



Collaboration – The True Key to Success

Facilities Contract Volume and Utilization Increases

By William M. Elvey, APPA Fellow, and Mary Sue Goldwater, C.P.M.

If there is one thing we've learned as members of the E&I Facilities Strategy Team, it is the true value of collaboration. The road to success, it seems, is paved with teamwork and cooperation.

You might recall that in our last update we described much of the work the team had completed in terms of fielding RFPs and awarding new contracts. With that in mind, we decided the next reasonable step would be to evaluate the results. To do so, we took a close look at each of the facilities and facilities-related contracts in the E&I portfolio. We began by dividing the contracts into three action areas:

- **Enhanced contracts**, where improvements were made to the existing terms, conditions, and/or available products
- **Re-solicited** contracts that were expiring
- **New contracts**, where new product categories were identified, and new contracts were awarded

ENHANCED CONTRACTS

The team provided input for enhancements to existing contracts for the following products and services:

- Job Order Contracts
- Paint
- Auto Parts, Supplies and Services
- Plumbing Supplies and Services
- Lab Furniture and Services
- Air Filter Supplies and Services
- Bulk Liquid Nitrogen and Services
- Gas Cylinders

RE-SOLICITED CONTRACTS

Expiring contracts were re-solicited and awards were made for the following products and services:

- MRO Supplies and Services
- Roofing Supplies and Services
- Carpet, Related Supplies and Services
- Audio Visual Equipment, Supplies and Services
- Express Mail Services
- Moving Services

NEW CONTRACTS

The team participated in the solicitation, evaluation, and/or communication of new contracts for the following products and services:

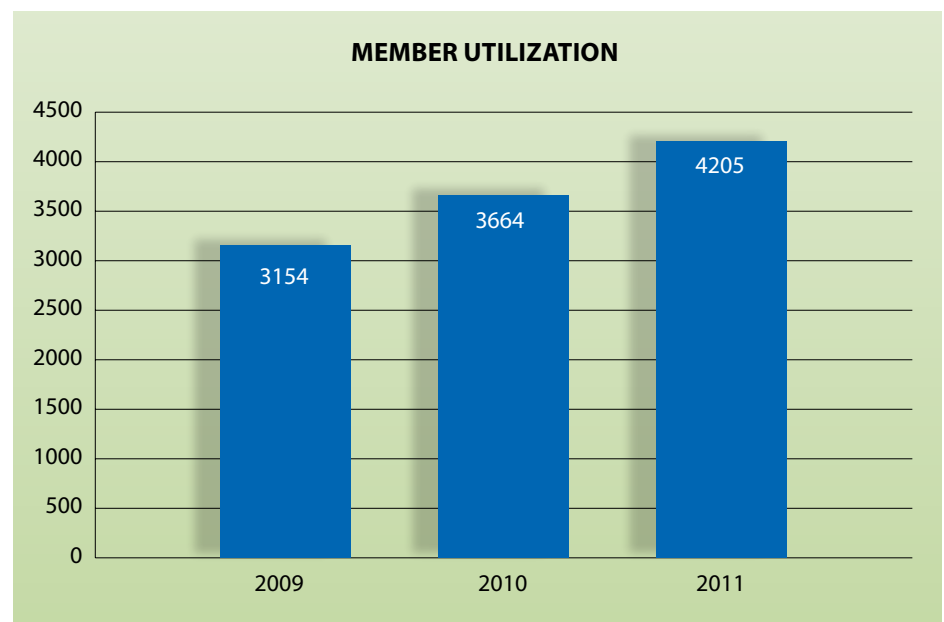
- Electrical Equipment, Supplies and Services

- Elevator Maintenance and Services
- Security Equipment, Supplies and Services
- Artificial Turf Supplies and Services
- Visual Boards (Blackboards, Whiteboards)

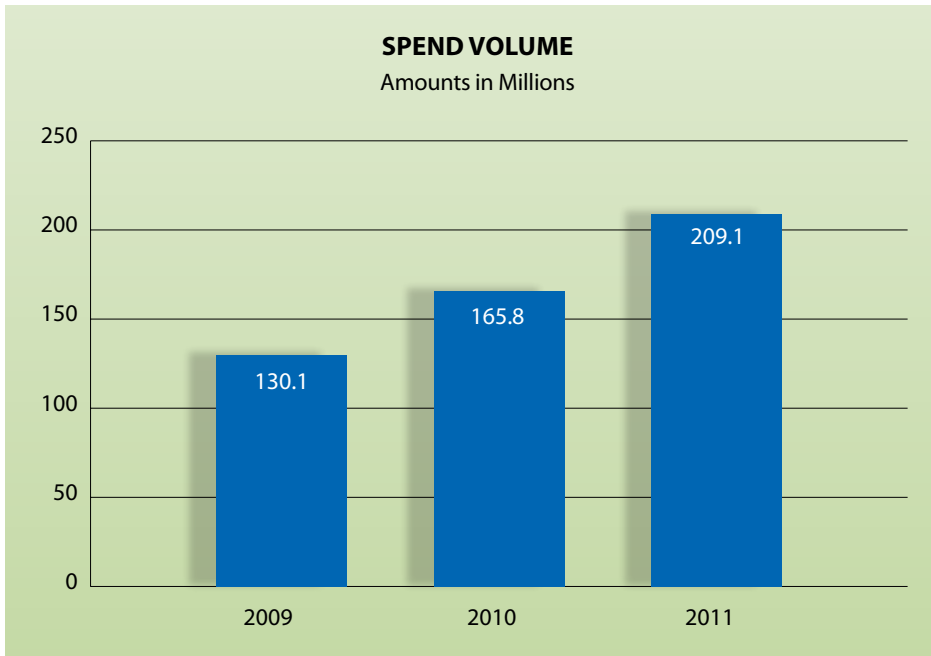
MEMBER UTILIZATION & SPEND VOLUME

Our next step was to determine the member utilization and spend volume associated with each contract. Our evaluation spanned contract activity from 2009 through 2011. (In 2011, we factored in an accrual rate for the 4th quarter volume.)

We believe this steady increase in member utilization and spend volume clearly indicates that the APPA/E&I collaboration has been successful in



Member utilization from 2009-2011 increased by 1,054 members – or 25%.



Spend volume from 2009 through 2011 increased by \$79 Million – or 62%

A Quick Glance at the Facilities Strategy Team

- Formed in the Fall of 2008
- Comprising Higher Education Facilities & Procurement Professionals
- Mission: To help E&I develop best-in-class facilities contracts for use by member institutions
- Members:

Nathan Baird, *University of Oklahoma*

Janice Forburger-Brumley, *Texas Tech University Health Science Center*

William Elvey, *University of Texas, Dallas*

Mary Sue Goldwater, *C.P.M., E&I Cooperative Purchasing*

Maggie Kinnaman, *University of Maryland-Baltimore, Retired*

E. Lander Medlin, *APPA*

David Ott, *E&I Cooperative Purchasing*

Judy Schaffer, *E&I Cooperative Purchasing*

Tina Smith, *E&I Cooperative Purchasing*

Bob Solak, *E&I Cooperative Purchasing*

Paul Watson, *C.P.M., University of Texas, Dallas*

Jeff Zimmermann, *Texas A&M University*

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achieving our goals. Since the team's inception three years ago, we have maintained a steadfast focus on delivering the highest caliber contracts in terms of pricing, products and overall value. This increase in utilization and volume is proof that our members are realizing this value.

POTENTIAL MEMBER SAVINGS

We realize that it is always about the bottom line, and in this case, we have helped higher ed institutions save significantly. In the area of Maintenance and Facilities, the estimated savings using E&I contracts averages between 10 and 15 percent. Over the three year span, this translates into a total spend of \$505 million, with an estimated savings of about \$7 million. More than just cost, our members have also saved a considerable amount of time. The average time to develop and complete a Request for Proposal is approximately three to six months. Members are reducing this time drastically by utilizing the competitively solicited contracts, and, as we all know, time is a priceless commodity.

We think it bears repeating that one of the most valuable aspects of this process is the cross-departmental collaboration

ONE OF THE MOST VALUABLE ASPECTS OF THIS PROJECT IS THE CROSS-DEPARTMENTAL COLLABORATION BETWEEN MEMBERS OF THE FACILITIES STRATEGY TEAM.

between members of the Facilities Strategy Team. Because the team is composed of individuals from both the facilities and procurement departments, the work conducted is all the more valuable. Each of these individuals possess the knowledge and the expertise to ensure that the resulting contracts will meet the specific facilities needs of members, while aggregating spend to deliver competitive pricing on a national basis.

Our collaboration is ongoing, and we continue to work on improving our facilities portfolio for our members. As always, all solicitation updates and awards will be posted on the APPA and E&I websites. We hope that sharing this positive news will encourage more members to utilize our contracts and take an active role in lowering facilities costs on campus.

We encourage and welcome volunteers to serve on the RFP Teams. These teams are tasked with the responsibility of preparing and reviewing RFPs for specific commodity areas. Anyone interested in becoming an RFP Team member should contact Mary Sue Goldwater at mgoldwater@eandi.org. ☎

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