

Reducing Facilities Costs with Targeted Service Agreements

An in-house facilities management team doesn't necessarily need to be a building's "jack of all trades." In lean times, running day-to-day operations, performing routine and emergency maintenance and even helping construction crews with renovation projects can stretch even the most robustly experienced internal team beyond its capabilities. The result? An overworked staff and buildings that aren't well run and maintained or are ill prepared for maintenance emergencies.

What's more, the complexity of building maintenance, when performed incorrectly, often leads to higher operating costs. Facilities management requires unique expertise in a variety of areas. This can make it difficult to put just the right team in place to optimize a building's long-term asset value and deliver maximum savings. And, the employees required for particular tasks aren't necessarily the ones a maintenance department already has on staff.

COST-SAVING SOLUTION

It is not unusual that management costs—operation, maintenance and service—can wind up higher than a building's original construction cost over a lifetime. Moreover, better maintenance and operations enhance a building's condition, helping the facility uphold a favorable "reputation" in commercial markets and supporting manufacturing processes in industrial ones.

For this reason, owners, CEOs, financial managers and facility staff need to keep close tabs on ways to reduce annual building overhead costs. They then need to keep them low, stable and predictable over the long term, while ensuring routine maintenance and operations.

This doesn't have to be a difficult process. **Custom solutions can help building owners and facilities professionals efficiently and cost-effectively cover all aspects of operations and maintenance.**

Rudolph Libbe Group's (RLG) FM360 program delivers all this and more to building owners and facilities professionals. This customized service agreement program enables building owners and their facilities staff to maintain productivity, tenant satisfaction and market appeal.

Operating a building requires specialized and all-encompassing expertise. FM360 integrates many of RLG's synergies—from maintenance and management services to construction to contract procurement and more—to offer customers a one-call facilities solution, 24-hours a day, 7 days a week, 365 days a year.

And, depending on the program developed for a building, it also can significantly reduce ongoing facility management costs. **Some customers have slashed costs by as much as 19 percent.**





FM360 provides users a choice of agreement options:

- › Comprehensive, customized total facilities management, which includes construction capabilities
- › Supplemental facilities staffing
- › Maintenance only for buildings where no daily facility management is necessary
- › Time and material on-call maintenance as needed

All options give owners and managers access to the expert facilities management team, FM360 property managers, as well as the skilled trade construction and service consulting professionals as part of RLG's companies (Rudolph Libbe Inc., Rudolph Libbe Properties, GEM Inc., and GEM Energy).

RLG professionals roll up their sleeves and focus on services that make the process a success, from emergency repairs to keeping a routine maintenance and inspection schedule active and on time. They also can provide quick access to a variety of construction services, as needed. And because the company negotiates bulk service agreements with its network of partner suppliers, FM360 customers get a clear cost advantage over what building owners could negotiate on their own.

HOW IT HELPS

Whether for a manufacturing facility or commercial building, securing an outside property manager frees owners up to focus on running the business. FM360 agreements have options for both supplemental or a dedicated, on-site FM360 property manager if there's a need.

A building service agreement can help reduce and stabilize building operating costs by offering:

- › Budgeting assistance for long-term building costs, including long-term capital replacement;
- › Access to construction and other service professionals and supplies;
- › Right-size scope of project work to ensure the right balance is met between adequate service levels and costs on budgeted maintenance and service items;
- › Right-size staffing to keep personnel costs low, from complete staffing plans to supplemental support for in-house staff;
- › Energy usage and expense analysis to determine additional savings on operating costs;
- › Emergency response plan development to avoid business interruption costs and ensure safety precautions are top-of-mind.



GETTING STARTED

FM360 provides building owners with highly customized, 24/7 coverage for all facility management requirements. It creates a productive environment that delivers a measurable return on investment. And, it's not a "one size fits all" solution. FM360 contracts are tailored to the needs of an individual facility following an initial and thorough on-site assessment.

The FM360 team visits a prospective customer site to provide a facility operation and maintenance review. This complete evaluation examines everything from building inventory and staffing to operating and maintenance costs and budget to possible retro-commissioning of building systems. Assessments, and the resulting conclusions, are as detailed as the information a customer is willing to share. The more details offered, the better FM360 professionals can create a made-to-order solution, whether it is a comprehensive facilities management program or a back-up, on-call maintenance plan.



TOTAL FACILITIES MANAGEMENT

For building owners who opt for the full-service program, they have peace of mind that their facilities are covered.

“**With FM360, the team gets one point of 24/7 contact and a dedicated property manager for all of its facilities management requirements,” said Brian Seeger, general manager of Special Accounts at Rudolph Libbe Inc. “We oversee everything from HVAC, electrical, plumbing, building repair and construction service, to avoid unplanned outages and costly downtime.**”

For more than seven years, the small, in-house maintenance staff at Toledo, Ohio’s **Fifth Third Field**, home of the Toledo Mud Hens, enlisted the help of RLG, to get a more in-depth level of facilities management and maintenance support to help oversee the complex needs of the 200,000-square-foot ballpark and surrounding properties. Following a complete review of the services that FM360 offered, the Mud Hens signed on with RLG for a total facilities management contract.

Through the FM360 program, RLG covered all bases, offering management staff the ability to reach experts at a moment’s notice for routine issues, emergencies and unplanned outages as well as building improvements and renovations to enhance business operations.

RLG also conducted a complete cost analysis of energy usage and systems. It was determined Fifth Third Field could benefit from using LED lighting instead of halogen. Over a period of three years, the combined facilities team retrofitted inefficient lighting.

“**We worked with the Mud Hens to initiate FM360 which lowered total annual operations and maintenance costs by 19 percent;” said Nick Baer, GEM Energy’s Service Group general manager. “This includes 30 percent in utilities savings.**”

With additional projects on the horizon for the Mud Hen’s capital maintenance and improvements timetable, RLG will be there to help decision makers determine the useful life of everything, from equipment to the building’s physical structure.

EMERGENCY RESPONSE PLANNING

As another RLG client, **Sun Federal Credit Union**, learned, there’s more to an FM360 contract than ongoing routine maintenance support. RLG manages all subcontracted work and capital projects and assists in assembling annual and capital budgets for the financial cooperative and its 11 locations throughout Northwest Ohio and the Philadelphia area. RLG also stepped in to help Sun Federal plan for building emergencies.

While FM360’s reliable maintenance and prompt repair services virtually eliminate facility downtime caused by HVAC, electrical, plumbing, major repairs and other issues, unforeseen problems can and will happen.

In the case of credit unions, these types of buildings aren’t typically occupied 24/7. This means disaster can strike when no one is around to take swift action. Accidents can sometimes cause damage to buildings or problems in systems that can go unnoticed for days.

Planning for outages or having an emergency response in place and on call before a crisis happens can save companies many thousands of dollars in overhead costs.

The new plan creates continuity across Sun Federal’s facilities. If something were to happen at a location, the plan provides immediate solutions to keep downtime minimal and put Sun Federal staff and customers at ease.



OTHER CONTRACT OPTIONS

For some facilities teams, an assessment reveals they don't require a full-service FM360 agreement. That doesn't mean, however, they have to forgo support entirely. RLG has them covered.

Some property owners might opt for maintenance-only coverage with stable, fixed annual costs for targeted major systems, such as HVAC or roof repairs. Others might seek only supplemental maintenance services to assist an in-house team. Another possibility might be to request time and materials and receive only basic, on-call service and maintenance. The final option is to pursue support through quoted projects.

For example, companies that contract with RLG's FM360 program's HVAC service receive the benefit of the firm's **Sustainable Preventive Maintenance (SPM) agreement**. With this offering, customers can self-fund/finance capital equipment projects through a scheduled comprehensive maintenance agreement. This also covers four scheduled visits per year.

The facilities leadership at Inverness Country Club in Toledo opted to pursue an SPM with RLG. The program, which covers 68 mechanical units on the 200-acre property, gives management fixed maintenance costs to help better plan for budgets and minimize risk. It also has improved the club's mechanical systems. And, they have the option to pay for the work over a five-year period.

“**With our sustainable maintenance agreement, there are no surprises,” says Joe Furko, general manager and chief operating officer of Inverness Country Club in Toledo, Ohio. “It fits into our facilities maintenance and upgrade plan, particularly in light of our preparations to host the 2021 LPGA’s Solheim Cup competition. The SPM agreement helped our capital cash flow and made it possible to replace our 30-year-old chiller and cooling tower. Plus, the yearly energy savings helped reduce the SPM agreement cost.**”

PROGRAMS FOR EVERY BUILDING’S NEEDS

From custom, comprehensive facilities management to maintenance-only service contracts, building owners and facilities teams have options to bolster their internal operations. Companies like RLG have experienced teams across various business units to assist with a variety of right-sized, customized programs for any facility's need. At RLG, for example, its professionals fit the required hours for the building and handle partial or full requirements with an entire facility department's worth of knowledge.

With management programs like FM360, building owners and facilities teams can avoid excess costs and the uncertainty that often comes with planning, budgeting and executing a building's maintenance and service operations.

These programs keep costs low and stable and the facility safe and running at maximum productivity, year after year, for the life of the agreement.



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