

# ARIZONA

DEPARTMENT OF ADMINISTRATION  
GENERAL SERVICES DIVISION  
FACILITIES OPERATIONS & MAINTENANCE

## WHO WE ARE

Facilities Operations and Maintenance (FOAM) provides 24/7 support through maintenance, custodial, grounds and heating ventilation and air conditioning (HVAC) for the Capitol Mall, Tucson and several satellite facilities throughout the State.



**42**  
**Years**

Average Age of Structures

**27,311**  
Completed Work Orders  
20,383 (FY17)  
**15,643**  
(Corrective)  
**11,668**  
(Preventative Maintenance)

**73**  
Structures  
**5,136,565**  
(Gross Square Feet)  
**44**  
(Buildings)

## Strategic Initiatives

- Refining equipment controls
- Optimizing equipment operation
- Water conservation using current technology
- Installing LED lighting
- Upgrading HVAC equipment
- Improved warehouse controls
- Advanced mobile workforce with GPS routing
- Expanding skills assesment and cross training

## Vision Statement

Industry leading facilities management that incorporates proven methodologies, metrics and well defined processes and procedures that reduce costs and ensures maximum efficiency and accountability while being transparent and data-driven.

**Fiscal Year 2018**  
**Annual Report**  
**Facilities Operations**  
**& Maintenance**

# Utility Management

HOW ARE WE DOING

UTILITY COST PER GROSS SQ FT

GAS



Industry Median	\$0.18
ADOA Managed FY18	\$0.05
ADOA Managed FY17	\$0.06

ELECTRIC



Industry Median	\$1.56
ADOA Managed FY18	\$1.68
ADOA Managed FY17	\$1.73

WATER



Industry Median	\$0.14
ADOA Managed FY18	\$0.14
ADOA Managed FY17	\$0.21

**Total Utility Costs**  
FY17 \$2.02 | FY18 \$1.89  
Region Avg \$2.35



**Savings**  
**\$1,313,948**  
(July 2015 - June 2018)

**18%**  
**Reduction**  
In Utility Usage

3% Jul 16

12% Jun 17

18% Jun 18

Arizona

## Resource Management

### Work Orders

**FY18 Corrective**  
Service Level Agreement

Goal of 95%

✓ **97% FY18**  
**98% FY17**

**FY18 PM to**  
Corrective Ratio

Goal of 75%

✗ **43% FY18**  
**33% FY17**

### Maintenance

Industry Median	\$2.11
ADOA Managed FY18	\$1.80
ADOA Managed FY17	\$1.80

### Janitorial

Industry Median	\$1.76
ADOA Managed FY18	\$0.63
ADOA Managed FY17	\$0.61

### Total Operational Costs

Industry Median	\$5.80
ADOA Managed FY18	\$4.99
ADOA Managed FY17	\$5.05

COST PER RENTABLE SQ FT

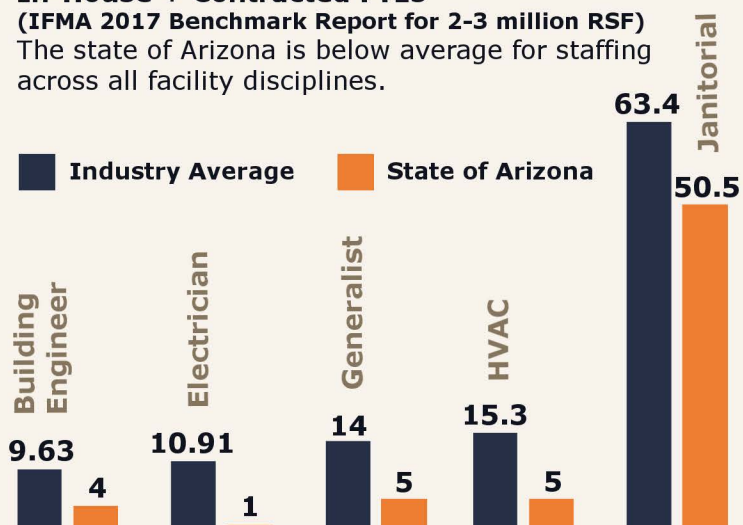
### Staffing Levels

**In-House + Contracted FTEs**

(IFMA 2017 Benchmark Report for 2-3 million RSF)

The state of Arizona is below average for staffing across all facility disciplines.

■ Industry Average ■ State of Arizona



### Impact of Staffing Levels

**Scheduled and Deferred PMs**  
6,170

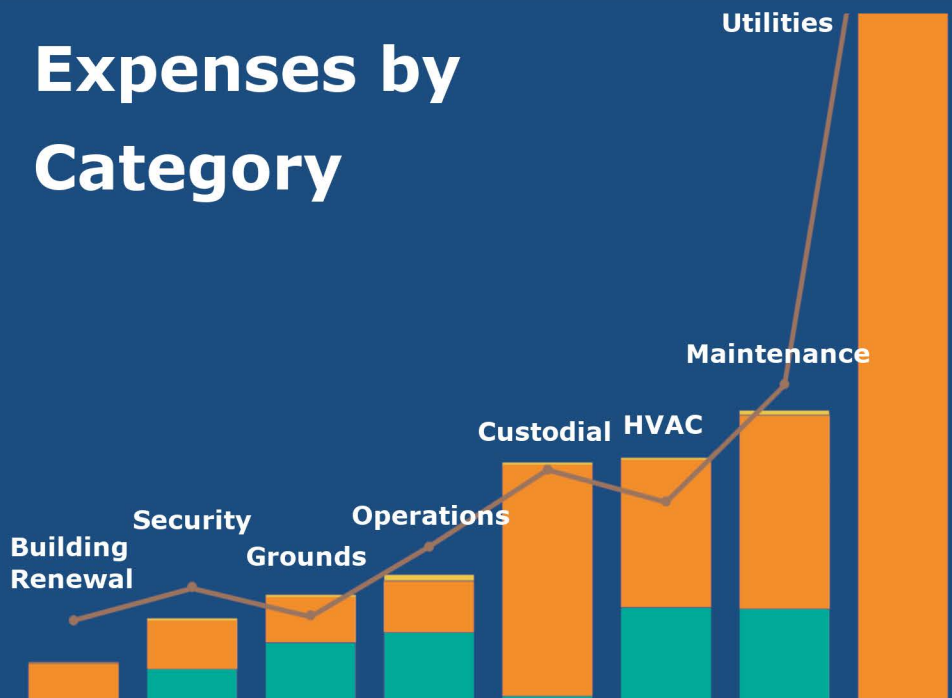
**Deferred Maintenance**

(2016 Facilities Condition Assessment)

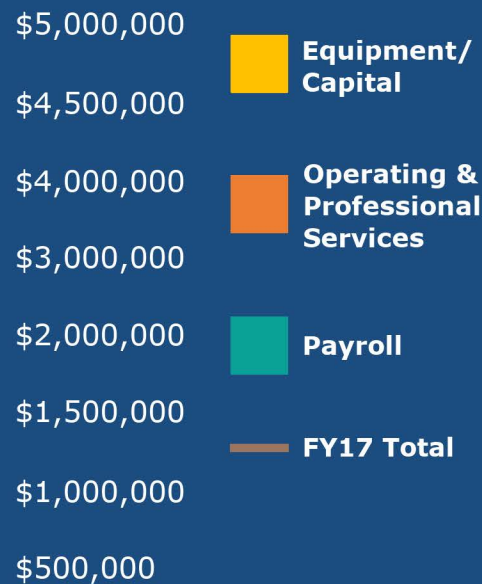
\$265,644,944



# Expenses by Category



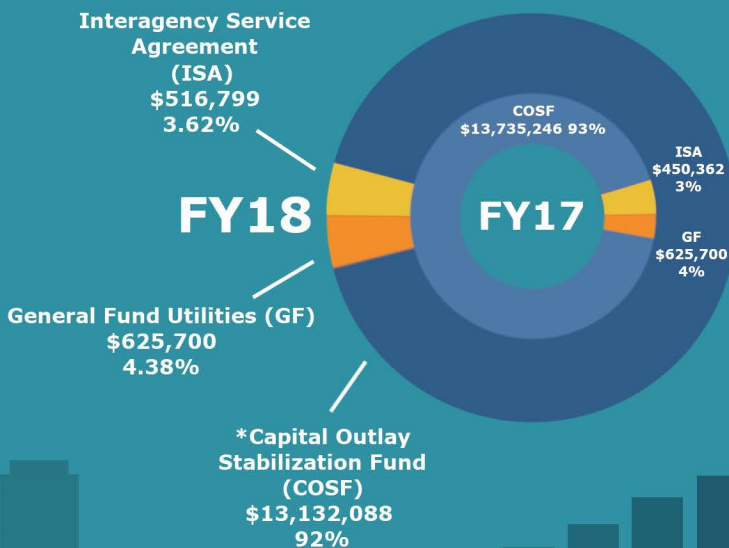
## OUR FINANCES



# Funding Sources

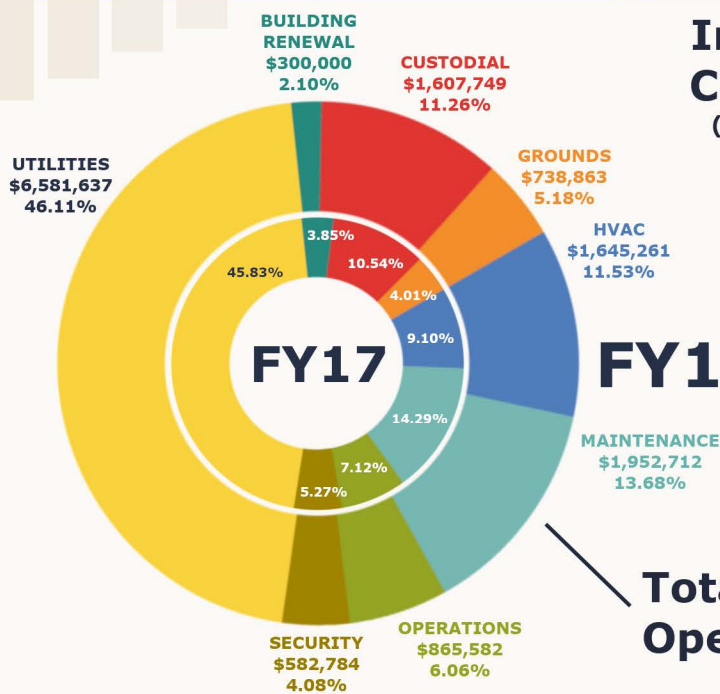
\* COSF monies are generated from rent collections.

FOAM does not issue separate financial statements. It is included in with the state of Arizona's CAFR. The 2018 CAFR can be found at [WWW.GAO.AZ.GOV/Financials/cafr](http://WWW.GAO.AZ.GOV/Financials/cafr)

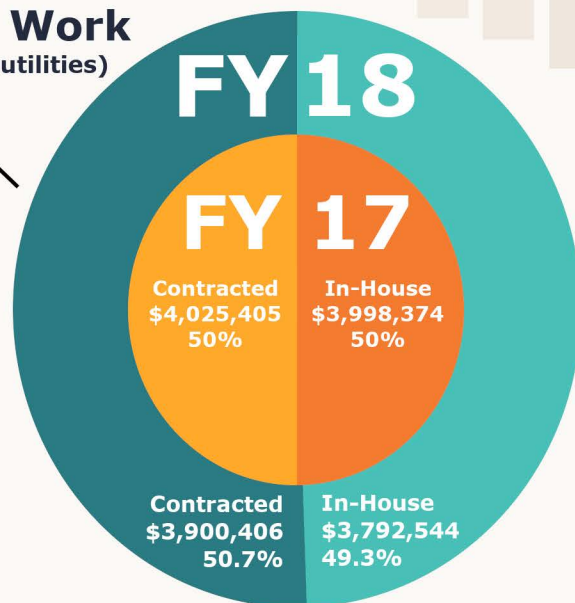


FY18  
 Interagency Service Agreement (ISA) \$516,799 3.62%  
 General Fund Utilities (GF) \$625,700 4.38%  
 \*Capital Outlay Stabilization Fund (COSF) \$13,132,088 92%

## In-House Versus Contracted Work (Does not include utilities)



## Total Cost of Operations



# OPPORTUNITIES AND FUTURE CHALLENGES FOR FISCAL YEAR 2019

## CHALLENGES

### Deteriorating Building Conditions

- Age of buildings and equipment
- Deferred maintenance due to staffing and budget constraints
- HVAC equipment beyond its useful life (water source heat pumps, air handlers, etc.)
- Old deteriorating plumbing
- Inefficient single pane windows
- Transfer switches

### Challenges in Tracking Utility Costs

- Lack of accurate historical data (electrical, gas and water usage)

### Accounting for total deferred preventative maintenance

## OPPORTUNITIES

### Expanding Operations

- Maintaining the Arizona State Hospital facilities

### Retain / Increase Skilled and Engaged Staff

- Review of trade positions to identify appropriate compensation structure
- Increase employee training
  - Backflow, AICA, etc.
- Increase employee recognition

### Increase Energy Savings and Sustainability

- Retrofit to LED lighting
- Optimize Energy Management System
- Scheduled lighting and occupancy sensors
- Expand water savings program
- Additional controls

### Development and Organization of the Preventative Maintenance Program

- Increase staffing to meet workload requirements
- Increase planned maintenance to reduce corrective work orders
- Add controls PMs

### Others:

- Refine Equipment Registry
- Continue to improve safety program (In FY17, the documentation process was greatly improved)
- Improve expense tracking to capture true and total costs.
- Work order efficiency

## Facilities Operations and Maintenance

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[WWW.GSD.AZ.GOV](http://WWW.GSD.AZ.GOV)

*We want to hear from you. Please call or visit our website for comments or questions.*



This report has been prepared  
in accordance with the AGA  
Citizen-Centric reporting standards

Report issued March 29, 2019