

## **ASD response to the CGCS Facilities Operations Review**

The high-level management review of facilities operations was requested by the district and school board in an effort to achieve greater operational efficiencies and effectiveness. This work ties directly into the district's strategic plan *Destination 2020*, specifically the operational efficiency goal and the district's efforts around continuous improvement.

The district appreciates the time and effort put in by the Council of Great City Schools review team. The district offers the following responses to the recommendations made by the review team.

- 1. Establish a Board Facilities Committee with a dedicated focus on facilities funding, construction, renewal and maintenance issues.**
  
- 2. Merge all facilities related departments, offices, and programs into a new Facilities Department, including –**
  - a. The current Facilities Department (capital projects functions)**
  - b. The Maintenance & Operations Department (including skilled crafts and custodial operations)**

**The new Facilities Department should be headed by a General manager of Facilities or a Chief facilities Officer. The following organization chart (Exhibit 5) displays a high-level sample of a functional organization recommended by the team.**

The administration agrees the school and support building functions must be efficiently managed and effectively coordinated. The superintendent will evaluate potential benefits as well as staffing, budget and other considerations in determining the future structure of district building-related functions.

- 3. Fill all critical Facilities personnel vacancies on a timely basis.**

The administration agrees that critical Facilities department positions should be filled on a timely basis. The administration recognized the need to fill the Facilities director position. After several attempts to find the right person, Mike Nero was hired on December 8, 2014. He brings extensive knowledge and experience to the district. In addition to the director position, Facilities has also recently filled the following vacancies:

- 1. Engineering Assistant**
- 2. Construction Inspector**

3. Project Manager II
4. Project Manager III

The Facilities Department's goal is to advertise and hire vacancies within 60 days. We're currently reviewing our process for efficiencies and plan to hire additional staff pending the 2015 bond results.

4. **Clarify the roles and responsibilities of staff positions and determine that the right people with the appropriate skill sets are in the proper positions in the new facilities organization.**

The administration agrees that staff should have the right skills and be organized correctly. This recommendation refers to the CGCS proposed facilities organization.

The district's current Facilities Department has a duty description for each position and a Project Administration Manual that describe roles and responsibilities. We continually evaluate current and future workloads to determine the appropriate staffing levels/skill sets.

The Maintenance and Operations Department (M/O) is in the process of restructuring to better meet the needs of the school facilities and budgetary challenges of the district overall. The norming of custodial resources across buildings, evaluation of required maintenance resources by work unit and the reclassification of entry level workers, has allowed M/O to reduce its budget while increasing worker performance.

5. **Review funding stream options for the capital program to assess the viability of a more stable, longer-term financing mechanism that would accommodate larger, multi-year projects.**

The administration agrees that other sources and styles of capital funding should be explored. The district should explore other options to fund larger, multi-year projects and create a more stable funding stream. This would require discussion/decisions at the state and municipality.

6. **Clearly define the scope and responsibilities of any capital project steering committees so that lines of governing authority, management performance, conflict of interest guidelines, and fiscal accountability are precisely delineated.**

If the school board decides to continue the use of steering committees to manage projects, the administration agrees there should be steering committee charters that clearly establish lines of governing authority, management performance, conflict of interest guidelines and fiscal accountability. We would support the school board in establishing such charters.

7. **Develop a comprehensive strategic business plan for the new Facilities Department including:**

1. **departmental vision**
2. **Achievable goals and objectives linked to the district's strategic plan**
3. **Implementation timelines**

- 4. Identified responsibilities and accountabilities**
- 5. Defined performance measures, including Key Performance Indicators (KPIs) and industry standards, for each of the organization's units.**

The administration agrees business plans should be developed for key ASD departments. Although this recommendation refers to the CGCS proposed facilities organization, the Facilities and M/O Directors are currently working on business plans that align with the district's strategic plan, *Destination 2020*.

- 8. Create a data-driven organization by adopting a decision-making model that relies upon fact based and analysis-centric business-case justifications, including the use of tools and techniques such as:**
  - 1. Full life-cycle costing**
  - 2. Return on investment and cost-benefit analysis**
  - 3. Repair vs. replace (using service-record data in the maintenance work-order system) and buy vs. build analysis**
  - 4. Sustainability analysis.**

The administration agrees that it should increase the use of data in facilities-related decision making. The district has increased its use of data-driven tools in its capital projects and maintenance programs but we agree we can do more. The Facilities and M/O directors will engage CGCS and other school districts to evaluate best practices and adopt them into our organizational processes.

The Facilities Department has engaged the contractor who helped establish our Capital Planning Management System, to develop more enhanced data-driven strategies for capital planning utilizing our current Facilities Management Assessment Program (FMAP). The FMAP utilizes a systematic and consistent methodology to determine the Facility Condition Index (FCI) and Educational Adequacy Index (EAI) for all facilities in the district. Facilities meets bi-weekly with the contractor to enhance our database and discuss data-driven strategies to develop future CIP/bond proposals. Our goal is to present the administration, school board and CIAC a comprehensive data-driven presentation in July for the 2016 bond proposal/CIP development.

Maintenance is evaluating new work order management software that will link with Facilities programs and assessment tools. The contractor has agreed to help create a more complete analytical picture of school facilities by incorporating service record data and maintenance costs into the applicable databases.

- 9. Create an ongoing program to review, evaluate, update, document, and disseminate service level standards and employee productivity measures.**

The administration agrees that service level standards and employee productivity measurements are valuable. In January of this year, M/O launched a quality assurance program to ensure a higher level of work order documentation, quality assurance inspections

and customer satisfaction assessments. Work order data is being evaluated at the work unit level and is also available by facility. This capability will be enhanced as new work order management software is acquired and implemented.

**10. Centralize, coordinate, and prioritize all capital funding requests to ensure that limited resources are dedicated to the most critical projects.**

The administration agrees that capital funding requests can be better coordinated. The Facilities and M/O directors have collaborated and developed a strategy to ensure limited resources are dedicated to the most critical projects. This includes greater M/O participation in the capital planning process, Facilities staff attendance at monthly M/O meetings, and M/O review/approval of prioritizing emergent projects from their deferred-maintenance backlog. This process will also be enhanced through recommendation #8.

The administration also agrees that the district's approach to legislative grants should be re-assessed.

**11. Create a deferred-maintenance backlog report for use in prioritizing projects.**

The administration agrees that a deferred-maintenance backlog product would be useful. M/O currently maintains a list of major maintenance projects that is used to develop and prioritize capital projects. Facilities has an annually updated 6-year CIP plan that identifies most large scale projects on the deferred maintenance list. Additionally, energy audits have been conducted on about a third of our oldest structures to identify potential efficiency upgrades. A Facilities Condition Index (FCI) database is maintained and used to develop projects and identify deferred maintenance needs.

**12. Establish formal processes for project managers and M&O supervisors to coordinate activities, project planning, and design reviews.**

The administration agrees that formal processes should be developed to that project managers and Maintenance supervisors communicate usefully on project planning and design reviews. As of January of this year, Facilities and M/O directors initiated a formalized process for M/O supervisors and subject matter experts to perform and document planning and design reviews—this includes pre-design, 35%, 65% and 95% design reviews. This process is also utilized to coordinate M/O participation during project activities. This high level of communication and collaboration at the director level is deemed critical to the project development/close-out process.

**13. Devise strategies to address the high ratio of architectural and engineering "soft" costs, including standardized designs and expanded provider competition.**

The administration agrees that ASD's design costs should be compared against like expenses from other districts and other public facility managers. We believe the comparison of Design-to-Construction costs in this review is unduly influenced by our inclusion of all "soft" costs. We will seek clarification from CGCS on how the "design" costs should be reported by

other school districts. ASD includes all our costs associated with design to include: conceptual planning, design, Furniture, Fixtures & Equipment, art, permits, printing, and construction administrative services. We believe we would more closely align with other districts if we only consider planning, schematic design, design development, construction document, and construction administrative services.

In addition, the Facilities staff reported total design and construction expenditures, not the design expenditures associated with completed construction during the reporting period. Some of the reported design expenditures were unrelated to construction completed during the reporting period and therefore skewed the Design-to-Construction cost ratio. The following are a few examples of projects completed during the reporting period:

<b>PROJECT</b>	<b>CONSTRUCTION CONTRACT AWARD</b>	<b>DESIGN EFFORT</b>	<b>DESIGN/CONST.</b>
Bear Valley Roof	\$654,800	\$58,426.64	8.9%
Turnagain Roof	\$922,660	\$116,639.61	12.6%
KCC CTE (SD, DD, and CD only)	\$2,713,448	\$347,039	12.7%
Dimond HVAC	\$693,781	\$74,555	10.7%
East, West, & Romig Artificial Turf Fields	\$6,064,259	\$517,089	8.5%

It is anticipated that our 2013-2014 Design-to-Construction cost ratio will be ~13%.

**14. Expand internal and external communications efforts, including**

- 1. Publicizing and disseminating facilities improvements and achievements**
- 2. Enhancing status reports on capital projects**
- 3. Providing explanations of variances between budget and actual project expenditures**
- 4. Providing status reports on open work orders**
- 5. Obtaining customer sign-off on completed projects and work orders**
- 6. Utilizing surveys to gauge customer satisfaction**
- 7. Establishing web presence for the maintenance and custodial operating units.**

The administration agrees that it can do a better job of communicating with stakeholders and assessing customer satisfaction.

The district is working to improve public communication of Facilities and M/O efforts by improving webpages and highlighting accomplishments, such as notifying the public when voter-approved projects are completed.

Facilities has recently engaged ASD communications to enhance information available online. Our goal is to have a one-stop source for all project related information to include all project schedules and status, project manager contact info, customer survey, and educational awareness of FCI/EAI conditions across the district. The Facilities department is also developing a customer survey to incorporate as part of our project close-out process.

M/O is evaluating new work order management software capable of providing enhanced reporting and status updates to schools. Also, as part of the M/O quality assurance process, work orders are reviewed for completion and work quality, this process often includes interaction with the work order originator when appropriate.

**15. Establish formal training and professional development programs to enhance management skills and technical competences of facilities employees.**

The administration agrees that training and professional development of Facilities department staff is important. Within the year, the department will have a certified facility assessor and 4-5 PMI-certified project management professionals. There are also two professional engineers and a licensed architect on staff.

Additionally, the staff is creating training plans to clearly identify milestone requirements. The department doubled its annual training budget in an effort to enhance job-embedded professional development.

**16. Compare the competitiveness of facilities salary levels and pay scales with other arms of the municipality and other employers.**

The administration agrees that Facilities department salaries should be evaluated. The district will evaluate staff salaries compared to similar positions within the community.

**17. Develop standard operating procedures and manuals for the new facilities organization.**

The administration agrees that SOPs are important for the Facilities Dept. This recommendation refers to the proposed CGCS facilities organization. The current Facilities organization describes standard operating procedures in their 2012 Facilities Project Administration Manual. This manual will be updated and reviewed annually.

**18. Enhance contract language to hold contractors accountable for errors and delays.**

The administration disagrees with this recommendation. We believe our contract language is sufficient to hold contractors accountable. We would entertain any specific recommendations or examples from CGCS that supports its recommendation.

**19. Review the appropriateness of change-order approval thresholds.**

The administration disagrees with this recommendation. The administration has reviewed their thresholds and finds them to be effective and appropriate. We would entertain specific threshold recommendations from CGCS that would represent comparable districts.

**20. Enhance or replace the current work order system so that:**

- 1. The cost and status of jobs can be easily tracked**
- 2. Customers can prioritize requests**
- 3. Cost data are linked to actual payroll information and vendor invoices**

**4. Resources utilization by location, craft, and project types can be readily evaluated.**

M/O is currently working with IT to evaluate and purchase new work order management software. The desirable reporting capabilities listed above have been identified as essential components of any future program.

**21. Establish an archival function for building plans and 'as built' drawings utilizing digital technology.**

The district already meets this recommendation. The Facilities Department has digital drawings for every ASD facility. We currently utilize a service contract to digitize our project files.

**22. Establish standards and processes for the evaluation of contractors' performance.**

The administration agrees that contractor performance evaluations are valuable. The Facilities Director will engage CGCS to solicit other district evaluation programs. Once received, they will be evaluated and tailored to assist the district in selecting future architects, engineers, and construction contractors.

**23. Enhance estimation techniques to ensure the accuracy of project-cost projections.**

The administration agrees that useful project cost estimates are very important. The Facilities Department will research the past two years of estimates and utilize this information to determine any improvement areas.

**24. Include commissioning tasks in the concept-to-completion continuum.**

The administration agrees that commissioning work can add value to facility improvement and maintenance programs. The Facilities Department includes commissioning provisions in applicable contracts to address end-of-project requirements. Up-front commissioning efforts cost additional money and have been used by the district in the past with mixed results. The administration will request CGCS's support in soliciting other districts' commissioning experience in regards to their return on investment/cost-benefit analysis.

**25. Better utilize modern procurement tools, including P-cards, master contracts, open purchase orders, term bids, and Job Order Contracting, to expedite repairs and improve productivity**

The administration agrees that it should take advantage of the relative benefits of the different procurement tools in use at ASD. Our P-card system is new and the administration is evaluating opportunities to expand the program. The M/O director is working with Purchasing and Accounting departments to determine appropriate ways to streamline procurement of supplies and services. This will also include opportunities for additional term

contracts. Most recently, the school board expanded the threshold of Job Order Contracting (JOC) to \$400K.

**26. Consider the advantages of mobile maintenance strategies to address the back-log of maintenance work orders.**

The administration agrees that mobile maintenance strategies could improve work order completion times. M/O is currently working with IT to evaluate and purchase new work order management software. Our current system does not allow for paperless processing of work orders, any future system will be required to have mobile capabilities.

**27. Review the time-saving advantages of having workers report directly to job-sites rather than to maintenance yards.**

M/O is considering tablet devices for accessing and processing work orders to increase the productivity of workers.

**28. Improve the coordination of site work by assigning projects to Project Managers based on location.**

The administration agrees minimizing the number of project managers individual principals deal with is beneficial. The Facilities Department will evaluate current and future project manager assignments to determine if greater location-based assignments are advisable.