

MOA Efficiency Study

CH2M Hill: Summary of Major Recommendations

MOA Action Plan - 5/18/12

Priority	Over-Arching Recommendations	Responsible MOA Staff	MOA Comments	Area(s) impacted	Est. Time to implement	Cost to Implement	Savings: Annual Operating	Capital Implications
	Implement Balanced Scorecard and define correct metrics across MOA	Mahoney	Evaluate CH benchmarks, compare to PVRs and make recommendations.	Mayor's office Chief Fiscal Officer MOA Enterprises	3 months	\$100K	Industry varies	

	Series of strategy sessions to develop a vision and guidelines for MOA's consolidated approach to Asset Management	Mahoney/Vakalis		Mayor's Office Chief Fiscal Officer Directors	3 months		\$5 to \$10 ROI to every \$1 invested	
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1	Consolidate Equipment Management and Make Decisions Based on Accurate Cost Data		CH2M Hill to assist MOA in the implementation and establishment of best practices and standards.	Chief Fiscal Officer Procurement Fleet Maintenance Enterprises	9-12 months	\$120 per year - salary \$250K one time	\$1.4M – \$2M Estimated based on industry comparisons	Increased/wise capital spending will reduce long-term maintenance costs
		Mahoney	Define and document the charter and guidelines for the team that enables localized, tactical execution.					
1a	QW Consolidate Equipment Management Organization under single equipment manager		TBD	Fleet Maintenance	4-6 months	\$120K per year Fully loaded mgt position		
1b	QW Revise Procurement Practices to encourage total machine cost	R. Hadden, G. Vakalis	Implement immediately. Hadden working on establishing TCO criteria for fleet.	Fleet Maintenance Procurement		None		
1c	QW Standardize Ownership and Depreciation of all equipment on a flat line depreciation schedule based as close as possible to expected life	D. Ryan	In progress with SAP Blueprint work.	Fleet Maintenance	1-3 months (from lifecycle study)	None		
1d	QW Conduct Lifecycle Replacement Study		CH2 to facilitate discussion	Fleet Maintenance	Can be implemented immediately	None (assuming Mgr in place)	\$1.4M - \$2M, estimated based on industry comparisons	Increased initial capital spending will decrease long-term O&M
1e	QW Select Single EMMS and standardize data	G. Vakalis/Lance Ahern	Currently 4 different systems. Need to define bs. Requirements and decide on one system. Identify users to participate in discussion of bs. Requirements and software selection.	Fleet Maintenance Enterprises	1-3 months (from re-org)	\$250K one time, if one of the current MOA systems is selected		
1f	QW Calculate and Apply Accurate Internal Rates		CH2 to facilitate	Fleet Maintenance Enterprises	1-3 months (from re-org)	None (assuming Mgr in place)		

2	Optimize Routes		CH2M Hill to assist MOA in the implementation and establishment of route optimization.	Street Maintenance	12 months	\$153K one time	\$807K Estimated based on industry comparisons	Salvage value of equipment and reduced contract labor (temporary winter staff)
2a	QW Optimize spreader and snow removal routes based upon priority, lane configuration and sector.	Mahoney/Vakalis	CH2 to facilitate/discuss performance payment with CH2	Street Maintenance	1 year to implementation	\$150K (when done in tandem)	\$520K, estimated based on industry comparisons	
2b	QW Optimize blower routes based upon snow disposal storage areas		CH2 to facilitate discussion	Street Maintenance	5 months to implementation		\$177K, estimated based on industry comparisons	Salvage value of equipment and reduced contract labor (temporary winter staff)
2c	QW Optimize street sweeping routes		CH 2 facilitate discussion	Street Maintenance	5 months to implementation	\$3,000	\$110K, estimated based on industry comparisons	

3	Add planner/scheduler position to begin converting the practice of work order management to asset care management through Micro Main CMMS tool		MOA to evaluate a scheduler and a more comprehensive the use of Maximo across the enterprise with one instance.	Facilities Maintenance	1 year to implementation	Assumes use of current staff member	\$300K-\$450K Estimated based on industry comparisons	2% efficiency gain per year, with additional 12% efficiency gain in work flow mgt efficiencies
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3a	QW	Move internal candidate to planner/scheduler position	G. Vakalis	George indicates this can be done with an internal person.	Facilities Maintenance	3-6 months	Assumes use of current staff member	\$300K-\$450K, estimated based on industry comparisons	
3b	QW	Capture data from work orders that will create appropriate metrics for management decision-making	Mahoney/Vakalis	MOA to evaluate use of Maximo across the enterprise and incorporate results from Building Condition Assessment.	Facilities Maintenance	1-2 months	Assumes internal training		Improved metrics enables improved practices
4	Specify multi-use equipment			CH2M Hill to assist MOA in the implementation and establishment of best practices and standards.	Street Maintenance	3 months	\$25,000 for initial conversions	End user savings through elimination of 5 vehicles and associated depreciation.	Salvage value and equipment replacement fund balance can be used for additional needs of the MOA.
4a	QW	Configure five Park and Recreation Tanker Beds to be placed on 5 sander unit chassis	G. Vakalis	Identify equipment that can be retro-fit for multiple uses. Standardize specifications. ASD specs equipment purchases this way.... CH2 to assist with facilitation.	Street Maintenance Parks & Recreation	3 months	\$25,000	End user savings through elimination of 5 vehicles and associated depreciation.	Salvage savings
4b	P2	Reconfigure equipment for snow removal	G. Vakalis	CH2 to facilitate discussion.	Street Maintenance	ongoing	Costs depend on time and number of equipment conversions	Elimination of equipment through specification consolidation and associated depreciation.	Salvage savings
5	Implement PM&E Change Order Management Improvements		G. Vakalis	George to develop plan for implementation	PM&E Procurement	Immediate	None	Up to \$1.25M, based on average volume of \$25M	
5a	QW	Consider forward funding strategies		Develop plan	PM&E Procurement				
5b	QW	Streamling Purchasing Processes		Develop plan	PM&E Procurement				
5c	QW	Require design firms to conduct internal quality control reviews		Develop plan	PM&E	Immediate	None	Reduction in change order volume from 15% to 10%	
5d	QW	Design Consultant Performance Reviews		Develop plan	PM&E				
5e	QW	Begin tracking change order performance		Develop plan	PM&E				
6	Implement an Asset Management Strategy for Facilities Maintenance Management		G. Vakalis	Form a user team. Assign MOA employee as team lead for the enterprise. Define business requirements. Currently use various software; Maximo, others	Mayor's office Chief Fiscal Officer	6 months strategy + ongoing implementation	\$300K for Strategy	\$1M to 1.5M Estimated based on industry comparisons	
6a	P2	Strategic Development	Mahoney/Vakalis	Define and document the charter and guidelines for the team		2-3 months	\$150K		
6b	P2	Roadmap with schedule and milestones	Mahoney/Vakalis	Building Condition Assessment is underway and will assist with development of the roadmap. Managed by John Husey.		2-3 months	\$150K	\$1M to 1.5M Estimated based on industry comparisons	
6c	P2	Tactical Implementation	Vakalis			Varies, by Enterprise	Varies, by Enterprise		
7	Plan and conduct economic analysis of a storage barn for and additional street maintenance equipment barn		G. Vakalis	NOTE: THIS SECTION WAS ADDED TO THE REPORT					
7a		Financial and operational analysis		Complete. Cash break even is about 10 years. Place project on hold. \$2.5MM Investment with \$~200k savings					