

Date: November 9, 2017

For ACTION: _____
For INFORMATION: X
Board Agenda: Yes X
No _____

FROM: Richard L. Jackson, Director of Educational Facilities

THROUGH: Lois F. Berlin, Ed.D., Interim Superintendent of Schools

TO: The Honorable Ramee A. Gentry, Chair, and
Members of the Alexandria City School Board

TOPIC: Results of the Educational Facilities Audit

BACKGROUND:

Following the results of a Risk Assessment of ACPS, the School Board approved funding in the FY2016 Combined-Funds Budget for an internal audit program in the following areas: Procurement, Facilities and Payroll. The School Board awarded a contract to Gibson Consulting Group in spring 2016.

The Facilities audit was conducted from April 2017 through August 2017 with substantial completion of the Final Audit Report in October 2017. The audit focused on four major sections: Facilities Planning and Management; Facilities Maintenance; Custodial Services; Grounds Management.

Findings and recommendations were based on analysis of data and interviews with school division leadership, Educational Facilities Staff, school principals, custodial and maintenance workers and site visits. Site visits included George Mason Elementary School, Samuel Tucker Elementary School, George Washington Middle School, TC Williams High School, and the ACPS Maintenance Shop.

SUMMARY:

The audit recommendations, management responses and target action dates are below:

Recommendation 1: Develop a comprehensive, long-term school facilities management plan.

Based on a review of current funding levels, historical capital and operating expenditures, and school conditions, a comprehensive long-term facilities management plan is recommended. The integrated plan should recognize the school utilization and improvement plans described by the LREFP and focus on additional non-capacity capital renewal, major repairs, deferred maintenance reduction, and preventive maintenance actions that will preserve the value of ACPS facility assets. Planning for the maintenance of school facilities in a manner that is compatible with LREFP supports ACPS's goal of providing optimal and equitable learning environments

Management Response:

Management agrees with the recommendation. Staff from Educational Facilities working with Finance will develop a methodology to address facility asset management plans over the life cycle of the facility including asset renewal/major repairs as well as reduction of deferred maintenance. Preventive Maintenance actions will be addressed as found in the recommendations below.

Target Completion Date: Action Plan developed; requisite support, staff and resources identified - January 31, 2018

Recommendation 2: Refine and expand key performance indicators (KPIs) and metrics for facilities management.

The Educational Facilities Department should review the current KPIs and consider adopting revised performance measures that more directly and comprehensively address the Strategic Plan sub-goals. In addition, ACPS should develop internal metrics that build to these KPIs and help monitor the performance of Department processes but are not reported at the KPI level.

Organizations at the forefront of their communities have developed best practices by using various approaches to track key performance indicators for measuring results. The audit team recommends instituting processes to track outcomes-based performance measures related to investments in maintenance and repair, including metrics related to compliance, condition, effective operations, and other stakeholder-driven outcomes.

Table 7 describes current ACPS KPIs, suggested revision to these KPIs, and recommendations for additional metrics that would be useful for managing the performance of Educational Facilities functions.

Strategic Plan Goal	Current KPI	Recommended KPI	Recommended Metrics
4.1 Optimal Learning Environments and Infrastructure	4.1.1 - % of families and community members reporting that ACPS provides optimal learning environments (annual survey)	Retain 4.1.1 Add 4.1.2 – School capacity (goal of less than 100% at each school)	% building inspections with satisfactory results
4.2 Well Maintained Facilities	4.2.1 - % of projects/repairs addressed within established time-frames	Move 4.2.1 to “Other Metric for Managing Work” Change 4.2.1 to FCI by school (goal of no school rated as “Poor”)	% of projects/repairs addressed within established time-frames Maintenance funding (\$/GSF and % of CRV) PM completion

			rate (%) PM / CM mix (%) Change in FCI (as projects are completed)
4.3 Sustainable Facilities	4.3.1 - % change of energy usage per square foot 4.3.2 - Ratio of amount recycled to total amount of waste at TC Williams High School	Retain 4.3.1 Expand to include all schools in 4.3.2 as data are available	Utility cost/GSF
4.4 Safe and Secure Facilities	4.4.1 - % compliance with state-mandated safety drills (tornado, lock-down, fire, etc.) 4.4.2 - % of students reporting never feeling afraid of being hurt in school as measured by the Developmental Assets Survey 4.4.3 - % of faculty reporting safe school environment on TELL survey	Move current 4.4.1 to “Other Metric for Managing Work” Change 4.4.1 to “% schools with satisfactory external audit results for security” Retain 4.4.2 and 4.4.3	% compliance with state-mandated safety drills (tornado, lock-down, fire, etc.)
Strategic Plan Goal	Current KPI	Recommended KPI	Recommended Metrics
4.5 Information Technology Infrastructure		(Not under the purview of the Educational Facilities Department)	
4.6 Outdoor Learning and Recreational Opportunities	4.6.1 - % of families and community members reporting satisfaction with ACPS outdoor recreation and learning spaces (annual survey)	Retain 4.6.1	% grounds inspections with satisfactory results

6.1 Fiscal Policies and Practices	6.1.2 - Accuracy of projections and utilization of fiscal resources: A. Percentage point different (sic) between actual fall enrollment and projected enrollment B. Actual annual expenditures as a percent of the revised operating budget C. Based on the approved budget at the time of contract execution, the number of major CIP projects reaching substantial completion within budget	Retain 6.1.2.A Move 6.1.2.B to "Other Metric for Managing Work" Retain 6.1.2.C and add "on time"	
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Management Response:

Management agrees with the recommendations. Staff from the Accountability Office, Educational Facilities and Finance will evaluate revisions to KPI's during the annual KPI review.

Target Completion Date: Evaluation during annual KPI review -- Spring 2018

Recommendation 3: Institute a formal quality assurance oversight system for review of contracted facility maintenance and repair services.

ACPS should implement a more formal program for quality assurance and oversight of its contracted maintenance work. ACPS has hired a third-party contractor to perform quality assurance inspections for custodial, pest control, and grounds maintenance services. It is recommended that they also allocate an in-house resource or third-party contractor to provide the same type of oversight of facility maintenance contracts. The quality assurance system should set clear expectations of roles and responsibilities of those executing the program. Program elements should include a review of all service contracts to capture contractor scope elements and performance standards; development of checklists for each contract to be used to formally document contractor performance; a clear description of acceptable methods for verifying work, such as site visits, phone interviews, or review of building monitoring system operating parameters based on the dollar value and criticality of the work performed; methods for compiling results and providing feedback to contractors for improved services; and, use of documented contractor performance results as a selection factor in future contract solicitations.

Management Response:

Management agrees with the recommendation. Staff will explore the feasibility of funding an in-house resource or third-party contractor to provide oversight of facility maintenance contracts. Staff will develop quality assurance protocols addressing the elements identified above.

Target Completion Date: Action Plan developed to create program, necessary staff, support and resources identified -- December 15, 2017

Recommendation 4: Enhance the use of the SchoolDude to improve maintenance management and efficiency.

To improve the use of SchoolDude, the following actions should be taken:

1. Evaluate the costs of implementing the PM module of SchoolDude to validate that this expenditure will benefit the overall management of maintenance work.
2. Provide appropriate staffing to manage the SchoolDude system, either by reallocation of current staff duties or through a Work Controller position (a later recommendation in this report).
3. Develop a protocol to capture and account for contractor work that does not originate from a SchoolDude work order.
4. Validate equipment inventories and create records for all major maintainable assets, possibly as part of a facility condition assessment.
5. Identify performance measures to be tracked and reported using data available from SchoolDude.
6. Re-configure SchoolDude work order codes to enable generation of the desired performance measures (e.g., work order type codes, status codes and priority codes).
7. Document and train staff on consistent procedures to generate work orders, select the appropriate work type and category, track labor and materials, and update equipment records to maintain accurate records.

Management Response:

Management agrees with the recommendations. Staff will evaluate the feasibility of creating a more comprehensive work order system including establishing a work flow controller position, upgrades to SchoolDude and performance measures to be tracked and reported using SchoolDude data. Staff from Facilities, Procurement and Budget will explore protocols regarding contractor work. In addition, validation of equipment inventories and records of major maintainable assets will be included in the larger long term Facility Asset Management Plans (Refer to Recommendation #1).

Target Completion Date: Action Plan developed; support, resources, staff and funding identified -- January 31, 2018

Recommendation 5: Establish a Work Controller position (in-house or contracted) dedicated to work management oversight and reporting.

By dedicating a resource to function as a planner, scheduler, expediter and proactive communicator on behalf of Educational Facilities, ACPS will improve its customer service, enhance its use of SchoolDude's capabilities, and improve work management performance and reporting. In addition to participating in the recommended improvement efforts for communicating with schools and enhancing the use of SchoolDude, the Work Controller position should also monitor performance and generate reports or metrics that would help Department supervisors and managers better manage facilities maintenance work.

Management Response:

Management agrees with the recommendation. Staff will pursue establishing a Work Controller position dedicated to work management oversight and reporting.

Target Completion Date: Corollary to above -- January 31, 2018

Recommendation 6: Implement a system to proactively communicate with school principals about facility maintenance activities and issues.

An important part of maintaining customer satisfaction is understanding customer needs, setting clear expectations for performance, and proactively communicating about work in progress. To improve customer satisfaction levels, it is recommended that the Department develop and submit a monthly report to school principals summarizing the status of all open and closed work orders, as well as any upcoming major renovation projects. Further, the Department should annually survey school principals to assess their overall satisfaction with the quality of work performed by both in-house and contracted service providers, as well as Department staff. Satisfaction levels can be measured over time and included in the Departments list of KPIs.

Management Response:

Management agrees with the recommendation. Staff will develop a monthly reporting format to be shared with Principals. Staff will pursue appropriate resources to develop a Customer Satisfaction survey.

Target Completion Date: Action Plan developed; requisite resources and staff identified -- January 31, 2018

Recommendation 7: Designate an Energy Manager and establish an Energy Management Program.

It is recommended that ACPS designate an Energy Manager from within the Department of Educational Facilities with the authority, responsibility and accountability to establish and execute a formal energy management program. This position should lead efforts related to creating action plans, implementing these plans, and monitoring progress toward achieving ACPS energy reduction goals.

The U.S. Environmental Protection Agency (EPA) offers a proven model for starting an energy management program through its ENERGY STAR initiative. Publicly available resources provide the steps for creating an energy management program focused on

continuous improvement of energy performance, how to make the business case for investing organizational resources in energy efficiency efforts, and strategies and incentives for financing energy projects.¹³ Figure 8 provides an overview of the ENERGY STAR approach to continuous improvement in energy management.

Management Response:

Management agrees with the recommendation. Staff will designate an Energy Manager with the responsibility and authority to establish and execute a formal energy management program.

Target Completion Date: Action Plan developed and coordinated with HR -- December 15, 2017

Recommendation 8: Continue with the Department's long-term plan to reduce in-house custodial operations through attrition, and re-evaluate the cost structures of contracted service providers.

The Department acknowledges that the cost of in-house custodial operations far exceeds that of contracted service providers, and intends to reduce these positions over the long-term through attrition. Regarding contracted services, both ABM and SSC have performance-based contracts, which means that contractors must meet certain measurable performance standards and requirements. Although some variations in the cost per square foot are expected due to facility age and structure, grade levels, number of students, and program requirements (to name a few), wide variations in cost per square foot and cost per student (particularly across schools within the same level) indicate a need for further review to better understand the drivers of those cost differences and whether or not they are warranted.

Management Response:

Management agrees with the recommendation. Staff will continue the long term plan of contracting for custodial services through attrition. Staff will continue to evaluate cost and quality of services in contracted facilities.

Target Completion Date: On-going; Contract 1 additional school for custodial services -- December 15, 2017

Recommendation 9: Have ACPS custodians and Building Engineers report centrally to the Building Services Manager rather than to school principals.

Centralized oversight of these school-based positions will allow the Educational Facilities Department to have more autonomy and greater flexibility to ensure that staff are allocated efficiently and equitably across schools.

Management Response:

Management agrees with the recommendation. Staff will develop a staffing plan as well as additional resources required for ACPS custodians and Building Engineers to report to Educational Facilities.

Target Completion Date: Phased Action Plan developed in conjunction with Finance, HR and Facilities -- February 28, 2018

Recommendation 10: Reduce custodial FTE at non-contract schools to bring workloads more in line with industry standards for staffing efficiency at all schools.

ACPS staffing guidelines do not represent industry standards and are not consistently applied. The current approach to staffing custodians at ACPS non-contract schools is based on historical levels and does not ensure equity of workloads and optimal utilization of staff across schools. ACPS should continue to pursue its longer-term objective to fully outsource custodial operations (discussed previously). In the short-term, ACPS should continue to reduce the number of custodial positions through attrition, and reallocate positions across schools to balance workloads.

Management Response:

Management disagrees with the recommendation in part. Staff believes the current in-house staffing is consistent with the square footage, student population and grade level of schools. Management agrees that the ACPS long-term plan is outsourcing of custodial services.

Target Completion Date: Ongoing. See also Recommendation #8.

RECOMMENDATION: The Superintendent recommends the School Board review the Facilities Audit Report and the management responses to the audit recommendations.

IMPACT: Educational Facilities may require organizational and programmatic changes as well as additional investment in staff/service support to improve condition and management of assets as well as customer focus.

ATTACHMENTS:

ACPS Educational Facilities Audit – Gibson Consulting Group, Inc.

CONTACT: Richard L. Jackson, Director of Educational Facilities