



FACILITIES & CAPITAL ASSET MANAGEMENT

The Facilities Management Department does an excellent job maintaining the 115 facilities owned by Charleston County. The Commission supports their efforts to move from preventive maintenance to a predictive system, and feels the County should formalize a process to fund the replacement of components for its buildings and facilities in a prescribed manner. To attract, keep, and reward qualified workers within this department, the County should develop creative employee incentives.

MISSION

The mission of facilities management is “to provide total management of county facilities ensuring that County government and supported agencies have an effective working environment to carry out their responsibilities in meeting the needs of all County citizens.”

The Facilities Management Task Force assumed a mission to determine if the building infrastructures assigned to this department were inventoried and under a plan to preserve the asset through corrective and preventive maintenance, using systems and processes to insure compliance and acceptable results. Generally we found this department to be well organized and supervised.

OVERVIEW

This department appeared to be goal-oriented. Its position and issues are laid out in a plan of action that shows a time line to accomplish these goals. They have identified several things that are needed to facilitate their plan.

Walter L. Smalls, the department head, brings good property management skills to the job. He is a retired Air Force LTC with more than 22 years of active duty. His experience in the Air Force is similar to his current position with Charleston County. He has instituted systems and procedures that have become SOP (standard operating procedure) in the department and should provide a sound basis of operations well into the future.

Some interesting facts about the department are:

- This department has identified and listed its inventory online and in hard-copy binders.
- This department worked with a \$9.9 million budget for fiscal year 2005, and has budgeted \$9.7 million for FY 2006.
- The department is divided into Divisions: Maintenance, Contracts, Real Estate, Custodial and Administrative. A full department overview is included in Appendix 17.

As of March of 2005, the Facilities Management Department has posted a complete inventory of the County's real property assets on the internal 'intranet' website. Hard copies also are maintained. The inventory provides information on the 138 total facilities (115 owned, 23 leased) maintained by Facilities Management. The department has divided the real property into nineteen categories, and provides maps of facility locations by category or overall. Detailed property record cards are listed for each property. Appendix 18 is the title page from this inventory.

RECOMMENDATIONS

Recommendation 1: The Commission recommends funding be allocated for the proposed Structural Maintenance And Repair Team (SMART) concept. This approach will help the Department move forward from preventive maintenance to predictive maintenance.

Background: Currently there is a waste of time and effort as Facilities Management inspects buildings, then prepares a work order for any needed maintenance, and then schedules the work. This occurs many times after another inspection to determine the scope and materials needed. Many of the jobs that are the target of this program are those that can be anticipated or predicted and actually "fixed" on the first visit.

In the SMART plan a five-member team (carpenter, electrician, HVAC technician, plumber and painter) would go from facility to facility on a schedule, inspecting, repairing and maintaining certain items. This would keep predictable maintenance up to date, and allow efficient scheduling of manpower and supply orders. Jobs too large to handle by this team would be sent back to the shops for repair or deferred to the annual improvement projects budget.

The following are the estimated costs for the SMART program:

1. The five member team (carpenter, electrician, HVAC tech, plumber, painter) would start at the entry level Tech II salary of \$27,019.20; times five FTEs equals \$135,096.00. Fringe benefits add approximately 34 percent. Therefore, the total cost of personnel would be \$181,028.64
2. Vehicle, tools and a trailer (vehicles may not be required if available in Fleet) would be required per team. Costs for two trucks @ \$21,000 each would equal \$42,000; tools @ \$5,000; trailer @ \$5,000; for a total of \$52,000.

Recommendation 2: The County should increase the bid limit from \$1,000 to \$2,500 before three quotes are required.

Background: This is in keeping with recommendations in the Procurement, Outsourcing, and Privatization Task Force report related to bringing procurement policy and thresholds into line with state and federal policy and department needs. Currently staff authorized to use purchasing (P) cards are limited to purchases up to \$1,000. Anyone authorizing a purchase must obtain comparable quotes from three vendors if exceeding the \$1,000 limit.

In the arena of building and maintenance supplies, that threshold often creates barriers to efficient purchasing practices, and also can limit economies of scale a higher threshold might allow. It is to be noted that the purchasing threshold for the State of South Carolina is \$1,500, and for the Federal government, \$2,500.

Recommendation 3: The County should find alternative methods of rewarding employees in critical low level jobs. Incentives other than monetary should be considered.

Background: The County maintains a skill/competency based pay increase program, which provides opportunities for workers at the skilled or technical level to earn pay increases by demonstrating competency in agreed-upon additional skills. (A full discussion of the program is included in the Appendix 7.) Also, employees are eligible for a STAR (Strive to Achieve Rewards) bonus for achieving something measurable related to the department/County mission but outside of regular job duties. However, these programs do not “fit” all county employees. Positions such as Custodial do not allow for technical skill upgrade or provide opportunity for “other measurable achievement” that would meet the test for a STAR bonus. A note of importance is that we need people to fill Custodial positions who are happy in that position. They are not inclined to go get licensed to do a more technical job. They are left behind in these reward programs. At the same time having long-term good workers in these positions is in the County’s best interest, so some way to reward needs to be found. This same situation exists in other departments, such as Public Works, and should be addressed.

Recommendation 4: The County should formalize the process to provide for the replacement of components for its buildings and facilities in a prescribed manner.

Background: It is important that the depreciable components of the county buildings and facilities be identified, a life expectancy assigned to the component, and funds for the replacement of the components when appropriate be provided. In the private sector, this is accomplished by routinely funding a reserve for replacement account.

The County does not fund a reserve account. Rather it deals with the cost of the identified replacement components in the annual budget for facilities. The County does, however, take the other steps of identifying the components (roofing, HVAC, carpet, signs, etc.) and assigning a life expectancy. The cost of the replacement/repair is determined and the appropriate replacement (due to age) is funded in the current budget eliminating large unfunded costs in the future. Each year, infrastructure system replacements are included in the budget by the Facilities Director.

This process accomplishes the same result as funding a reserve account, that being the proper maintenance of the facilities in an orderly fashion. This approach eliminates deferred maintenance and the extraordinary cost associated with deferred maintenance repair.

It is proposed that this process be adopted as policy for the Facilities Maintenance Department to assure continuity of building and facility components into the future.

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