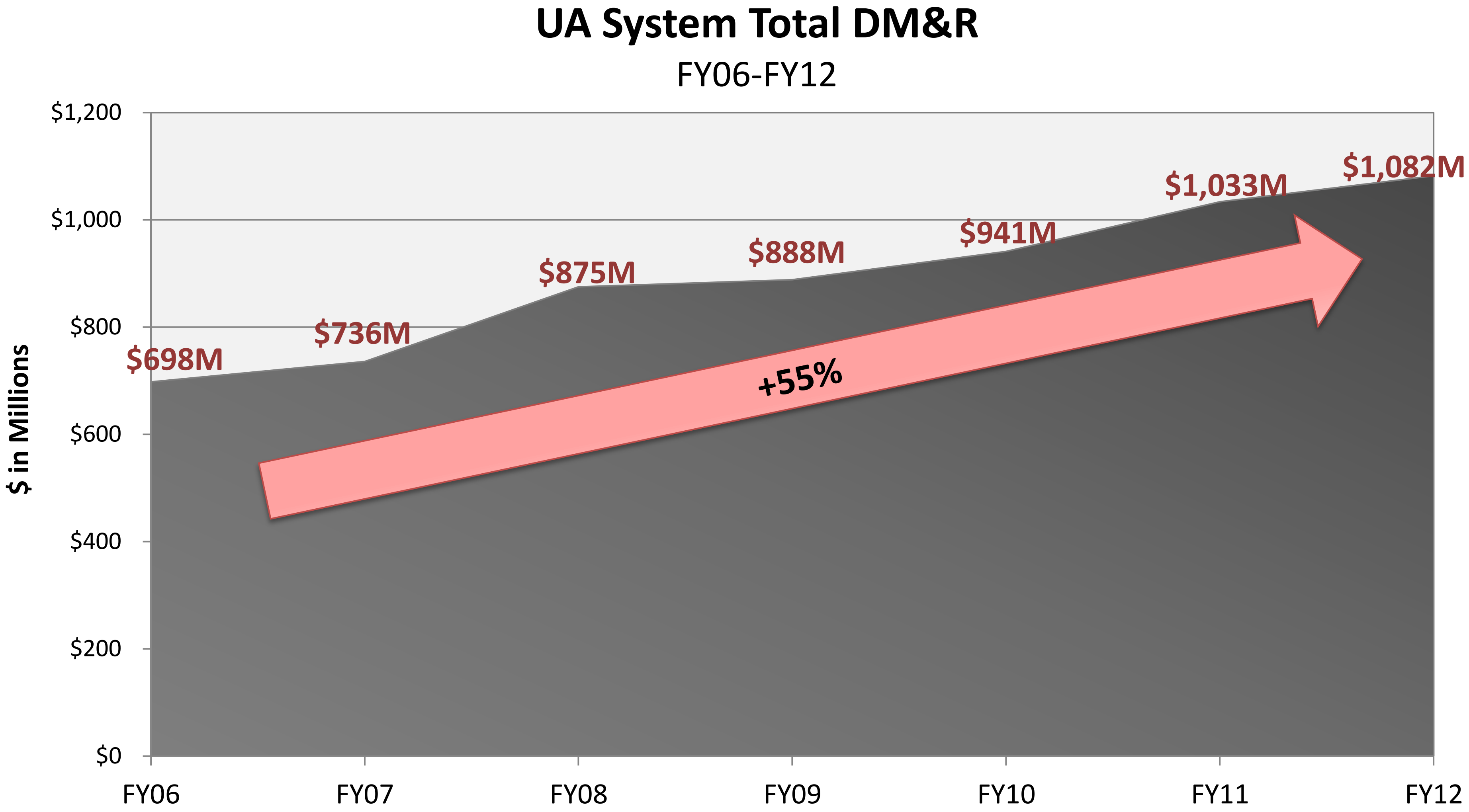

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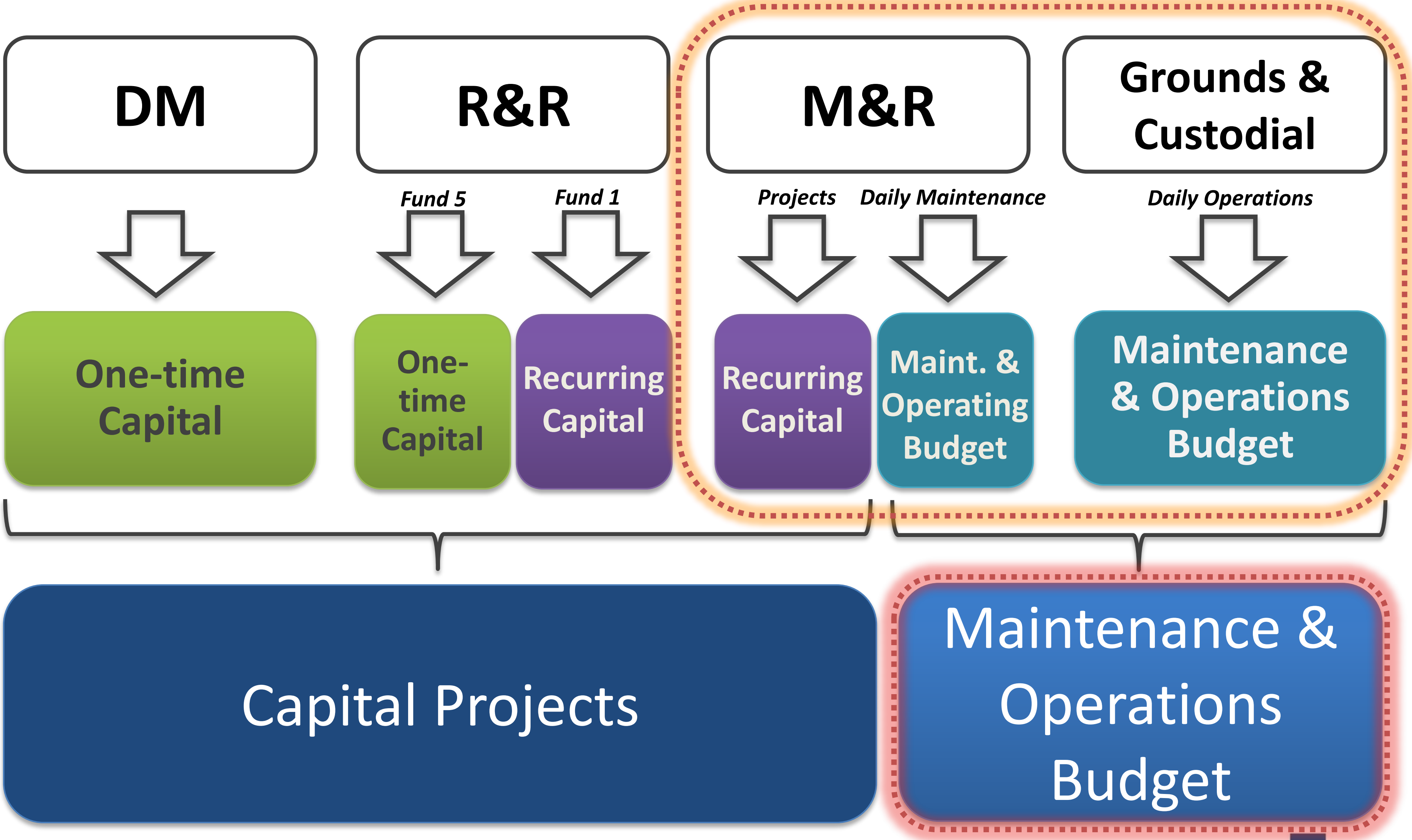
UA System terminology to Sightlines



DM

R&R

M&R

Grounds & Custodial

Fund 5

Fund 1

Projects

Daily Maintenance

Daily Operations

One-time Capital

One-time Capital

Recurring Capital

Recurring Capital

Maint. & Operating Budget

Maintenance & Operations Budget

Capital Projects

Maintenance & Operations Budget

Stewardship and Reinvestment classifications are based on *funding source* rather than *type of work

Operating Budget vs. Peer Systems

UA system closer to peers when accounting for the cost of living

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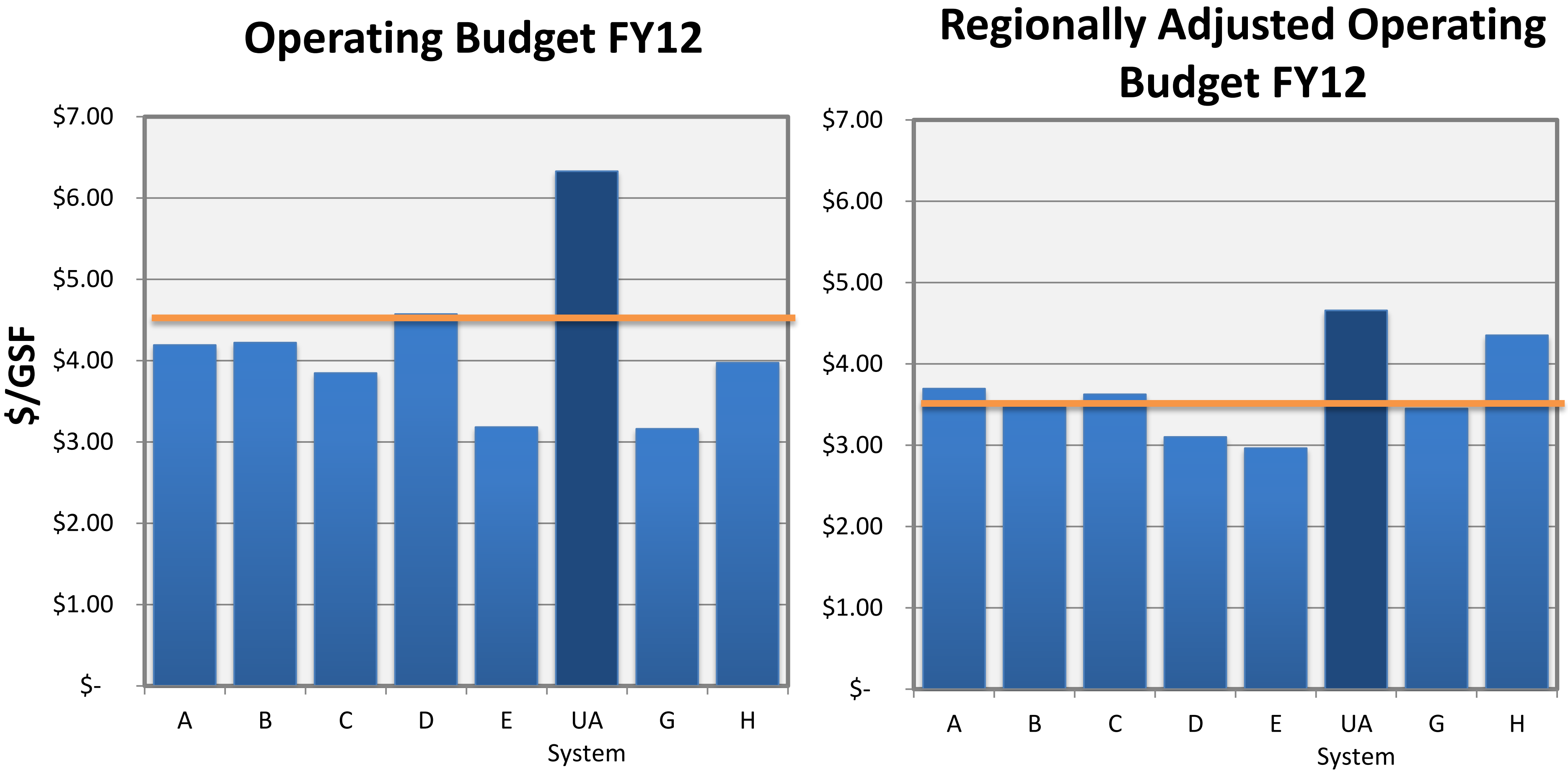
Sightlines

Daily Service: Maintenance, Grounds, Custodial, and Facilities Admin budget
Includes all personnel, supplies, materials, and contract costs



Institutions in order of Tech Rating

Adjusted budget reflects a comparison normalized for regional cost-of-living variance

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Maintenance performance

UA System coverage ratio similar to peers despite having more buildings to cover

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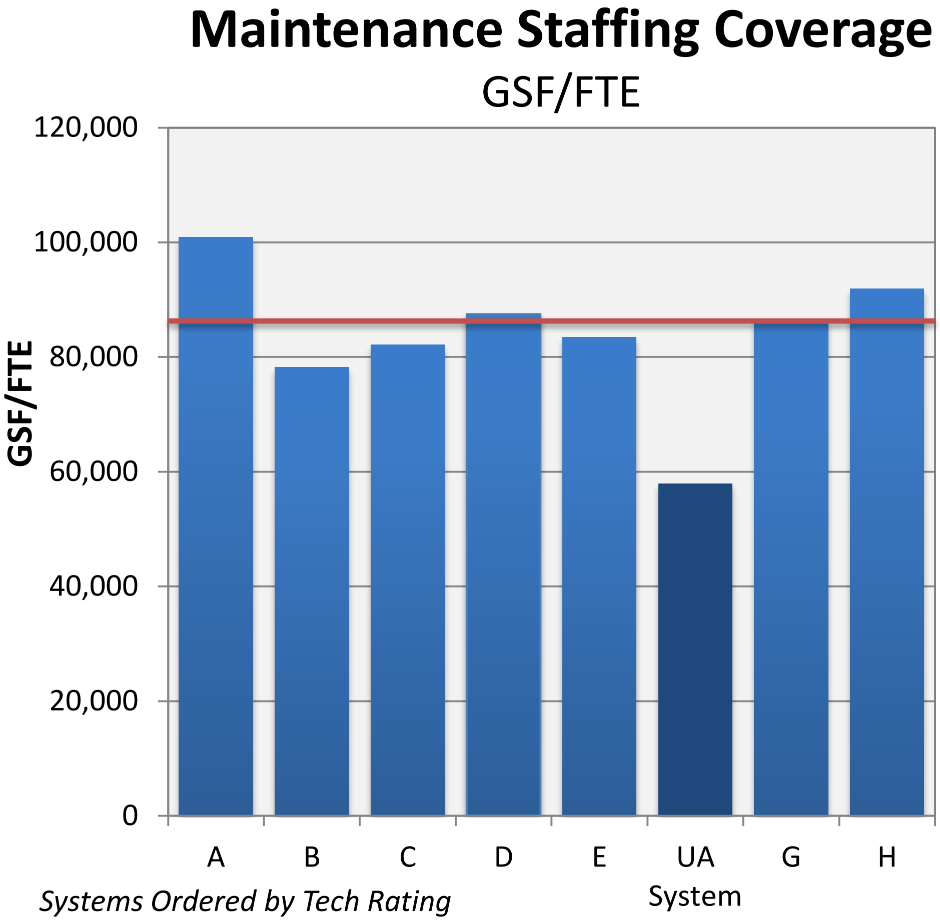

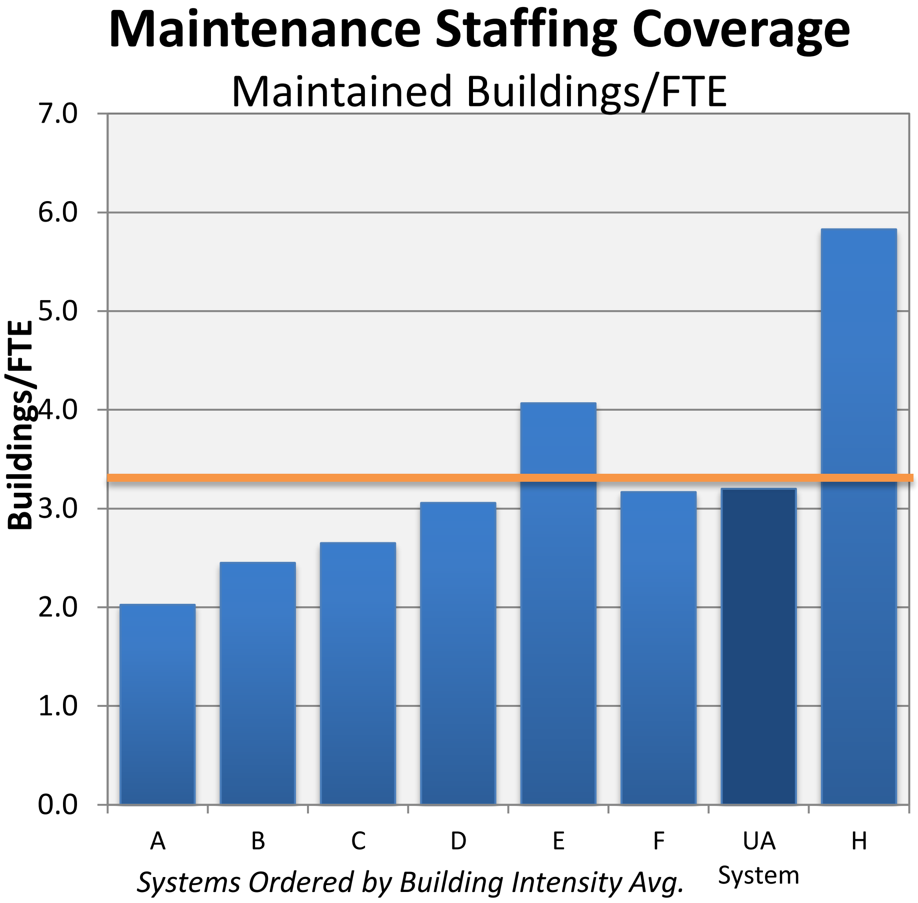

Peer System Average

	UA System avg.	Peer System avg.
General Repair score (1-5)	4.07	3.80

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Custodial performance

Covering more buildings with comparable inspection scores

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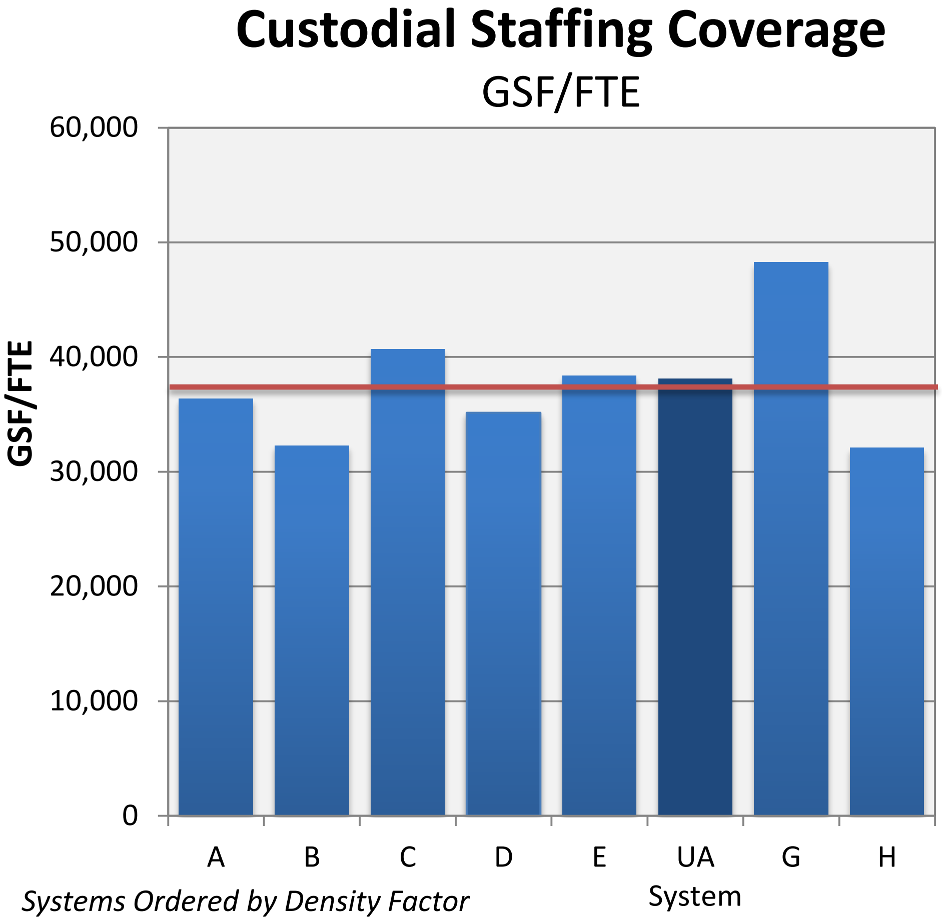

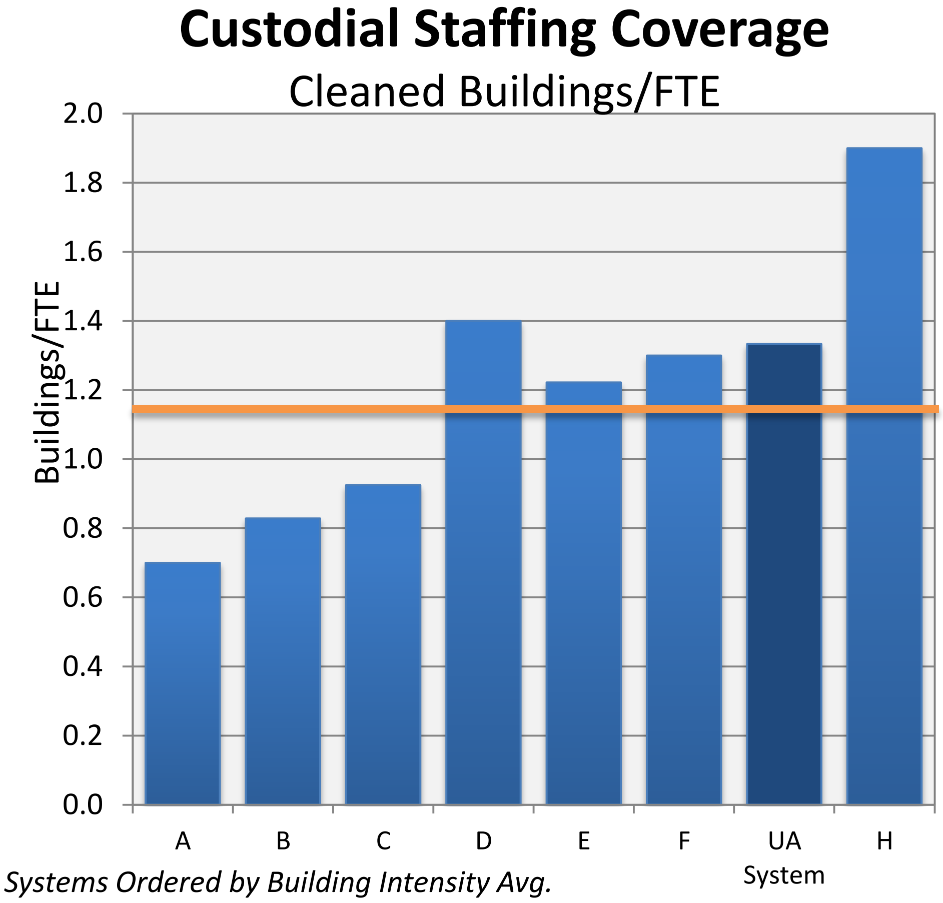

Peer System Average

Cleanliness Score (1-5)	UA System avg.	Peer System avg.
	4.00	4.10

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University of Alaska System

Bringing it all together

FY10/FY11 recommendations revisited

Reference 52

FY10 Recommendations

Reduce effects of a high cost structure, campus complexity and regional strain by:

- ✓ Tracking operations and capital data consistently across all MAU’s to ensure accurate comparisons and analysis
- ✓ Quantifying the backlog consistently across all MAU’s to aid in implementing a long-range capital plan that includes both keep-up and catch-up funding
- Monitoring daily operations to maximize efficiencies and track the correlation between change in backlog and operational metrics, including:
  - Operating budget
  - Energy consumption
  - Staffing levels
  - Campus inspection
- ✓ Monitoring academic space utilization rates to ensure efficient use of facilities

FY11 Recommendations

- Create a manageable target that is applicable to all the MAUs that will help reduce the backlog and maintain facilities at a sustainable level
- Understand impact of wide ranging density factors, tech ratings, and age, and develop differentiated maintenance, repairs, and stewardship strategies for each MAU
- ✓ Fund projects that will steward the space under 10 (keep your young space young), and address the life cycles/deferred needs in space over 25 (renovate older, worn out buildings)
  - ***University Building Fund (In progress)***

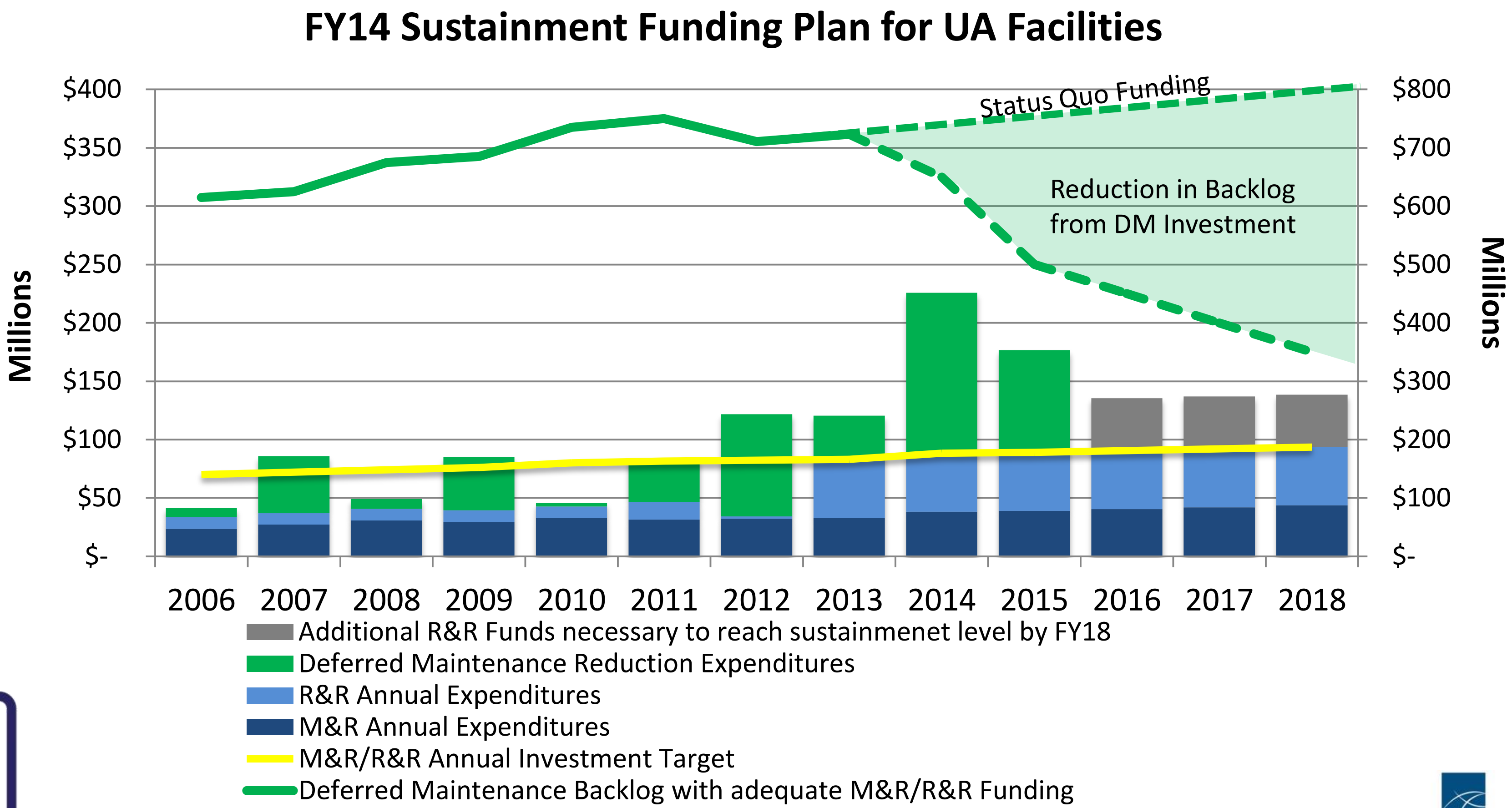
FY12 recommendation #1

Updated FY14 Sustainment Funding Plan for UA Facilities

Reference 52

Sightlines

Continue to complete the Investment Strategy Building Chart to incorporate plans for future budgets. Putting a strategy in place will help reach the goal to decrease the DM&R



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Using the detailed analysis for multi-year investment planning

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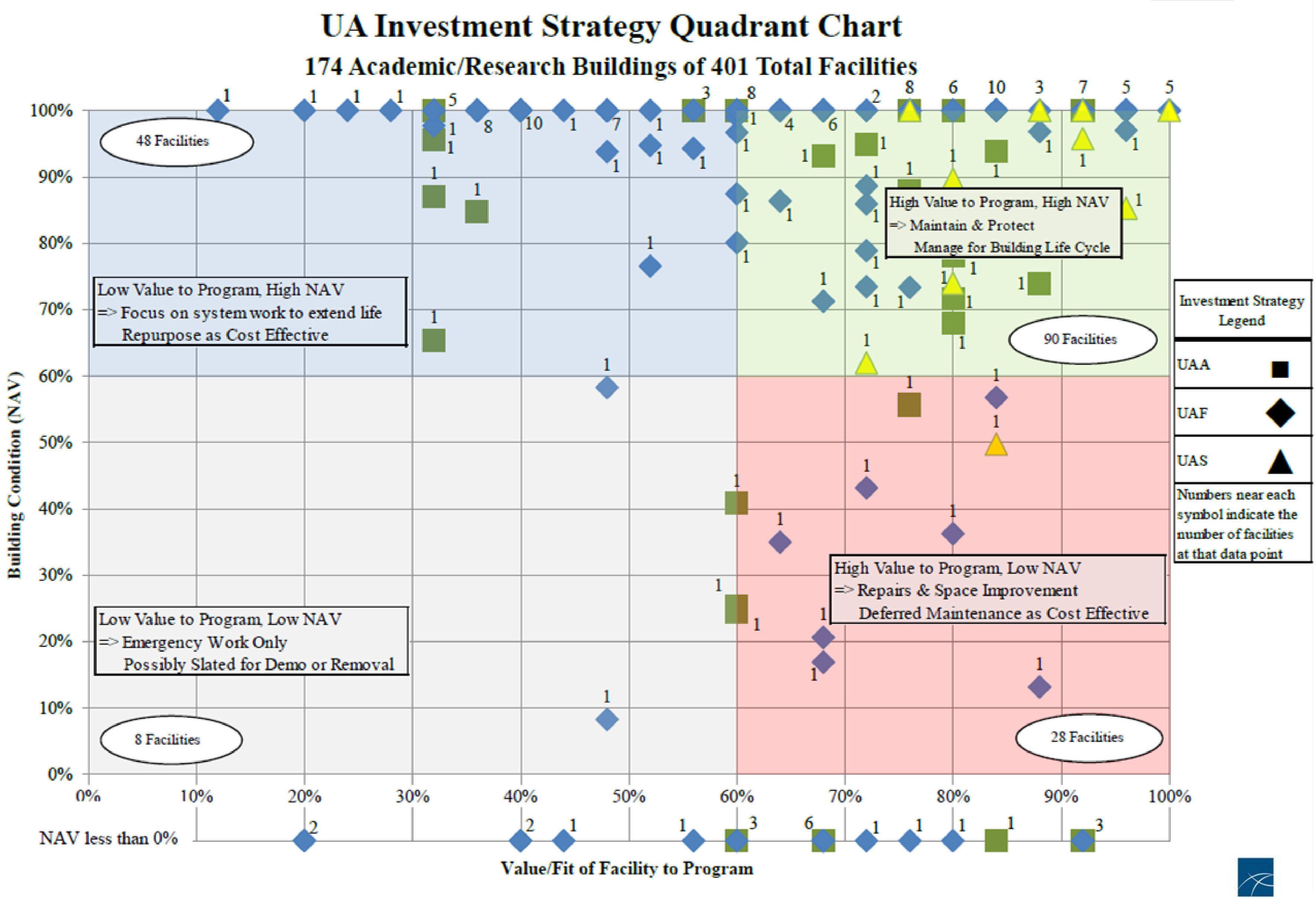
Investment strategy and project selection based on facts



UA Investment Strategy Quadrant Chart

174 Academic/Research Buildings of 401 Total Facilities

Low Value to Program, High NAV
=> Focus on system work to extend life
Repurpose as Cost Effective

High Value to Program, High NAV
=> Maintain & Protect
Manage for Building Life Cycle

Low Value to Program, Low NAV
=> Emergency Work Only
Possibly Slated for Demo or Removal

High Value to Program, Low NAV
=> Repairs & Space Improvement
Deferred Maintenance as Cost Effective

Investment Strategy Legend	
UAA	■
UAF	◆
UAS	▲

Numbers near each symbol indicate the number of facilities at that data point

48 Facilities
90 Facilities
8 Facilities
28 Facilities
Building Condition (NAV)
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
NAV less than 0%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Value/Fit of Facility to Program

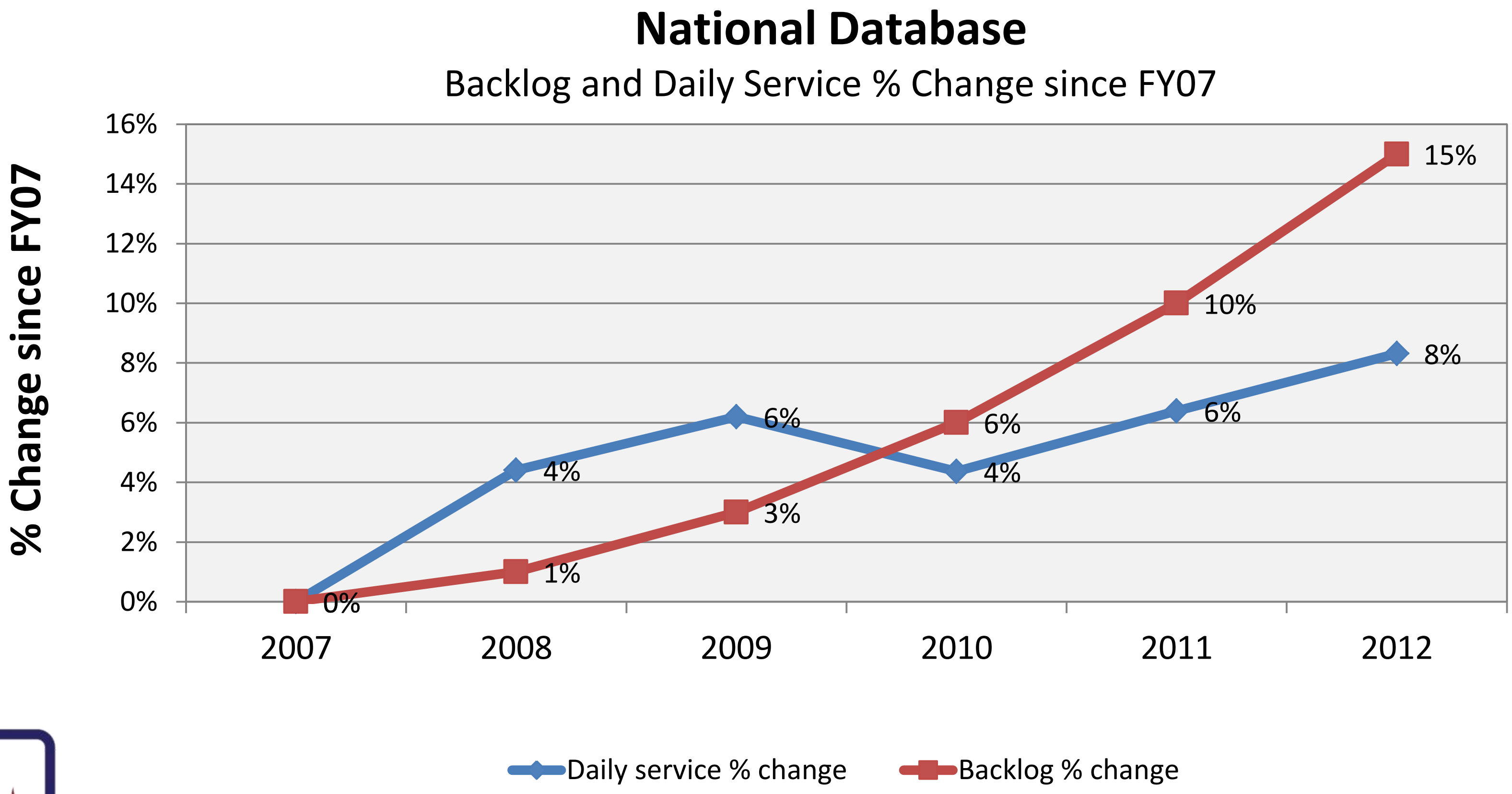
FY12 recommendation #2

Database shows national trends of increasing backlog and daily service budget

Reference 52

Sightlines

Decreasing the DM&R will help relieve stress on facilities maintenance and operations budget



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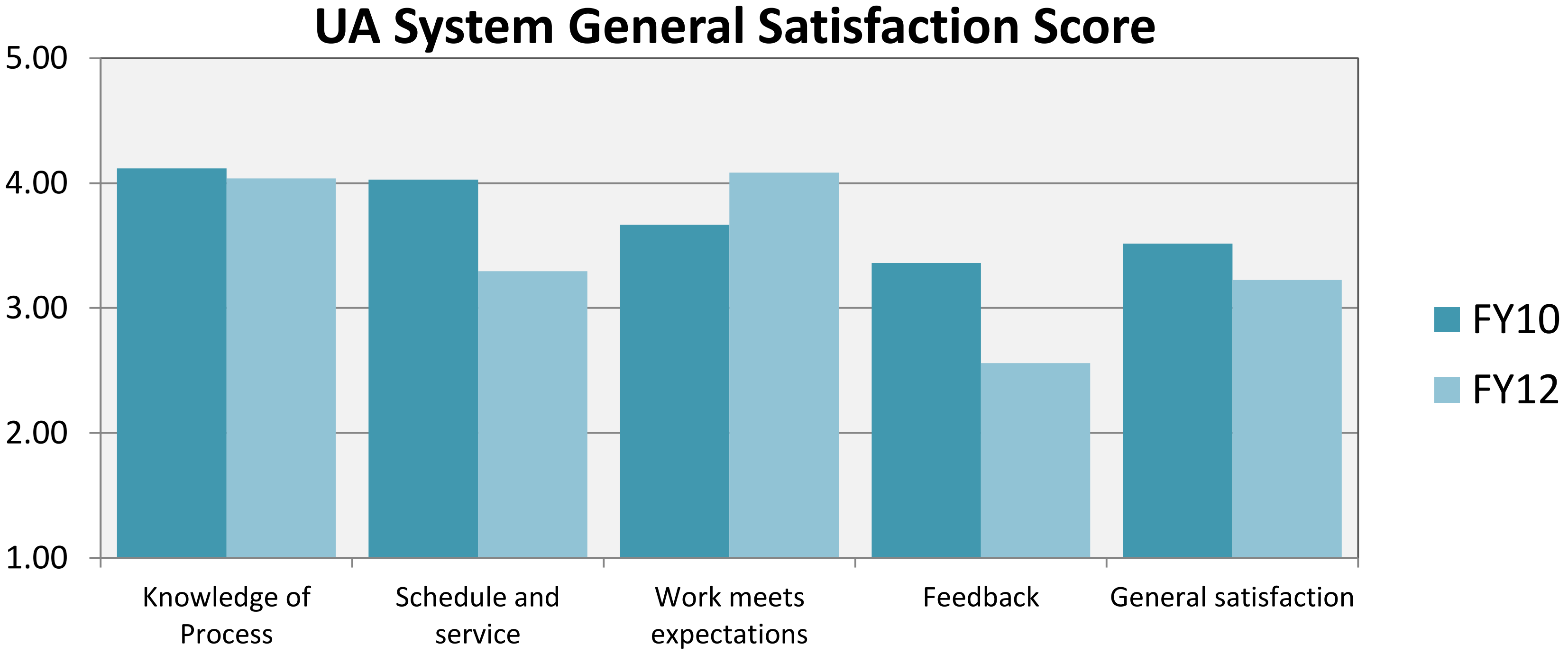
FY12 recommendation #3

Providing feedback can help strengthen customer general satisfaction levels

Reference 52

Sightlines

While adopting new investment strategies, a consistent method of communicating to the campus community is vital for expectation levels. Providing feedback for work requests will help with the scheduling and service levels, also helping to address overall general satisfaction



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Questions and Discussion

Reference 52

Appendix

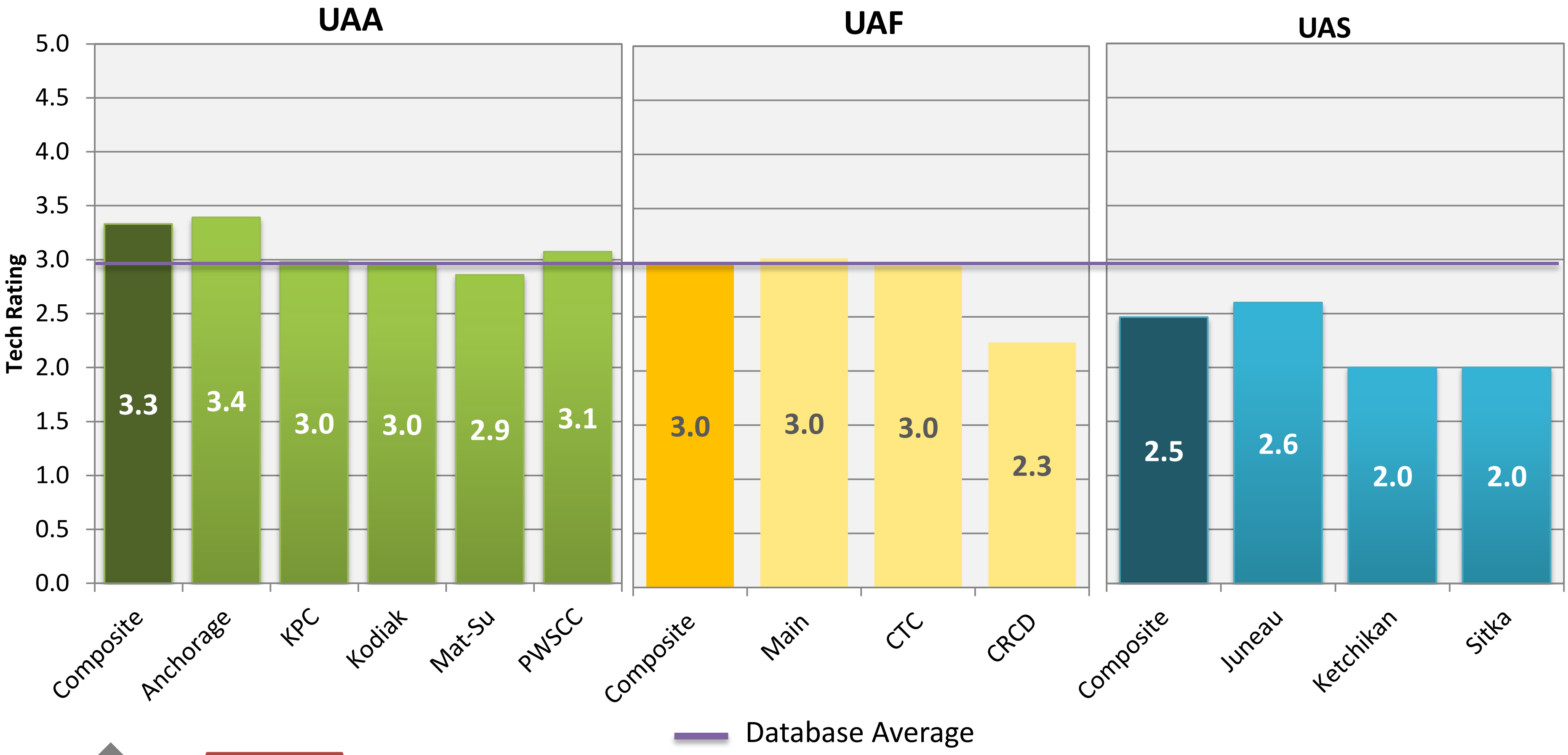
Campus profile: Tech Rating

Tech Rating Scale (1-5)

Reference 52

Sightlines

Tech Rating by Campus



Tech Rating Criteria

5. •All of 4 and 100% outside air; Bio containment level 2 or 3
4. •High pressure steam; Central cooling- VAV system; Chillers; DDC Controls; HVAC system; Fume Hoods
3. •Medium pressure steam; Central cooling; pneumatic controls
2. •Low pressure steam; local cooling (window unit)
1. •Residential grade or no heating; no cooling

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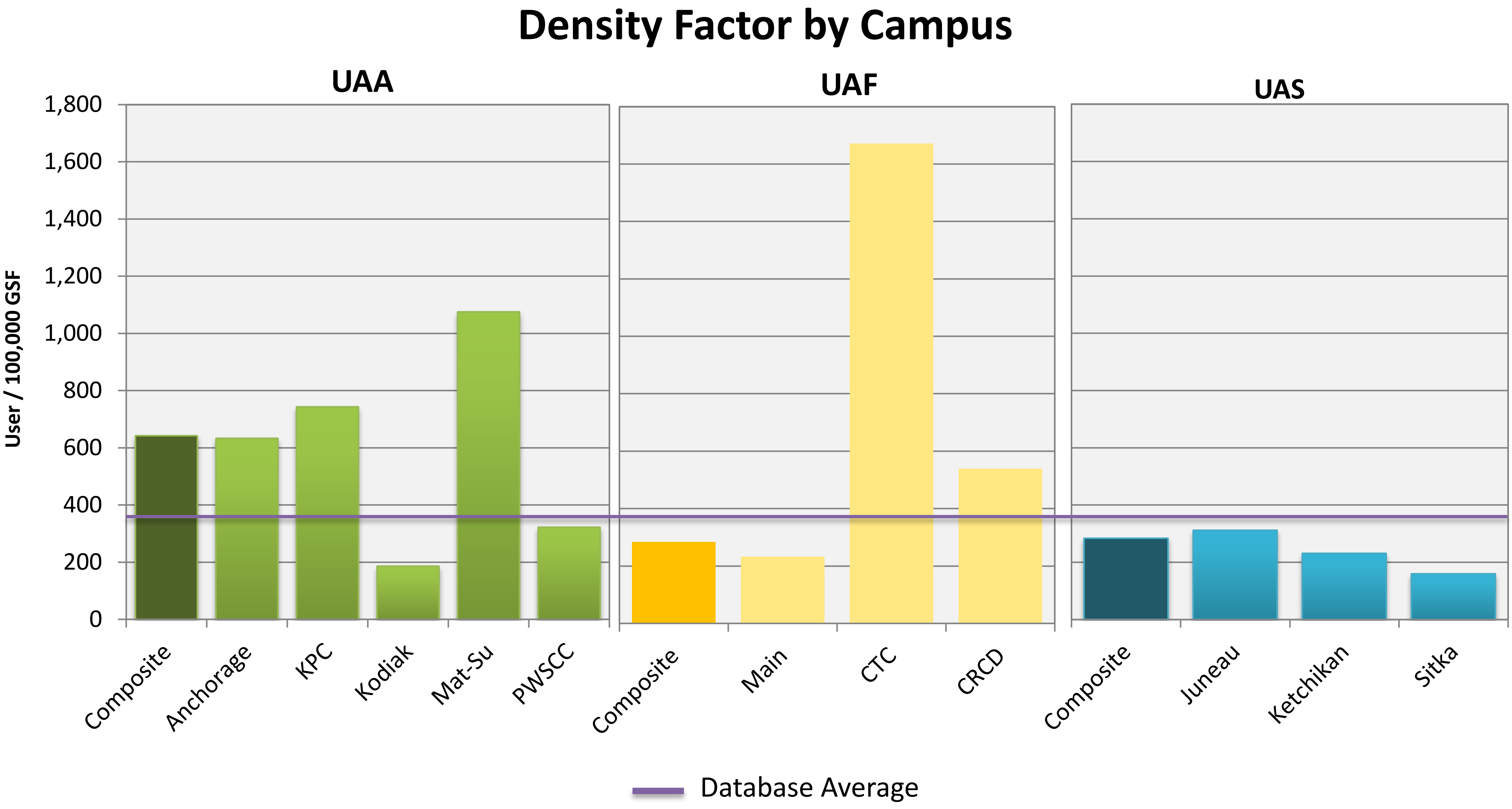
Campus profile: Density Factor

Users: Student, Faculty and Staff FTE

Reference 52

Sightlines



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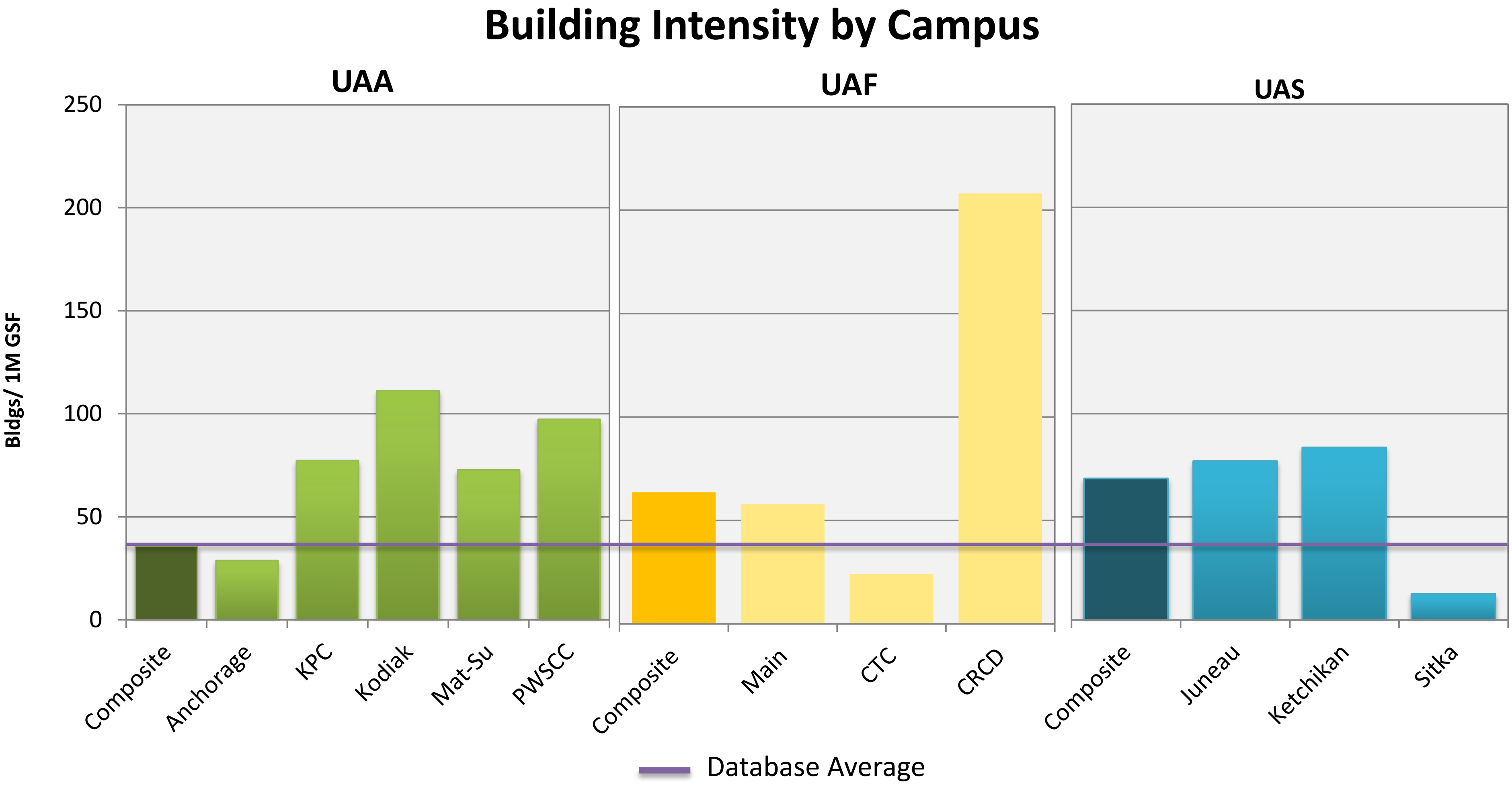
Campus profile: Building Intensity

# of buildings / 1M GSF

Reference 52

Sightlines



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