



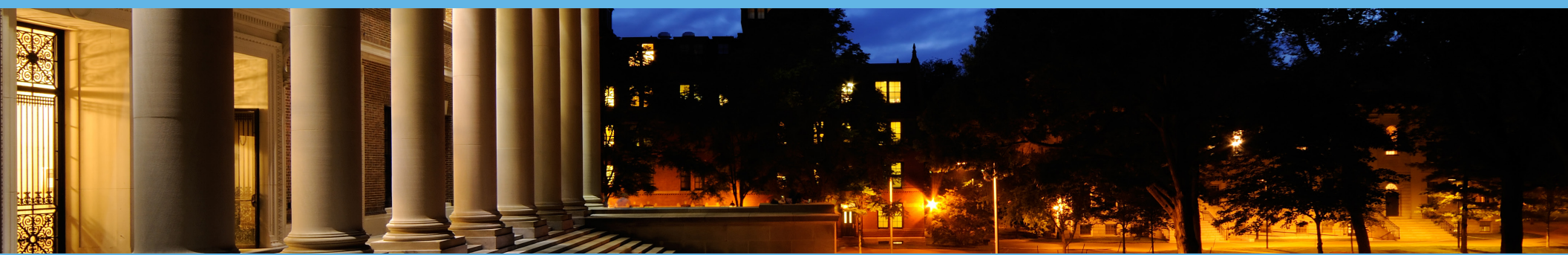
MAKING THE CONNECTION
**Aligning Facility Investment
with Organizational Mission**

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FACILITIES ARE OFTEN ONE OF THE LARGEST AND MOST VALUABLE INVESTMENTS OF ANY ORGANIZATION, AND SHOULD BE STEWARDED IN SUPPORT OF THE ORGANIZATION'S MISSION.

But as those who manage, maintain and operate facilities know, connecting the technical and programmatic demands of the facilities with the investments required to address them is a more difficult job than ever before. Traditional backlog inventories represent a host of projects, often with mind-bogglingly large projections of total investment needs. The enormity of the situation often leads to the inventory sitting on a shelf collecting dust. Without a means to take it on, it is sometimes easier to just ignore the challenge.

There are, however, a number of steps that leaders can take to focus their effort and show progress toward outcomes that can be communicated and even embraced throughout the organization.



UNDERSTAND YOUR INFORMATION

What should decision-makers consider when evaluating their facilities to be sure they are equipped to help the organization achieve its stated goals?

First, facility owners and organizational leaders must fully understand the causes of the backlog and the impact of funding (or underfunding). Knowing where your facilities portfolio has been historically can help provide context for where it is today, which in turn can help chart a course for future success. Facilities professionals and financial leaders should start by establishing an overview of the current situation, assessing both practice and need for space, capital and operations.

SOME QUESTIONS TO BE ANSWERED IN SEEKING THIS UNDERSTANDING MAY INCLUDE:

- How old is the facility or group of facilities?
- How and when has the portfolio grown?
- What is the investment history in the near and long term past?
- How does staffing align with service or condition needs?
- How does the community perceive the service that they are getting?
- Do we even have the data organized to answer these and other questions?

CREATE A PROJECT INVENTORY

Next, create a project inventory. Such an inventory must take into account the facility and asset conditions. If no conditions assessment has been performed, a study of the current situation should be undertaken. A project inventory then combines this information with the significant institutional knowledge available inside the organization from facilities and maintenance personnel. What results is a single working, living document that is realistic, integrated and supportable within the community as complete.


More than just a list of what has failed, a successful inventory should consider issues such as repair and replacement, regulatory and compliance requirements, modernization, knowable future programmatic and technological shifts, sustainability goals and master planning information for buildings, infrastructure and the landscape.

A complete project inventory by itself could be as, or even more daunting than a basic backlog. But it is effective if filtered and prioritized into investment strategies, by carefully considering the situations and goals of each individual campus or facility.

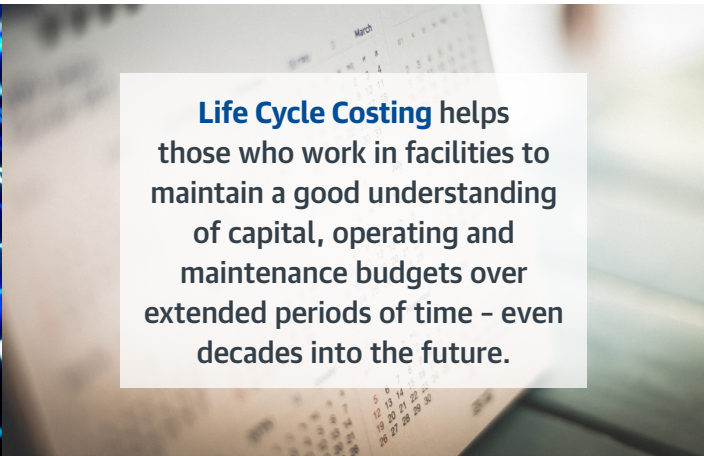
These strategies or "portfolios" might be defined around various criteria such as: mission, function, financial criteria or classification programmatic value, geography

Each portfolio is further organized by system, priority or impact. This approach allows decision makers to understand the particular investment demands of individual segments of the facility being managed.

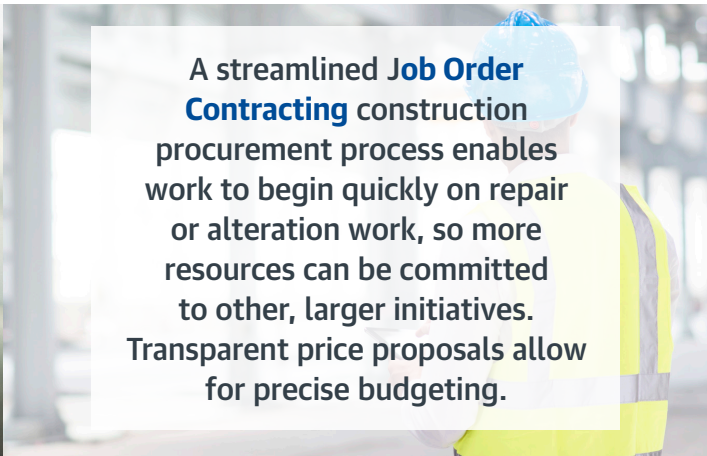
TOOLS TO HELP PRIORITIZE



Accurate and up-to-date **cost estimating data** will help in crafting and validating reliable budgets and assessing long-term financial needs.



Life Cycle Costing helps those who work in facilities to maintain a good understanding of capital, operating and maintenance budgets over extended periods of time - even decades into the future.



A streamlined **Job Order Contracting** construction procurement process enables work to begin quickly on repair or alteration work, so more resources can be committed to other, larger initiatives. Transparent price proposals allow for precise budgeting.

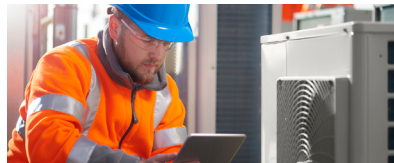


MATCH FUNDING TO PROJECTS

With project portfolios established, institutional leaders now have the context upon which to apply available funds. Creating investment criteria specific to each of the portfolios will help to prioritize capital spending.

A college campus might aim to reduce spending on buildings with low programmatic value or reduce the renovation age of a housing portfolio. A city or county may implement energy-efficiency goals to focus on improving the lives of the local community. A healthcare system could decide to overhaul patient suites to create a more private inpatient experience. A school system might focus investments in improving elementary education or on establishing first-rate recreational and wellness space across the district.

With such a framework established, facilities leaders use their industry knowledge to select projects that will achieve these targeted goals. Plans are projected into the future. In collaboration with the finance office, mechanisms are put in place to track progress against resource availability and goals. This allows key decision makers to track progress and readjust strategies to changing circumstances







NOW YOU CAN ACTUALLY IMPLEMENT!

With all the planning in place, a streamlined construction procurement process enables work to begin quickly on repair or alteration work, so more resources can be committed to other, larger initiatives. More time is now available to establish transparent price proposals that allow for the most cost effective initiatives. Whether utilizing a traditional construction method or more innovative approaches like Job Order Contracting, the focus is on delivering the most value to best serve the greatest mission-driven needs.

With a thoughtful process, facility managers and organizational decision-makers are able to put in place a plan for success which is flexible inclusive, credible, affordable and sustainable. Resources are aligned with affordable capital plans that support mission and mitigate risk.

THIS PROCESS ALLOWS LEADERS TO:

-  Create multi-year capital plans, with projects targeted specifically to the organization's needs, like renovations, space relocation or consolidation, or utility infrastructure improvements.
-  Seek and approve increased funding earmarked for deferred maintenance projects.
-  Consider removal of high need facilities from the organization's footprint, through consolidation or replacement with more efficient and effective replacements.
-  Take the time to focus and strategize on future plans to optimize the available funding.

Ultimately, the outcome can be an increase in overall facilities asset value. Most importantly, facilities professionals now have a living plan; not a document to be shelved. It is a living process ready to support the organization as it evolves and the world around it changes. It will help direct the plans of all those involved, and will provide a means to keep projects on a solid financial course to support the organization's missions.

BEST PRACTICES

Use benchmarking data and analysis to help make critical operational and capital decisions and back up funding requirements/requests

Create reliable budgets and estimates with up-to-date, accurate cost estimating data

Use streamlined procurement processes for faster project start up timelines

Apply preset pricing via a detailed unit price book before construction begins to assure transparent pricing and budgetary control

Access prequalified contractors through Gordian's Job Order Contracting or Maintenance, Repair & Operations solutions to proceed with construction confidently

Understand the long-term operating costs of your facility or portfolio

Maintain and repair on a regular basis, as needed, to minimize a growing backlog of deferred projects

ABOUT GORDIAN

Gordian is the world's leading provider of construction cost data, software and services for all phases of the construction lifecycle. From planning to design, procurement, construction and operations, Gordian delivers groundbreaking solutions to contractors, architects, engineers, educational institution stakeholders, facility owners and managers in the local, state and federal government, education, healthcare, manufacturing, insurance, legal, retail and other industries. With our proprietary data, along with our RSMeans and Sightlines data, we offer the largest collection of labor, material and equipment data and associated costs in the world with over 275,000 construction tasks with costs for all areas of construction. Gordian also offers the most widely used construction procurement information management software available anywhere and cutting-edge facilities intelligence and life cycle costing software to assess initial installed costs versus long-term facility costs and improve long-term asset performance.

For more information, visit gordian.com.

