

# Contracted Facilities Management Request for Proposal Review

Request for Proposal Respondents

A Quality Water – Declined on Proposal

MWH – Declined on Proposal

CH2M Hill – Submitted Facilities Management Proposal

# CH2M Hill Facilities Management Proposal

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- Background on CH2M Hill
  - 30 years world class facility operation experience
  - Ranked in the top 100 companies in the nation
  - Approximately 2,200 employees in the O&M business group
  - CHM2Hill services approximately 123 clients and 178 sites in more than 31 US states.
  - Additional support services: IT Solutions and Services, Consulting Services, Asset Services, Temporary Assistance, Engineering Services and Operations Specialist Services to name a few.

# Benefits of Facilities Management Company

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- Expertise in ADEQ, ADWR, WIFA, Financing, Bonds, government utilities and community development
- Single point of accountability (District Manager)
- Leverage of expertise
  - Regional Management Team consisting of 8 industry professionals for regional leadership and technical support
- Proprietary Maintenance Management System
  - Predictive Maintenance Program
  - Preventive Maintenance Program
  - Corrective Maintenance Program

## Benefits of Facilities Management Company Cont...

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- Inventory Control Systems
  - Volume purchasing discounts
  - Reallocation of supplies
  - Comprehensive tracking
- Asset Management Systems
- Safety Programs
  - OSHA requirements and Industry standards
- Emergency Response Program
- Environmental Protection Program
- Extensive Personnel Training Program
- Vulnerability Assessment Program
- No Political Influence

# Facilities Management Employee Benefits

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- Medical – Vision – Dental Insurance
- Education and training per industry standards
- 401K Plan
- Employee Owned – Stock Plan
- Life Insurance and Supplemental Life
- Pension Plan
- Credit Union
- Long Term Disability
- Time Off with pay (Accumulation begins on 1<sup>st</sup> Day of Employment)

# Facilities Management Employee Benefits Cont...

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- Bereavement Leave (1<sup>st</sup> Day of Employment)
- Paternity/Adoption Leave
- Family Medical Leave (After 1 year)
- Employee Assistance Program
- Home & Auto Insurance Program
- Legal & Financial Services Program
- Alternative Work Arrangements
  - Apply for other jobs within corporation
  - Relocate to other sites
  - Advancement opportunities

# Financial Impact Fiscal Year 2010 - 2011

July – Sept 2010 Actual Revenue	\$349,110
Projected Revenue Oct – Dec 2010	\$273,000
Projected Base Rate Revenue Jan – Jun 2011	\$700,272
Projected Revenue Users over 3000 gallons	\$104,304
Tax Levy	\$200,000
Tax Levy 2009 Carry Over	\$26,000
Projected Misc Fees (Late Fees, Meters, Etc)	\$21,000
Gross Revenue Receipts	\$1,673,686

# Financial Impact Fiscal Year 2010 – 2011

## Cont...

Gross Revenue Receipts	\$1,673,686
Expenses	
Facilities Management Contract (7 months)	\$559,702
PSWID Projected Expenses (7 months with Management Co in place)	\$143,059
PSWID Projected Expenses (Oct – Nov 2010)	\$123,216
PSWID Expenses Incurred July – Sept 2010	\$265,214
Net Revenue	\$582,495
Interest Expense	\$286,745
Net Income	\$295,750

# Financial Calculation Information

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- Revenue: July – Sept Actual Data \$349,110
- Revenue: Oct – Dec based on 2009 Data
- Revenue: Projected base rate Jan – June 2011
  - $\$36.00 \times 3242 \text{ Customers} = \$116,712 \times 6 \text{ Months} = \$700,272$
- Revenue: Projected water usage rate over 3000 gallons
  - Based on 4 months winter usage excess water fees  $\$17,384 \text{ per month} \times 6 \text{ months} = \$104,304$

# Financial Calculation Information Cont...

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- PSWID Continuing Expenses
  - Actual data past 12 months \$245,427
    - Monthly forecast  $\$245,427/12 = \$20,437$
    - 7 Month outlook with CH2M Hill contract \$143,059
- Continuing Expenses...
  - Administration
    - General Insurance
    - Bank Charges
  - Outside Source Fees
    - Sage-EFT Fees
    - Merchant Credit Card Fees
    - Invoice Cloud Fees

# Financial Calculation Information Cont...

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- Continuing Expenses...
  - Admin Office Expense
    - Telephone
    - Janitorial
    - Utilities
    - Building lease
  - Board of Directors
    - Website
    - Facility rental
    - Accountant fees
    - Insurance public officials
    - Legal Fees
    - Public communication
    - Misc Supplies
  - Operations
    - Well sharing agreements
    - Telephone tank levels
    - Electricity wells
  - Field Vehicle & Equip
    - Auto Insurance
    - Auto License
    - Maintenance & repairs

# Current Deficiencies of PSWID

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- No Accountability
- No Human Resources
- No Emergency Plan
- No Safety Program
- No Expertise on Financial and Government Programs
- No Inventory Controls
- No Asset Management
- No Environmental Assessment
- No Training
- No Computerized Maintenance Management System
- No Benefits Package or Advancement Plan

# Conclusion

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- Facilities Management Contract will:
  - Address our current deficiencies
  - Identify Risk Management
  - Develop future plans
  - Control and streamline operating costs through efficient management techniques
  - Identify opportunities for grants
  - Pursue WIFA financing
  
- Intangible Benefits
  - Credibility from Financial Institutions
  - Capital Investment Protection Program
  - Additional Assets / Resources
  - Transfer of Risk
  
- Financially Feasible