

From: Tim Cass tcass@unm.edu
Subject: FW: Athletics Cost Reduction Analysis
Date: April 15, 2015 at 3:27 PM
To: Paul Krebs pkrebs@unm.edu



FYI...this is for next fiscal year, but together there was some give and take between Athletics and PPD to reduce projected budget shortfall for next year...

Tim Cass

Chief Operating Officer

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From: Scott Dotson

Sent: Wednesday, April 15, 2015 11:55 AM

To: Jeffrey Zumwalt; Tim Cass

Cc: Chris Vallejos; Vahid Staples; R Gary Smith; Billy Hromas; David Simpson; Victor Tovar; Yvonne Otts

Subject: RE: Athletics Cost Reduction Analysis

Jeff,

Thank you for meeting the other day and believe we have agreed to a good cost saving plan. I would like to move forward with the following options.

-Reducing the custodial staffing by one as well as switch to the PPD paper and soap supplier. - \$33,500.00

-Removing the two dumpsters on South Campus. -\$4,000.00-\$6,000.00

-Reducing the frequency of building inspection from weekly to monthly. -\$41,800.00

Thanks again for your help

Scott

From: Jeffrey Zumwalt

Sent: Monday, March 30, 2015 12:04 PM

To: Tim Cass

Cc: Chris Vallejos; Vahid Staples; R Gary Smith; Billy Hromas; David Simpson; Victor Tovar; Scott Dotson; Yvonne Otts

Subject: Athletics Cost Reduction Analysis

Tim,

Per our meeting on 3/6/15, PPD reviewed the scope of work for the South Campus Grounds Account to identify opportunities to reduce expenses. The three strategies we used were:

1. Combine PM's into packages that contractors could donate to Athletics
2. Reduce frequency/level of services
3. Cost saving equipment

We identified five potential options. The options are listed below:

Custodial

1. Reduce staffing by one FTE (5 to 4) - \$31.2k annual savings after initial investment of \$4,200

2. Switch to PPD paper and soap supplier - \$2.3k

Pros – reduction in costs

Cons – commensurate reduction in cleanliness levels and increase in response times for special requests. The current custodial plan for Athletics has been customized over the years based on specific requests from Athletics. A 20% reduction in staffing will reduce the service level and likely generate customer concerns. The staffing reduction option requires the purchase of one Kaivac cleaning machine (\$4,200).

Refuse

1. Install trash compactor - \$4k after initial investment of \$18k

Maintenance

1. Donor PM's - \$31k (highest risk option)
2. Reduced frequency of building inspections (weekly to monthly) - \$41.8k

Pros – reduction in costs

Cons – A significant loss of control of the facility equipment. The donor/contractors do not have the same incentives to conduct the PM's properly and on time. This could lead to increased corrective maintenance costs. The reduced frequency of building inspections will increase the time between equipment failures and repairs. This is because the first step in corrective maintenance is the discovery of the failure.

Total potential annual savings - \$110.3k after initial investment of \$22.2k

If Athletics is interested in these strategies, then I think we should meet to discuss them further to make sure everyone has a clear understanding of the reduction in service level and other risks.

Regards,

Jeff

Jeff Zumwalt

Interim Director, Physical Plant Department

University of New Mexico