



# Facilities Managers as Landlords

## Know Your Tenants and Provide Better Services

By Joe Whitefield

Today's educational facilities management organizations do much more than keep the wires hot and the water cold. Our services contribute directly to fundamental institutional goals of education, recruitment, retention, and reputation. More and more, we are becoming an integral part of the learning environment of the campus.



Because of this, facilities management is often discussed in terms of stewardship. This consideration is useful and proper when evaluating the types and quality of the services we provide. It is important to remember that facilities management has always been a support enterprise. We design and construct buildings. Then we maintain and operate them to be safe, clean, and functional—*for others to use*. In essence, we serve the tenants who occupy and use our facilities and the public who visit various venues to attend events.

In addition to providing support, facilities management also retains the responsibilities of ownership. We must protect the value of the physical assets while operating them in accordance with applicable policies, procedures, and constraints. This calls for a unique sort of stewardship, one in which our role can take the form of a landlord, and the responsibilities of facility ownership are balanced with the demands placed on facilities to support their users.

This balancing act can be difficult. The challenge for all landlords is to specify and separate the requirements and expectations of the owner from those of the tenants. Let's look at a couple of keys to address this challenge.

### KNOW YOUR TENANTS

Good facilities management begins with knowing your tenants. Who are they organizationally? Academics, Athletics, Student Services, Residential

Life, or others. For public institutions this has an important fiscal consideration in that education and general (E&G) facilities—classrooms, laboratories, offices, etc.—are supported from general funding sources. Facilities management organizations often receive annual budgets for the utilities, maintenance, and operations for these customers/tenants and provide them without chargeback.

Auxiliary enterprises and facilities—housing, recreation centers, parking facilities, etc.—are supported from supplemental funding sources such as fees or other revenues. Facilities management organizations provide the same utilities, maintenance, and operations to these customers/tenants with the cost of the services charged back to the customers. Make no mistake, “Who’s paying?” is a critical component in facilities management.

### KNOW YOUR SERVICES

Good facilities management involves defining the basic services that are provided to the campus and distinguishing routine operations and maintenance (O&M) services from non-maintenance services and/or project work. This is especially important when addressing the budget and “who’s paying” questions. Basic O&M services are associated with utilities, cleaning, routine maintenance, and minor repair/replacement. Larger-scale maintenance may include a major repair that exceeds typical O&M budgets or even becomes a capital project.

Maintaining the integrity of the O&M

budget requires that O&M services be appropriately defined. For instance, under what conditions is office painting considered a maintenance activity versus a non-maintenance special project? What about cleaning services for weekend events? There are numerous activities that typically need to be reviewed for a maintenance or non-maintenance designation.

#### MATCHING TENANTS AND SERVICES

The goal is for facilities management to provide the required or requested services in an effective manner, considering all applicable policies, procedures, and constraints. Now that we have identified our customers/tenants and roughly categorized our services, we can play the matching game.

- **Landlord services**—facilities management provides O&M services to

E&G tenants. These activities typically have a predetermined quality level, frequency, and cost range (think APPA Level 2 custodial services for classrooms). These services are routine and recurring, tightly budgeted, and rarely involve a chargeback to the tenant unless specific cost centers have been established.

- **Extra services**—facilities management provides non-O&M services to E&G tenants, such as painting an office, adding technology to a classroom, or performing a small project. Their costs vary. In order to prevent subsidizing these activities, extra services should be charged back to the customer on a full cost recovery basis.
- **Work for others**—facilities management provides either O&M or non-O&M services to an auxiliary enterprise on campus. These enterprises

are established to pay their own way and, as such, are to be charged for any service they receive.

Facilities services should be about more than providing the facilities and utilities that make academic, research, and athletic endeavors merely possible—they should be about making the endeavors successful. Strained resources, aging facilities, and changing paradigms regarding facilities combine to challenge today's facilities manager in the areas of customer service and stewardship. One way to look at stewardship is through the lens of a landlord. Matching tenants and services establishes realistic expectations and leads to more productive customer relationships. 💰

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