Presidio Partnership
Detailed Overview by the Numbers
We benchmark against successful companies
Continuous Improvements

Care

Serve

Excel
Avoiding Business as Usual

- Redundancy
- Wasteful Spending
- "Island" Thinking
- "Asset Management?"
- "Core" Functions
- Short-Term "Thinking"
- Excess Capacities / Assets
- Poor Service Levels
- Reinventing the WHEELS
- Core Functions
- "Island" Thinking
Amendment to H.R. 1588, as Reported
(FY04 Defense Authorization Bill)
Offered by Mr. Farr of California

At the end of subtitle C of title III (page ____, after line ____), insert the following new section:

1 SEC. ___. PERMANENT AUTHORITY FOR PURCHASE OF
2 CERTAIN MUNICIPAL SERVICES AT INSTALLATIONS IN MONTEREY COUNTY, CALIFORNIA.
3
4 (a) AUTHORITY.—Subject to subsection (b), public
5 works, utility, and other municipal services needed for the
6 operation of any Department of Defense asset in Monterey
7 County, California, may be purchased from government
8 agencies located in that county.
Monterey Model

• City of Monterey provides base operations services since 1998

• Contract Volume around $7 Million annually

• Collaboration between Cities of Seaside and Monterey through a Joint Powers Agreement that forms the Presidio Municipal Services Agency (PMSA)

• JPA can be joined by any other City/County/governmental agency

• Mission given by City Council:

Reduce costs to operate the Military Base
2000 Triple A Audit finds

- 41% savings compared to previous federal and private service providers...
- 41% translates into ‘almost’ doubling the maintenance dollars
2010 Garrison audit find

- 22% savings compared to previous federal and private service providers...
- 22% are $1.5 million dollars annually saved or ... 
- $1.5 million dollars more in services delivered
Maintenance Philosophy
Improve - Save - Innovate

• Improve Quality of Life and Enhance Mission
• Save Taxpayer Dollars
• Introduce new ideas, new thinking, everyday
• Ownership
Contract Performance Data
30,000 foot level

- 2.2 million square feet maintained
- 160 Facilities in Monterey
  24 in Camp Roberts
- 19,000 + work orders annually

- 58% of called in work orders are responded to in 24 hrs
- 77% of called in work orders are responded to within 5 days
- 99.6% of all work orders are completed within allowed contract terms
Federal Tax Dollars Spent...
Fiscal Year 2011-12

Total Dollars: $13,087,837
(including Task Orders)
- In-House: 79.8% ($11,451,857)
- Contractors: 20.2% ($2,643,743)

Contractor Dollars: $2,643,743
- Small Business: 61.4% ($1,623,258)
- Large Business: 38.6% ($1,020,485)
Monterey Staffing

- How many people does it take to maintain the campus?
  - The answer is just a guideline, a starting point
    - Individual circumstances (i.e. age of campus buildings)
    - Institutional culture
    - Maintenance level (i.e. preventive or reactive mtce)
    - Financial realities (how much do you want to spend?)
  - Adjustment factors for campus size, campus age, mix of facilities, physical conditions, mission, etc.
Staffing Level (not adjusted)
Maintenance Level 1 (Very High)

<table>
<thead>
<tr>
<th>Space Type</th>
<th>Area (gsf)</th>
<th>Staffing Factor (FTE/millions)</th>
<th>FTE</th>
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<tr>
<td>Office/Admin</td>
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<td>Dorms</td>
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<td>Misc.</td>
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<td></td>
<td>2,200,000</td>
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Based on APPA “Maintenance Staffing Guidelines for Educational Facilities”, 2002
All data exclude the administrative and supervisory level, assumes 1,760 hrs production
Staffing Level (not adjusted)
Maintenance Level 5 (Very Low)

<table>
<thead>
<tr>
<th>Space Type</th>
<th>Area (gsf)</th>
<th>Staffing Factor (FTE/millions gsf)</th>
<th>FTE</th>
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<td><strong>Total</strong></td>
<td><strong>2,200,000</strong></td>
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<td><strong>13.075624</strong></td>
</tr>
</tbody>
</table>

Based on APPA “Maintenance Staffing Guidelines for Educational Facilities”, 2002
Monterey Staffing  
(Maintenance Level)

• “Best Barracks Maintenance System in the Army”  
  March 2009 visit by Office of IMCOM Inspector General, CSM Aubrey

• 22 employees in Facilities Maintenance

• Hourly costs for facilities maintenance: $55.65  
  (OMB A-87 rate)

  • Hourly rate to include all services such as engineering  
    design, project management, senior management: $70.02
City’s Mandatory Procurement Policies Result In Significant Savings for the Army

• Informal projects up to $60,000 require three competitive bids

• A review of 37 projects from the past 15 months shows a spread between low and high bids of 26%.
City’s Mandatory Procurement Policies Result In Significant Savings for the Army

• 26% savings equals $220,000 in 15 months

• 26% savings equals $220,000 more invested into quality of life projects for military and civilian personnel

• $220,000 almost 50% of the typical monthly maintenance invoice
City’s Mandatory Procurement Policies Result In Significant Savings for the Army

• Formal projects greater than $60,000 require competitive bidding as well.

• Spread between low and high bid often within six digit figures for projects greater than $350,000.

More than a fistful...
ARRA Projects Management

• 10 Projects Awarded - $2,469,941.00
  Completed projects on time and at or under budget

• (Bid spread) savings helped fund 11th ARRA project with
  potential water savings of 2.4 million gallons annually
  - potential utility savings of $360,000 annually

BTW: All ARRA reporting in and on time!
Savings Through Employee Suggestions

Examples of past suggestions

• Emergency Lock Replacement for 5 Buildings (January/February 2011)
  Our Locksmith rebuilt instead of replacing - $6,800
  Contractor costs by replacement - $24,650
  - Savings of **$18,000**.

• Using new materials/methods suggested by on the spot employees
  saves 30% of labor time on carpentry work orders.
  - Savings of **$14,000** annually

- Employees received each $100 suggestion awards
Savings Through Warranty Tracking

• Work and asset management software tracks warranties
• Each warranty gets associated with asset
• Warranty information on each work order enables employees to call in manufacturer for warranty work

Stop Paying Twice!
Hello Warranties!
Savings Through Warranty Tracking

One warranty = $929,800 in Savings

- Original 2001 project funding for Bldgs 620 & 624 windows at $708,500.

- June 2006, 1st Warranty on 322 windows out of tolerance
  - estimated non warranty cost = $404,800 at $1150 per window.

- March 2010, 2nd Warranty on 875 windows needing repair in place
  - estimated non-warranty cost = $525,000 at $600 per window.

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Full 10-Year Commercial Warranty
(For use in all 50 states)

Milgard Manufacturing (Milgard) guarantees it will repair or replace any Milgard window which is defective in materials or workmanship and will pay the costs of all parts and labor. This guarantee is subject to the following terms and conditions:

1. This ten-year warranty, including any costs for parts and labor, is offered to owners of multi-family homes, as well as to owners of buildings used for commercial, governmental, fraternal or religious purposes. This guarantee runs from the date the window was originally purchased, and expires ten years after that date (regardless of the number of intermediate owners).

2. Milgard is not liable for glass breakage, failure due to misuse, the use of applied tints or films, any alterations to the window including customer-applied paint finishes, improper installation or acts of nature including fire, flood or earthquake. Milgard is not liable for natural weathering of exterior finishes or for corrosion in highly corrosive environments. Milgard is not liable for incidental or consequential damage. Some states do not allow the exclusion or limitation of incidental or consequential damages, so this limitation or exclusion may not apply to you.

3. If Milgard is unable to provide replacement, and repair is not commercially practical or cannot be timely made, then Milgard will refund the purchase price (so long as the customer is willing to accept such a refund). This guarantee gives you specific legal rights, and you may have other rights which vary from state to state. To obtain service under this guarantee, contact your nearest Milgard location or Authorized Milgard Dealer. Please keep this certificate for your files.

This guarantee applies only to those Milgard windows purchased on or after August 1, 1995 for use in the United States.
Savings Through Warranty Tracking

Over the years, warranty tracking has resulted in cost savings estimated to be more than $1,500,000.

Examples include, roofs, chillers, boilers, generators, etc.

We also track warranties from COE and DPW projects.
Materials at Cost

No Surcharges

- City purchases supplies and materials
- Contractor usually charges 5% to 20% material surcharges
- Annual cost savings of $100K

❖ More than $500,000 Saved Over Life of Contract
Outsourced Paint Storage

Just In Time Supply
Paint cannot get ‘old’
Buy only what we need!
What?
You can get paid for that?
Our Employees Are Competitive
Dashboard Technology

- Work and Asset Management System
- Real-Time Cost Data
- Data Rich = Information Rich ??

"The more you understand what is wrong with a figure, the more valuable that figure becomes."

"To measure is to know."

"If you can not measure it, you can not improve it."

Lord Kelvin, 1827-1907
DASHBOARD Technology in use since 2004
How Happy are the Customers?

Survey

• Every work order has survey attached (pre-paid postage)
• Survey also on-line available
• > 8,500 responses so far
• Between 75-150 responses per month
• Quality Control Inspector
• 10% of work order get stamped
Service Desk was Courteous and Helpful
Response Time Was Adequate For the problem
Craftsperson Explained the Cause of the Problem
Work Site Was Cleaned Up Upon Completion of Work
Employee was Courteous and Professional
Supervisor was Efficient and Helpful

How Happy are the Customers?

- Survey attached to each work order
- Survey can also be submitted online
- Monthly review of data
Presidio Customers Are Big on City of Monterey Craftworkers

Your whole team is wonderful, the best.

Ed was great friendly and efficient, job done in no time!
Mr. Ortiz is an awesome supported and is always on-time and respectful. Promote him.
Lee was most courteous, competent and efficient.
John Easton
Very friendly, efficient and helpful! Thank you!
Mannie was wonderful. He provided outstanding service and went above and beyond.
Gary is an awesome worker!

Excellent job, fast responsible. Thank you very much, you rock!
Excellent customer service. Got the job done in a timely manner.
Great job. And fast and professional service. Thanks.
Thank you for all the work you do for us at CDC.
Very courteous / accommodating and fast.
Awesome worker. Dr. Fischer and CMD GRP gives many thanks.
Wonderful, wonderful service!!

“I consider you all key participants in getting GIB08 completed with such excellent quality and ahead of schedule; without your help it wouldn't have happened as great as it did.” Willard D. Meyer

Thank you for your superb customer service and unsurpassed dedication to supporting our service members.

James M. Willison

Super Kudos to you and your staff for your continuous outstanding service and support to the 20 UPH facilities. William M. Genova
Making Sequestration work for BaseOps Contract

1. Disrupting the workflow won’t be beneficial. Instead, Army should send out an email that essentially says:

   “... that after meeting with the Contractor, it is now the direction that all work orders will be submitted. PMSA will triage the work orders using the Army criteria and if a customer's work order is determined to be one that can be deferred PMSA will notify the customer of such.”

2. Prioritize work, but take all work.
   Handle deferred work when possible, keep the Partnership operating with the customer in mind.

3. “Special” funded work to ‘Task Order’.
   Fund and Mod as necessary for work + funds from requestor(s), maintains invoicing process as uncomplicated.

4. Reaching the $1.9 Million cut.
Reduce FTE on BaseOps Contract

1. No backfill/overfill of vacated positions (4FTE)  $375,110.59
2. Assign QCI and Parks personnel to City projects  $145,500.00
3. Reduce Streets to .5 FTE  $142,693.44
4. Reduce Grounds to 8 hrs per week  $61,035.88
5. Reduce part-time temporary positions to 0  $60,257.99
6. Reduce Engineers to 1 FTE  $49,000.00
7. Reduce Administrative Assistant to .5 FTE  $38,870.49
8. Reduce Parts Clerk to .5 FTE  $37,454.32
9. Reduce Stand-by to 1 on duty  $8,242.73

subtotal: $872,468.39
Reduce Vehicle Charges on BaseOps Contract

1. New flat rate charge: $39.96
   Average per month savings $19,365.56 * 7
   $135,558.92

subtotal: $1,008,027.31
1. Slurry Sealing to $0
2. Signage to $5K
3. Fence to $5K
4. Over-time to $7.5K
5. Tree Trimming to $0
6. Reduce Pest Control inspection
7. Reduce Street Sweeping 30%

subtotal: $1,679,796.56
Seaside

1. Invoice reduction by 30%
   Average per month savings $32,564.33 * 7

Total: $1,907,746.85

$227,950.29
Work and Asset Management

• Provides daily updates about cost saving measures
• Allows smaller course corrections
• Provides ‘job security’
• Allows Army to maximize benefit (service levels!)
• and minimize of risk (service levels!)
“...close and effective partnership between DoD and military communities is absolutely critical not only in the health of communities across the nation, but to the strength of our military as well. ...Thanks to the work of Sam Farr, Fred Meurer, and others, Monterey has been a leader in this area.”

Secretary of Defense Leon E. Panetta, August 6, 2012
Monterey remains the Gold Standard for DoD’s Community Partnership Models