

August 2014

# FY2013 ROPA Presentation Board of Trustees

William Rainey Harper College

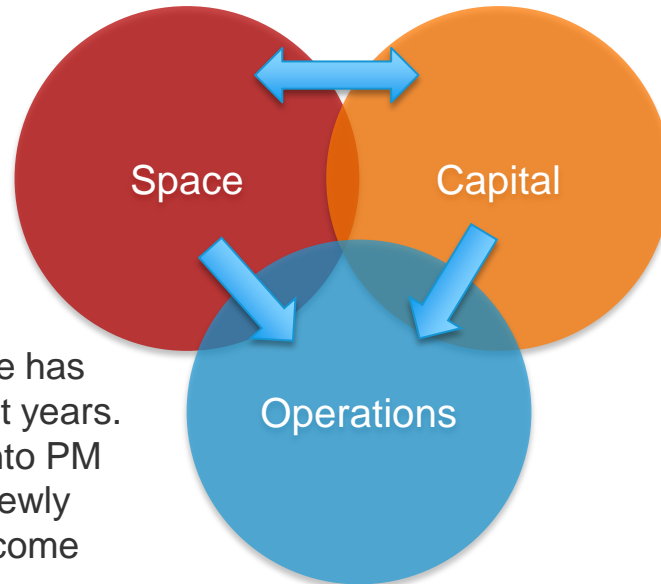
Presented by: Jonathan King



# Interrelations of Strategic Facilities Management

## Space Impact

- Planned targeted renovations will lower the age of campus
- High density factor & technical complexity impact operational demands



## Operating Impact

- Planned Maintenance has seen growth in recent years. Further investment into PM will be essential as newly renovated buildings come online

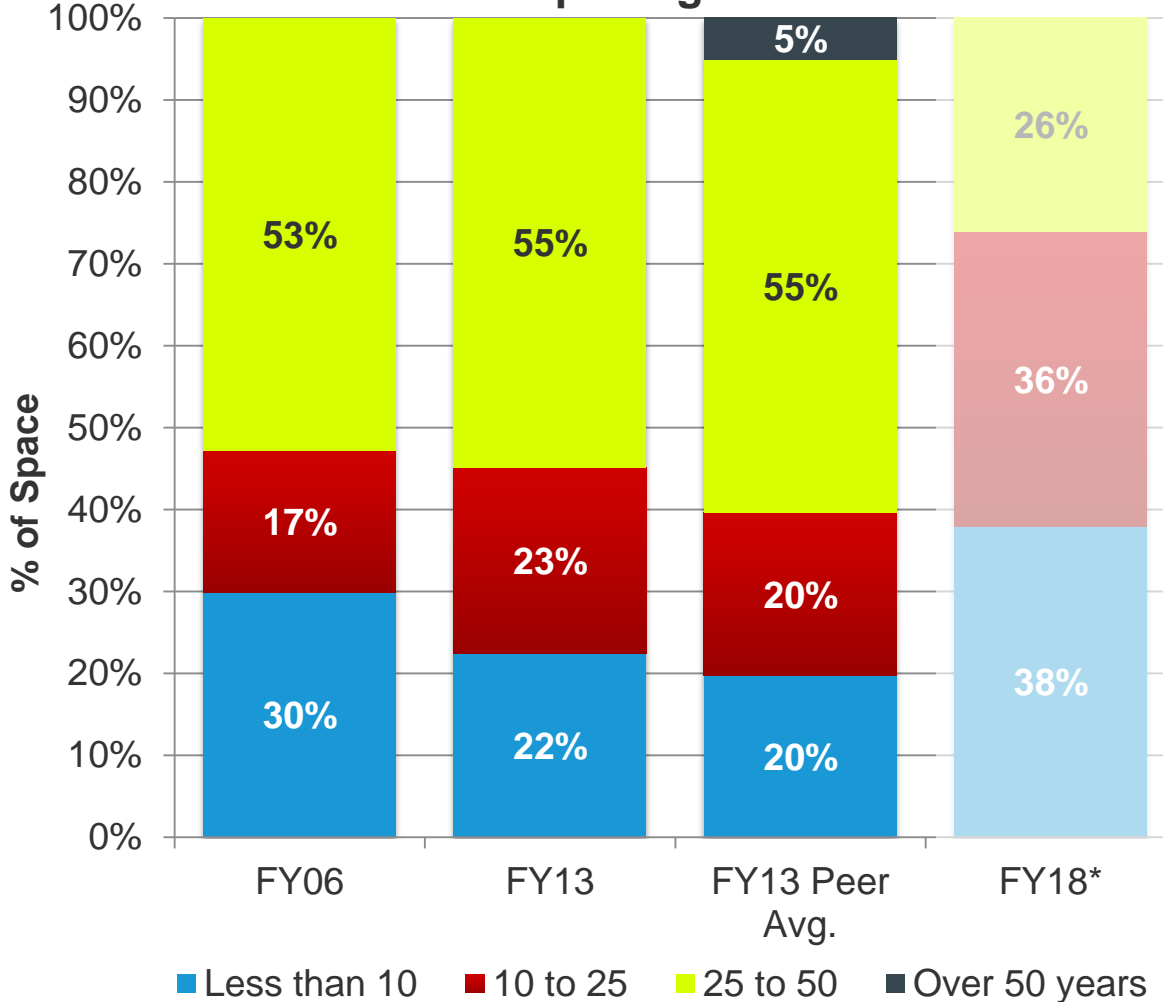
## Capital Impact

- Planned renovations will alleviate some of the growth in Backlog but will also create greater need for Stewardship reserves in coming years
- As campus has aged and funding levels have not met Target (though close), the Backlog of need has seen continual growth

# The Age Profile Shifts with Time

*A balanced age distribution alleviates risk*

## Campus Age Profile



**Buildings over 50**  
Life cycles of major building components are past due. Failures are possible.  
Highest risk

**Buildings 25 to 50**  
Major envelope and mechanical life cycles come due.  
Higher Risk

**Buildings 10 to 25**  
Short life-cycle needs; primarily space renewal.  
Medium Risk

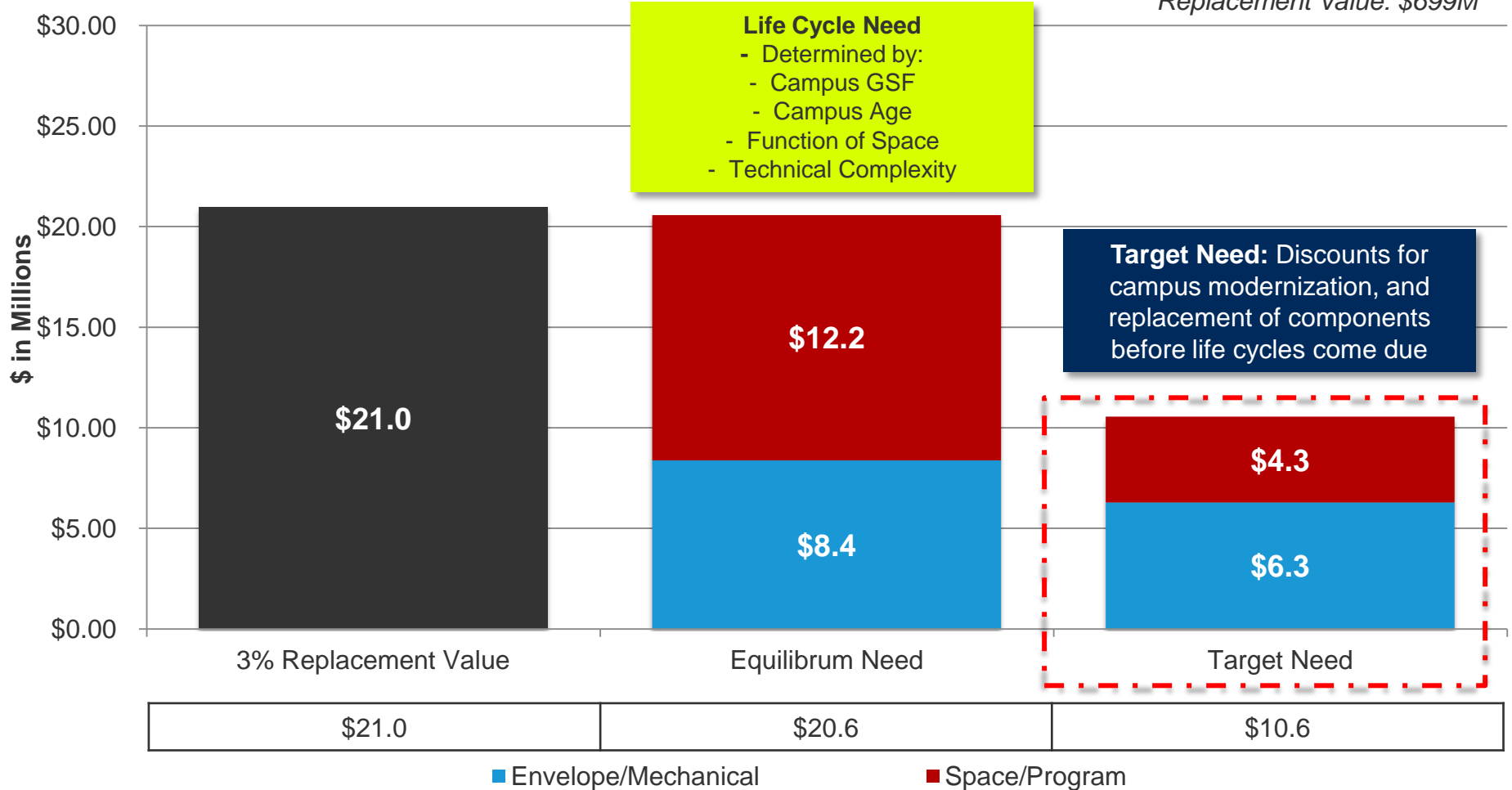
**Buildings Under 10**  
Little work .“Honeymoon” period.  
Low Risk

Campus space includes 1.31M GSF

\*Assumes completed renovations to M, F, A, D and H

# Defining Stewardship Investment Targets

Replacement Value: \$699M\*



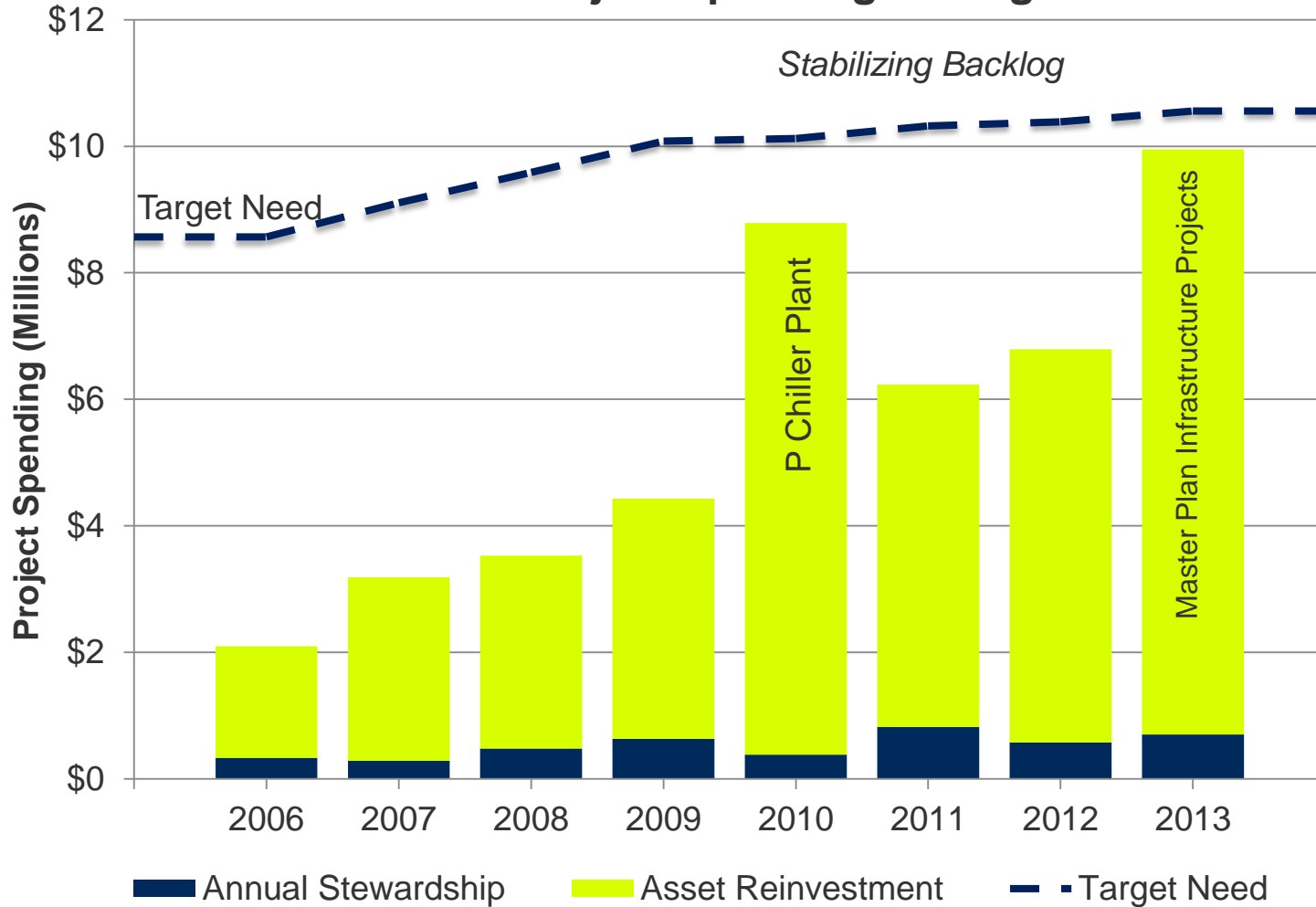
\*Replacement Value is unique from the institutional insurance value; it is calculated using the Sightlines model, based off the age, complexity and function of space.

Does not include building content values.

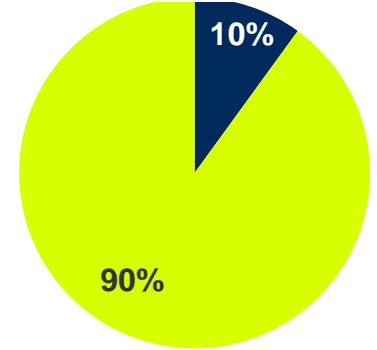
# Chasing a Moving Target

As the campus profile changes, the Target will continue to grow

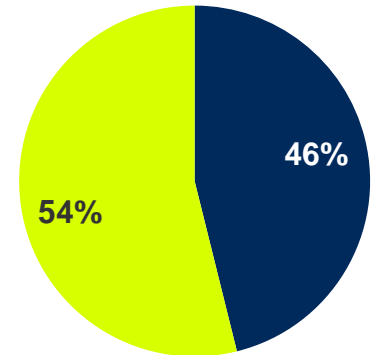
## Project Spending to Target



FY09-FY13 Funding Distribution: **Harper**



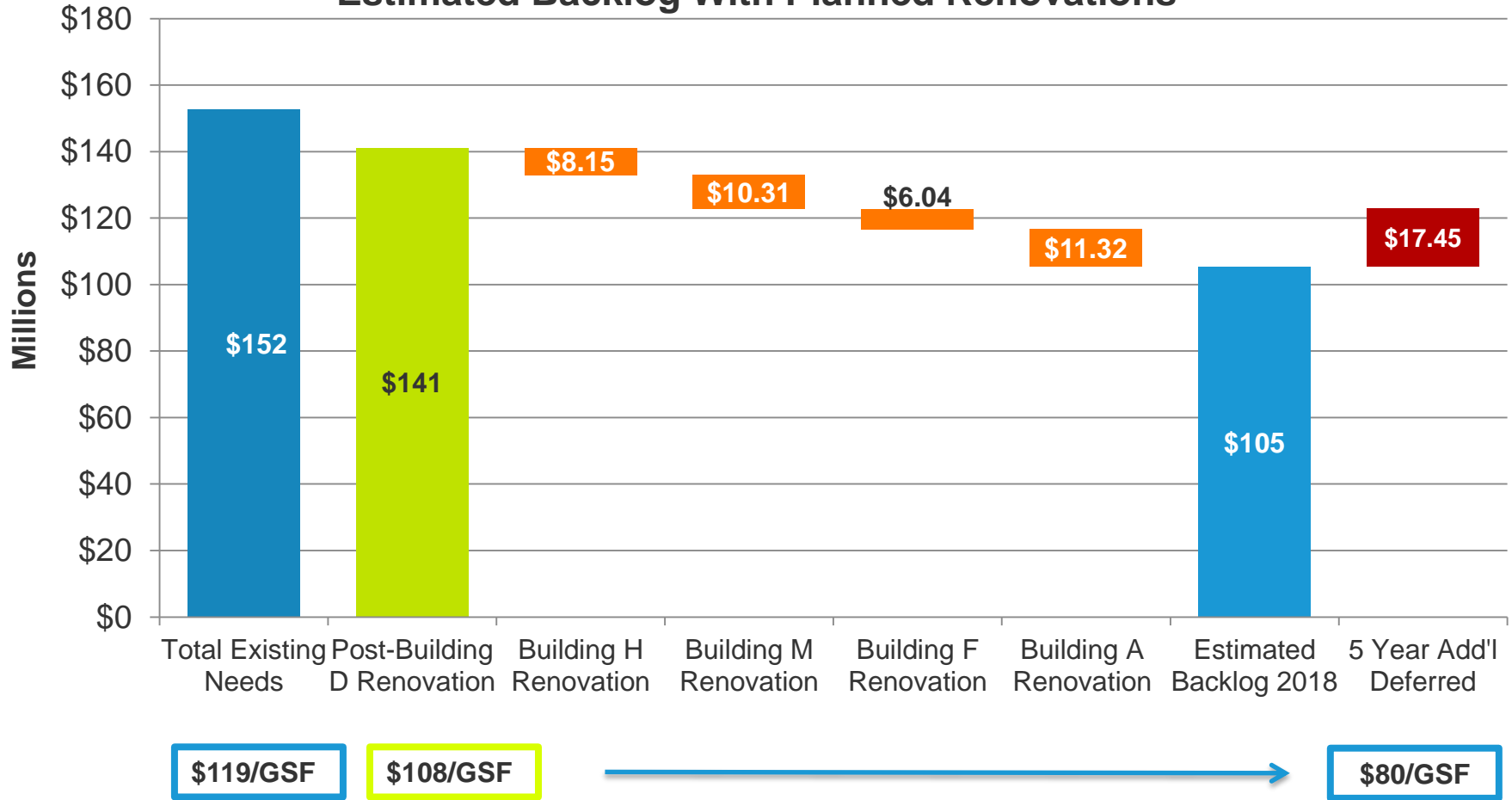
FY09-FY13 Funding Distribution: **Peers**



# The Impact of Renovations on Deferred Maintenance

Theory, demonstrating Sightlines IFP estimated backlog & impact of renovating space

## Estimated Backlog With Planned Renovations



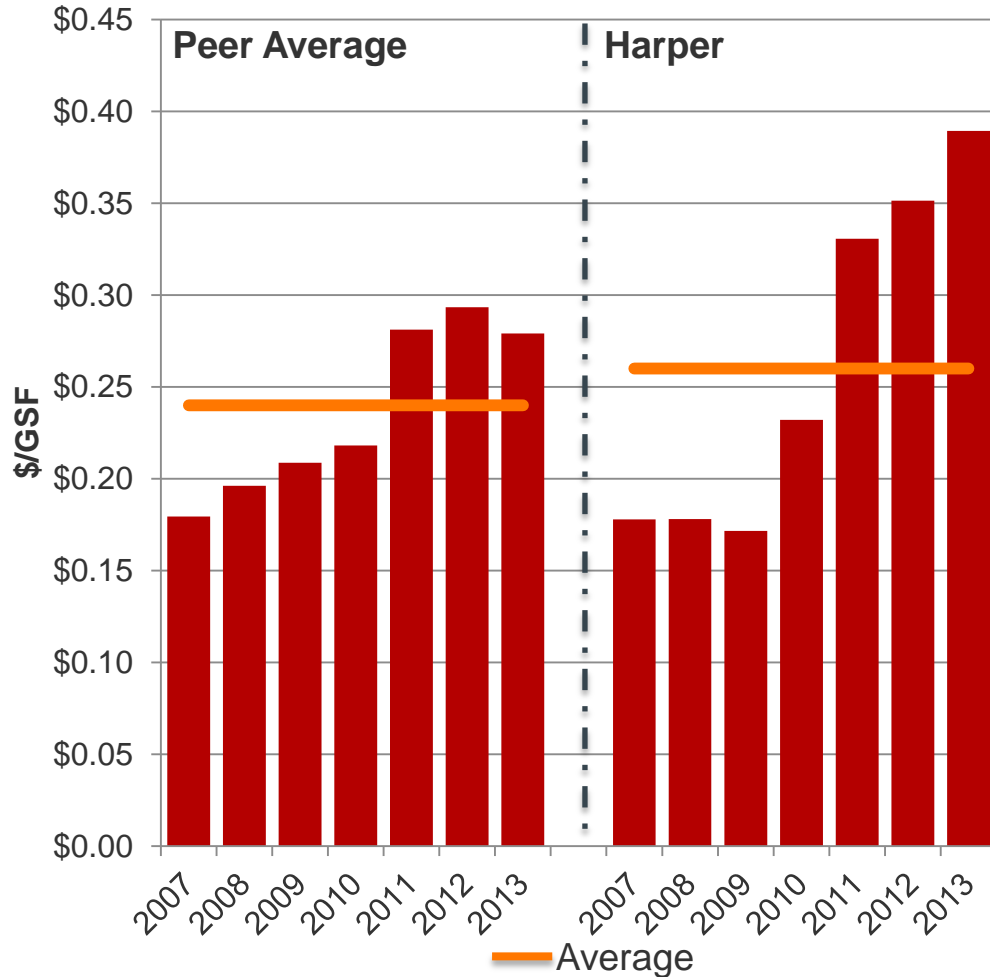
\*5 Year Add'l Deferred: estimated using FY09-13 average deferral rate x projected target FY14-18

# Operational Performance

# A Young, Complex Campus Requires Strong PM

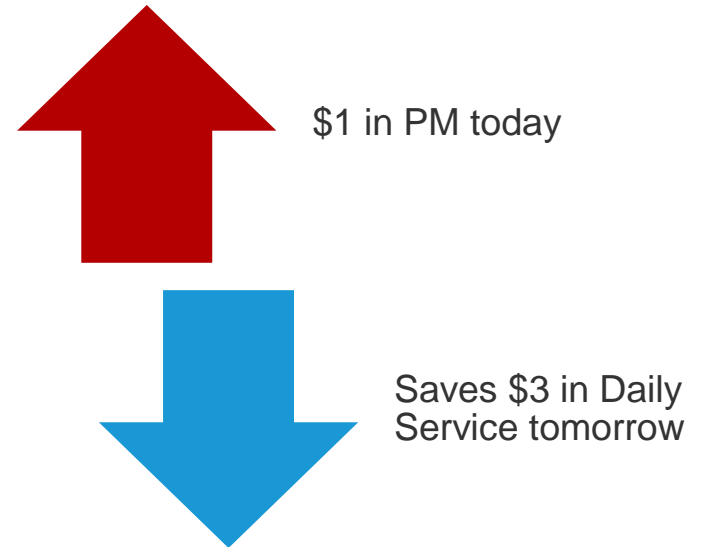
Best practice institutions invest 10-12% of their budget on PM; Harper investing 5%

### Total Planned Maintenance



### PM as % of Total Operating Costs:

Harper	5%
Peer Avg.	4%
Best Practice	10-12%

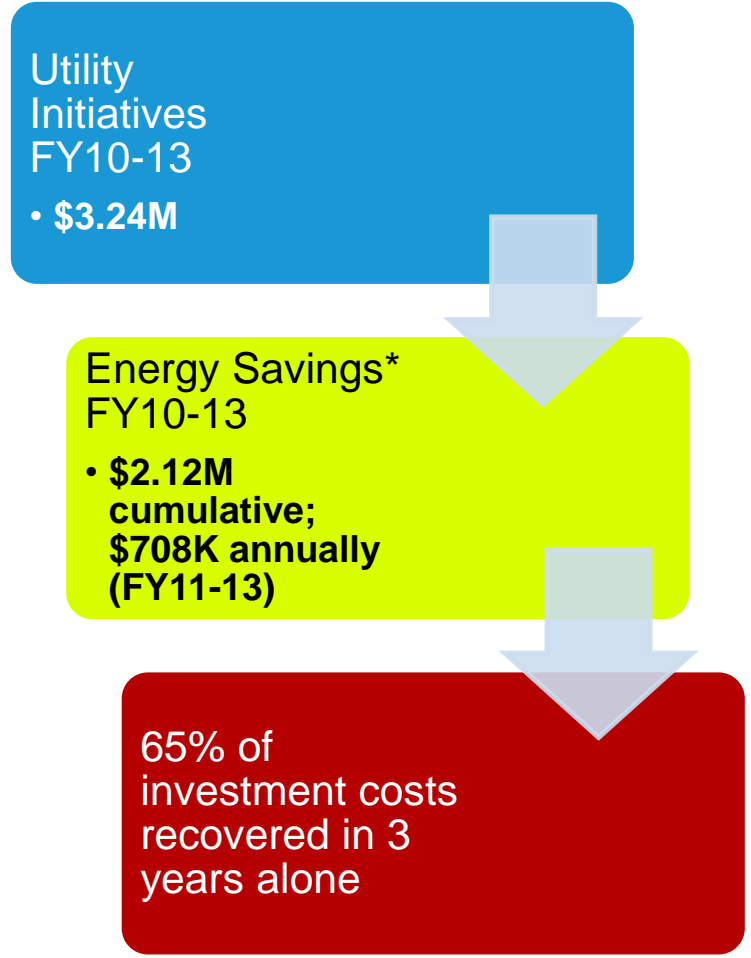
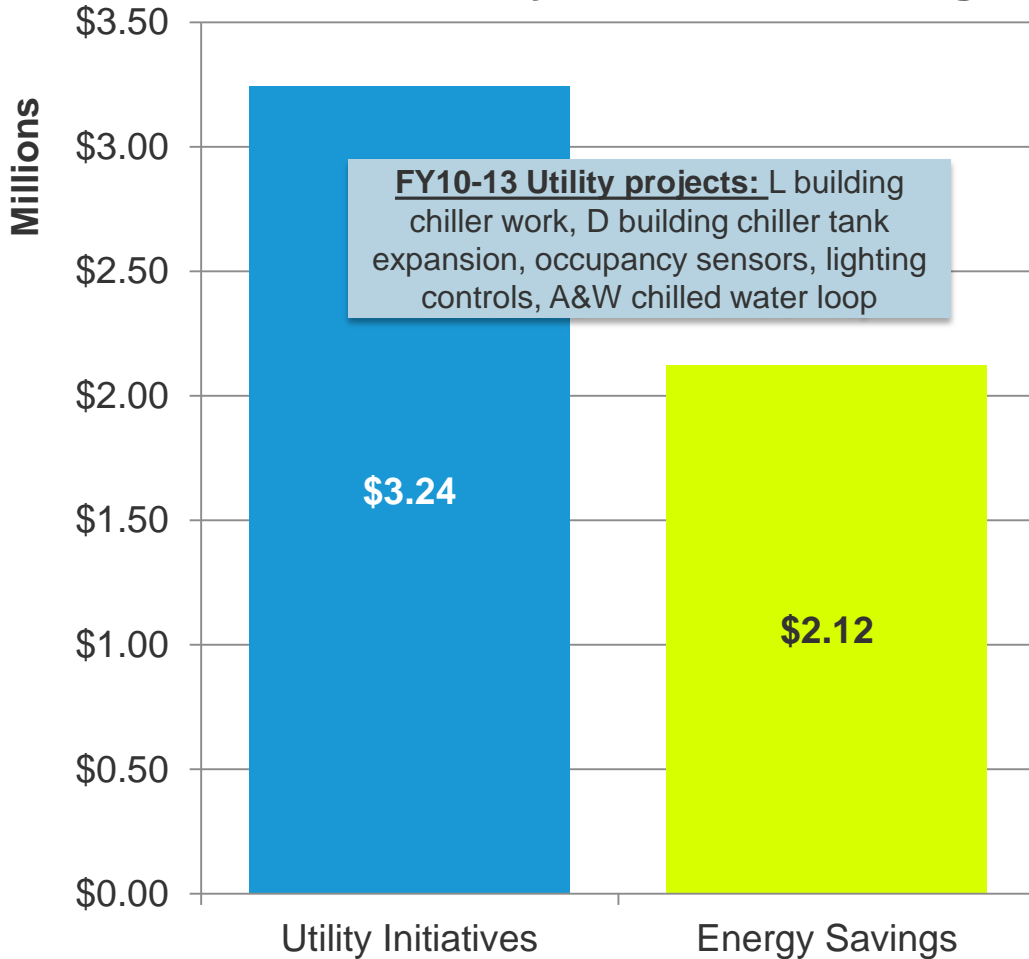




# ROI: Systems and Utility Investments Result in Major Savings

19% reduction in BTU/GSF consumption from FY10 levels

## FY10-13 Utility Initiatives & Savings



\*Savings calculated using normalized consumption (BTU/GSF) to each years unit price

## Recent Successes

- Savings in energy cost and consumption due to conservation efforts
- Strategic project selection has resulted in high ROI investments that extend Life Cycles
- Ongoing renovations target high-need buildings

## Ongoing Strategies

- While newly renovated buildings are reset, others are aging. Secure additional funds to keep up with the ongoing renewal needs of these spaces
- Commit to growing the Planned Maintenance program over the “run to fail” method

# Discussion & Questions