

# The Truth About Outsourcing Facility Services and How it Can Benefit You

Presented By: David Gray and Phillip Ray

# Our Speakers

## David Gray

David Gray has been with Middle Tennessee State University since 1993 serving as the assistant vice president of facilities services since fall 1994. His responsibilities for maintenance, operation, and construction activities have been marked by a period of significant growth for the campus. Major accomplishments include the construction of a cogeneration plant, the establishment of the Center for Energy Efficiency, and numerous advances in the areas of work control, management, and productivity measurement. An APPA member since 1994, David has been active at the state, regional, and international levels. He is a past president of APPA and served as Vice President of Professional Development

## Phillip Ray

As Chief Business Development Officer, Phillip Ray is responsible for all real estate development projects involving a public-private partnership, negotiation of operational efficiencies opportunities, financial accounting and reporting oversight, direction of tax and fiscal activities, financial functions related to the legislative appropriations process, annual operating budget process, Historically Underutilized Business (HUB) initiatives, Facilities Planning and Construction, and aircraft operations for the A&M System.



# 1. What prompted your institution to outsource facility services?

## David Gray

- Unable to hire enough staff – high turnover
- VP of Finance had outsourced in the past (custodial only)

## Phillip Ray

- Budgetary issues – contentious legislative session
- Struggled with quality service levels
- Needed expertise of a service provider

## 2. How were your perceptions of the practice different from the results

### David Gray

- End results were well anticipated and predicted.
- Transition is the challenge
  - Right people
  - Getting to know each other
  - 100% of level 3
- We are big frequency sheet people
  - Have you completed the sheets?
  - Did you do it adequately?

### Phillip Ray

- More control than ever
- Hired more people
- Greater accountability and performance

### 3. What challenges did you face?

#### David Gray

- Small faction of faculty unsupportive of decision
- Tough keeping everyone busy. Did not lay anyone off. None went with the outsourced group. (5 in a building that needed 2)
- Understood the bottom line – a business partner

#### Phillip Ray

- Control and social media
- Consistent communication
- Concern of health benefits and pay

## 4. How was your transition experience?

### David Gray

- Smooth, 1<sup>st</sup> transition was larger learning curve. 2<sup>nd</sup> was smooth due to lessons learned
- Tried to find the right time of year to do it - summer
- New equipment was brought in

### Phillip Ray

- Seamless – in-between semesters
- Everything stayed the same
- Staggered the 11 campuses
- Found surplus of unused vehicles and equipment that was sold

## 5. How did you go about deciding and selecting the right partner to implement this program?

### David Gray

- Evaluation Team of 10+ people
- Used APPA custodial staffing guidelines
- Gave detailed scope
- Created a weighted scale of technical and pricing commitments. Evaluated procurement (RFP process)

### Phillip Ray

- Team of 40 people
- Broke into 7 or 8 sub committees
- Ranked proposals
- Site visits

## 6. What benefits have been received from outsourcing?

### David Gray

- Comparable cost savings for outsourced custodial
- Efficiency
- External expertise of service allowed our team to focus on their core objectives
- Reduce costs

### Phillip Ray

- \$135 million in cost savings and avoidance
- Accountability
- Performance programs
- Integration/efficiency

# 7. What would your advice be to someone who is thinking about utilizing outsourcing?

## David Gray

- Take a look at it
- Need to run it like a business clear scope “you get what you contact for, not what you want”

## Phillip Ray

- Do your due diligence
- Take whatever anyone says with a grain salt
- Be committed with whatever you decide

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