PROJECT SUMMARY

Overview

Significant improvements are needed in the facilities management program at Texas A&M University. The current processes do not ensure Physical Plant Facilities’ (Facilities) resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The current facilities management program does not provide adequate information to assist in day-to-day decision-making and ensure customer satisfaction. Additionally, a July 2009 third-party facilities condition analysis identified a significant backlog in building maintenance.

Facilities’ current electronic work order management system is not being used to its full potential. Further, its cost accounting processes do not capture the full cost of completing projects. Full cost is important to provide better financial information for decision-making and to ensure appropriated funds are not spent on auxiliary operations. Opportunities for improvement also exist in the areas of project scheduling, construction contract compliance, warranty inspections, and Communication Center activity analysis.

Facilities has approximately 480 employees and an annual budget of $53 million.

Summary of Significant Results

Facilities Management Program

The University lacks a facilities management program that provides information for effective decision-making regarding resources and operations. A strong facilities management program would synthesize information from key management processes such as customer service, performance measures, cost accounting and employee productivity. The absence of a strong facilities management program makes it difficult for management to determine the root causes of problems, identify corrective actions, and monitor the day-to-day activities of operations.
Customer Service

Facilities does not have a reputation of providing good customer service. Discussions with Facilities’ key customers indicate that a lack of communication, responsiveness, timely project completion and opportunities to provide feedback are major sources of frustration. Customers also believed that construction and renovation projects were unreasonably expensive, especially for outsourced project work. Facilities management has not prioritized customer service as a key performance measure, thus, failing to adequately address customer service problems.

Building Maintenance

Significant improvements are needed in the University’s building maintenance program. A July 2009 third-party facilities condition analysis identified a significant backlog in plant adaption ($202 million), capital renewal ($756 million), and deferred maintenance ($542 million), totaling $1.5 billion in recommended projects spaced over the next ten years for 297 of the University’s buildings. Another third-party study found that the University performed significantly less preventive maintenance than its peers and that funding of facilities management was generally lower than its peers as well. Without an effective building maintenance program, the University’s risks related to facility integrity, reliability and availability are increased.

Work Order Management System

The current electronic work order management system is not being used to its full potential. In many cases the data in the work order management system does not allow for the efficient tracking of key milestones and other important project information. Additionally, the current work order submission process is manual. The submission process does not ensure that all work order requests are received and tracked. Facilities does not routinely analyze its work order data to provide useful management information to assist in solving such problems as uneven work distribution and employee productivity. The current work order management system does not fully support the efficient and effective use of Facilities’ resources.

Cost Accounting

Facilities’ cost accounting procedures do not capture the full cost of performing projects due to indirect costs not being included. Indirect costs include salaries and other expenses that are shared by the Physical Plant Facilities, Utilities and Custodial functions.
Full cost is important to provide better financial information for decision-making and to ensure appropriated funds are not spent on auxiliary operations.

Summary of Management’s Response

Management concurs with the recommendations of the audit report.

Customer service, performance measures, building maintenance, work order management, cost accounting, construction contracts and project scheduling are all areas in which the Physical Plant needs improvement. The new executive management team is conducting an in-depth analysis of all operating units within the department and will reorganize and realign operations and personnel. The goals are to enhance customer service, streamline processes, increase efficiency, focus on core business activities, improve communications, and enhance transparency. The implementation of AiM, a web-enabled work order management software that provides direct customer access, will greatly enhance customer service. The data gathered will provide management with the necessary data to make sound business decisions by providing greater reporting capabilities and performance measures. In addition, management has changed the “Physical Plant” name to “Facilities Services” as a first step to change the culture to a service orientation.

Scope

The review of the University’s Physical Plant Facilities focused on the areas of customer service, performance measures, building maintenance, work order management, cost accounting, construction contracts, and project scheduling. Transactions and activities were reviewed primarily for the period from September 1, 2008 through December 31, 2009. Fieldwork was conducted from January to April 2010.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Facilities Management Program

Observation

The University lacks an effective facilities management program. The University lacks a strong facilities management program that provides sufficient information for effective decision-making regarding resources and operations. A strong facilities management program would synthesize information from key management processes including customer service, performance measures, cost accounting, employee productivity, and contractor performance. The absence of this information makes it difficult for management to determine the root causes of problems, identify corrective actions, and monitor the day-to-day activities of operations. Facilities’ ability to analyze data has been adversely impacted by limited information technology development and the availability of accurate and complete data.

In addition, Facilities has not developed quantitative performance measures. Formalized goals and objectives with related performance measures would provide better direction for the individuals responsible for the achievement of Facilities’ mission. Establishing and communicating expectations, monitoring performance, and taking actions based on the results would provide Facilities with the tools needed to effectively identify problems, make changes, as needed, and achieve expected outcomes.

Recommendation

Improve the University’s facilities management program by conducting routine analysis of operational and strategic information regarding such key success factors as customer service, cost accounting, employee productivity, and contractor performance. Develop information technology processes to facilitate the analysis of the data in order to provide adequate information for effective decision-making regarding resources and operations. Additionally, develop performance metrics to measure and track key operational aspects of construction and renovation and building maintenance.
Management’s Response

2. Facilities Management Program (cont.)

Management concurs.

Facilities Services is currently implementing a web-enabled work order management system called AiM. AiM will provide a mechanism to gather key data and has the reporting tools necessary to analyze operational and strategic information related to key success factors such as customer service, cost accounting, and employee productivity. Enhanced business processes are being developed to more effectively address monitoring and tracking of contractor performance. AiM implementation will begin September 1, 2010, with all units implemented by June 30, 2011. As part of the implementation process, performance measures for each operational unit within Facilities Services are being developed to track key operational data so meaningful metrics can be used to more efficiently manage all operations.

Target implementation: June 30, 2011.

2. Customer Service

Observation

Facilities’ customer service requires significant improvement.

Facilities does not have a reputation of providing good customer service. Discussions with Facilities’ key customers indicate that a lack of communication, responsiveness, timely project completion and opportunities to provide feedback are major sources of frustration. Additionally, customers believe construction and renovation projects are too costly. Facilities has not developed detailed strategies on how to achieve customer satisfaction and specific measurable customer service targets with which to hold service delivery units and management accountable.

A third-party survey that was commissioned by Facilities found the level of customer service to be lower than that of its institutional peers. The same survey scored the extent to which customers believed Facilities’ construction services “provide good value” at 1.8 out of a possible 4.0.

While Facilities seeks customer satisfaction feedback on the construction and renovation projects conducted by its employees, it does not include the projects performed by outside contractors. Outside contractors were responsible for eighty-eight percent ($29 million out of $33 million) of Facilities’ project costs from January 2008 to November 2009. This may explain why key customers were frustrated with the lack of opportunity to provide feedback. Management indicated this was due to management oversight.
2. Customer Service (cont.)

Customers cited Facilities’ increased overhead charges resulting from outsourced projects and a general increase in the use of outsourcing as some of the reasons construction and renovation projects have become more costly and untimely. Additionally, a number of customers indicated that Facilities’ billing process lacks transparency.

Facilities has neither prioritized good customer service nor held employees accountable for it. For example, management has not developed departmental or employee performance goals regarding customer service. This elevates Facilities’ risk of not achieving the department’s goal of “guaranteeing customer satisfaction with all Facilities’ products and services.”

Recommendation

Physical Plant needs to establish a customer service-oriented culture within Facilities by:

- Developing customer service strategies and communicating customer service expectations for Facilities’ employees and programs.
- Documenting customer expectations in employee position descriptions and evaluating customer service goals as part of employee performance evaluations.
- Obtaining customer feedback on all types of projects and developing processes that ensure periodic communication with key customers.

Management’s Response

Management concurs.

Interviews are currently underway to hire a professional communications manager. This individual will be responsible for the development and implementation of an aggressive and comprehensive communications strategy for Facilities Services. This communications strategy will include significant outreach efforts for customer input and feedback opportunities as well as providing information via a wide variety of mediums including an enhanced website, customer access to AiM to view project progress, the Aggie Hotline, and other methods of communication. In addition, a customer service component is in the process of being added to all employee position descriptions in order to hold individual employees accountable for delivery of excellent customer service. Evaluating customer service goals will be part of employee performance
2. Customer Service (cont.)

evaluations. A focus on customer service expectations will also be a part of Division of Operations strategic planning.

Target implementation: May 31, 2011.

3. Building Maintenance

Observation

The University has a significant backlog in building maintenance. Significant improvements are needed in the University’s building maintenance program. A July 2009 third-party facilities condition analysis identified a significant backlog in plant adaption ($202 million), capital renewal ($756 million), and deferred maintenance ($542 million), totaling $1.5 billion in recommended projects spaced over the next ten years for 297 of the University’s buildings. The analysis concluded that the condition of the buildings inspected was “worse than average” mostly due to aging systems reaching the end of their useful service lives.

The building maintenance backlog is partly due to Facilities’ deferred maintenance projects being based on budget amounts as opposed to a facility assessment. Facilities received a deferred maintenance budget of $4 million for the last several years. The budget was increased to $9 million in fiscal year 2009. The University has not formalized a plan to address the facilities condition analysis results, but it is in the process of establishing an executive committee to address deferred maintenance and other related issues.

In addition, another third-party study found that the University performed significantly less preventive maintenance than its peers and that the University’s funding of facilities management was generally lower than that of its peers. The same study found that as new and more technically complex space is added, the University has not increased its annual stewardship to ensure buildings will perform properly and reach their useful life and avoid unwanted deterioration.

Facilities’ recently established preventive maintenance program covers only 32 of the University’s relatively newer buildings.

<table>
<thead>
<tr>
<th>FACILITIES CONDITION ANALYSIS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plant Adaption:</strong> Expenditures required to adapt the facility to evolving needs or changing standards and codes.</td>
</tr>
<tr>
<td><strong>Capital Renewal:</strong> Repairs or replacement of major building components that are, or will be, at the end of their useful life within the next 10 years.</td>
</tr>
<tr>
<td><strong>Deferred maintenance:</strong> Expenditures for repairs that were not accomplished as a part of normal maintenance or capital repair, which have accumulated to the point that facility deterioration is evident and could impair the proper functioning of the facility.</td>
</tr>
</tbody>
</table>
Preventive maintenance personnel indicated that, due to limited resources, the maintenance program cannot meet equipment manufacturers’ recommended maintenance schedules. For example, while manufacturers may recommend changing air filters on some equipment every 6 to 8 weeks, Facilities’ filter-changing crews may have only changed some filters once in the past year.

Finally, the preventive maintenance program does not ensure resources are used in the most efficient manner. The preventive maintenance program does not facilitate effective tracking and monitoring of maintenance. The preventive maintenance performed on each piece of equipment is recorded on a manual checklist. Thus, the tracking system does not allow management to electronically schedule maintenance, issue work reminders or track maintenance histories by equipment item.

Without an effective building maintenance program, the University increases its risks related to facility integrity, reliability and availability. If facilities become unavailable or are not functioning properly, the University will also see an increase in operational costs.

Recommendation

The University should improve its building maintenance program by:

- Developing and implementing a plan to address the facilities condition analysis results.
- Improving the preventive maintenance program.
- Implementing an automated tracking and monitoring system that allows management to schedule and track maintenance of buildings and equipment.

Management’s Response

Management concurs.

A Deferred Maintenance Task Force (DMTF) has been established and is charged with specifically identifying a plan to prioritize the University’s deferred maintenance and capital renewal needs identified in the facilities condition analysis. In addition to developing a process, the DMTF will work to identify adequate and ongoing funding sources to ensure the facilities condition analysis results are adequately addressed. The DMTF is scheduled to complete its charge by October 31, 2010. After that time, Facilities Services will take the DMTF plan and work with a consultant and stakeholder...
3. Building Maintenance (cont.)

groups to refine the plan and to develop an implementation protocol. After that time, the plan to address the facilities condition analysis will be implemented.

Target implementation: June 30, 2011.

The Interim Executive Director for Facilities Services and the Executive Associate Vice President are working on re-aligning Facilities Services to provide greater focus on preventive and routine maintenance. Implementation of the new web-based work management system (AiM) will include implementing the automated preventative maintenance module developed to schedule and track preventative maintenance.

Target implementation: March 31, 2011.

Currently, Facilities Services is implementing a web-enabled software that will provide enhanced tracking and monitoring of maintenance for buildings and equipment. In addition, this software will provide significant improvements in customer service and management decision-making.

Target implementation: June 30, 2011.

4. Work Order Management System

Observation

The current electronic work order management system is not being used to its full potential. In many cases, the data input into the work order management system is not performed in a manner that allows tracking of key milestones and other important project information. Some of this may be due to a lack of consistency with how milestone information is entered. Some users show important milestone information in the comments section which renders the milestone information untrackable. Additionally, the work order management system does not dispatch reminders of upcoming milestones such as contract completion dates, warranty expiration dates, and warranty inspections. In some cases, users are sacrificing important management information, such as estimated start and end dates, for data-entry speed. Without estimated start and end dates, management cannot prepare project schedules to assist in work scheduling and project assignments. The system is not used to link related project documents. Facilities maintains most of the project information in hard copy files, making the management of project files cumbersome.
4. Work Order Management Process (cont.)

Additionally, the current work order submission process is manual and requires customers to phone-in, fax or hand-deliver work orders. The process does not ensure that all work order requests are received and tracked. Customers indicated that several times they had to resubmit a work order because the original was lost. In addition, the process does not provide timely customer notification of milestones like receipt of request, assignment to a project manager, expected commencement of onsite work or project completion. Discussions with customers indicate this process is a major source of frustration.

Facilities does not routinely analyze its work order data to provide useful management information to assist in solving problems such as uneven work distribution, employee productivity, impact of preventive maintenance on emergency calls, and equipment malfunction. Management has not analyzed emergency maintenance calls and work requests for trends. Analyzing work requests by building and maintenance areas can identify potential problem areas and can lead to development of an even work distribution.

With a fully integrated, robust work order management system, Facilities could improve the efficiency and effectiveness of its processes, provide more reliable response times and keep its costs in line, thereby, improving its overall customer satisfaction.

**Recommendation**

Upgrade the current work order management system to a web-enabled system that allows customers to access their work order information and sends electronic notification of key milestones. Additionally, improve the consistency with which milestones and other important information is entered into the database. Finally, perform an analysis of work order data to provide useful management information.

**Management’s Response**

*Management concurs.*

An AiM implementation project group manager has been appointed and the first steps toward full implementation have already been accomplished. Project managers will be required to ensure consistent entry of milestones and will be held accountable for those milestones. In addition, the web-enabled software provides customers the ability to directly enter work order information and electronically track key milestones for their projects. AiM also includes high quality reporting capabilities that provides
4. Work Order Management Process (cont.)

management the necessary tools to perform analysis of key metrics within the work order system. This capability will help management make sound business decisions based on accurate and complete data.

Target implementation: June 30, 2011.

5. Cost Accounting

Observation

Facilities’ cost accounting procedures do not capture the full cost of performing projects because indirect costs are not included. Indirect costs include salaries and other expenses that are shared by the Physical Plant Facilities, Utilities and Custodial functions. Knowing the full cost is important for effective management of operations, as well as providing important data for calculating the rates charged for projects. Without full costing analysis, Facilities can not demonstrate that appropriated funds are not being expended on auxiliary services’ projects. State law disallows the use of appropriated funds for auxiliary services such as athletics and, without calculating the full cost of performing auxiliary services’ projects, management cannot demonstrate that it is in compliance with this funding requirement.

Facilities charges a 5% administrative fee on all materials and contracted services in addition to its approved labor rates. The administrative fee has not been analyzed or approved by the University's Division of Finance, as required by University Rule 21.01.05.M1.

Recommendation

Calculate the full cost of projects, including indirect costs, and establish appropriate rates based on full costs. Additionally, obtain the Division of Finance's approval for the 5% administrative fee charge.

Management’s Response

Management concurs.

Full cost rates for all services will be calculated to include all indirect costs, and the 5% administrative fee will be eliminated. Costs associated with the 5% administrative fee will be rolled into the calculation of the charge out rates. New rates will be approved by the Division of Finance.
6. Construction and Renovation Project Scheduling

Observation

Facilities’ current construction and renovation project scheduling process is manual and does not ensure optimum productivity of in-house construction crews and the efficient use of resources. The review found that construction crews reported significant amounts of non-billable time, most of which was idle time. Four of six construction crews reported non-billable time that exceeded budgeted non-billable time by more than 20%. This was primarily due to a lack of monitoring of idle time and Facilities’ increased use of outside contractors. Discussions with crew foremen indicated that crews have not been as busy in the past two or so years. Idle time is included in the shop rates charged to the customers. With improved project scheduling, Facilities could reduce the amount of idle time for in-house crews, which in turn, might reduce the need for some of the outside contract work, thereby, reducing overall costs.

Recommendation

Improve the project scheduling process to greatly increase productivity of in-house construction crews. In addition, closely monitor crew idle time to ensure it remains within budget. Finally, consider investing in a more sophisticated scheduling tool.

Management’s Response

Management concurs.

The AiM software initiative includes a project management module that includes project management scheduling. As stated, the AiM implementation project group manager has been appointed and the first steps toward full implementation have already been accomplished. The web-enabled software will provide the tools necessary to input the project and all associated costs as well as track individual project progress. The customer will also have the ability to directly view all of the information pertaining to their specific project and track key milestones. The data in the project management module will help management make sound business decisions, including scheduling determinations, based on accurate and complete data. Additionally, the monitoring of non-productive time at both the individual and the crew level has already been implemented.
The current re-alignment plan includes a new business model that will reduce the number of Facilities Services’ employees engaged in the renovation and construction of buildings, and private contractors will perform more of the large renovation projects. Savings from the re-alignment will be focused on providing the appropriate level of contract oversight and inspection of renovations and construction projects performed by outside contractors. Additional staff will be added in planning and design as well as inspection, reducing the number of Facilities Services’ employees engaged in actual construction. The remaining resources will be focused on preventive and routine maintenance of facilities.

Target implementation: June 30, 2011.

7. Construction Contracts

Observation

The construction contracts established between the University and its general contractors and Work Order Requirements Contract (WORC) contractor do not include direct contract clauses that provide for the right of audit and communication of business ethics expectations. Absence of these direct provisions could result in the University being held liable for intentional or unintentional unethical behaviors including billing errors, fraudulent activities, and noncompliance with State of Texas laws, A&M System policies and regulations, and contract provisions. Inclusion of right to audit and business ethics expectation clauses is considered standard business practice in construction contract provisions.

Recommendation

Include in construction contracts the direct contract clauses that provide for the right of audit and communication of business ethics expectations.

Management’s Response

Management concurs.

Facilities Services’ management is working with the A&M System Facilities Planning and Construction department to have the construction contract forms modified to include clauses that provide for the right to audit and communicate the University’s business ethics expectations.

Target implementation: September 30, 2010.
8. Compliance with Contract Conditions – Engineering and Design Services (EDS)

Observation

Facilities’ Engineering and Design Services (EDS) project management processes do not ensure compliance with contract conditions. A review of 15 projects managed by EDS found noncompliance with contract conditions in a number of areas, some of which are briefly described below.

Eighty-seven percent (13 out of 15) of the projects tested did not have evidence that the contractor had Commercial General Liability insurance coverage throughout the warranty period, as required by contract. Inadequate monitoring of the contractor's insurance coverage against the project life and warranty period increases the risk that the University would be liable for damages or injuries that occurred during the warranty period.

For 13% (2 out of 15) of projects tested, the project manager did not inspect the work cited in the contractor’s Schedule of Values within seven days to verify amounts for which the contractor sought payment as required by contract. Not verifying the work in a timely manner elevates the risk that the contractor will be paid for work not performed. This is primarily due to EDS management not closely monitoring project milestones.

For 20% (3 out of 15) of the projects reviewed, the contractor did not meet the contract delivery date. The project management processes do not ensure the contractor is held accountable for late delivery. Change orders do not depict the exact date that the project is to be substantially completed. Most contracts state that the project is to be completed by a certain number of days following the issuance of the Notice to Proceed. The Notice to Proceed, in turn, generally indicates the project completion date by a set number of days following the pre-construction meeting. This makes tracking for compliance more challenging.

Twenty-one percent (3 out of 14) of the projects reviewed did not include justification for significant departures from the HUB Subcontracting Plan, as required by contract. This is primarily due to the lack of a formalized process for tracking actual HUB expenditures against the HUB plan.

Recommendation

In order to ensure compliance with contract conditions, EDS should:
8. Compliance with Contract Conditions – Engineering and Design Services (cont.)

- Maintain evidence of each contractor’s Commercial General Liability insurance coverage throughout the warranty period.
- Perform an inspection within seven days of receiving a pay application to verify the amounts on the Schedule of Values.
- Establish a more aggressive monitoring strategy and implement a more sophisticated database to monitor key project milestones, such as delivery dates.
- Closely monitor HUB expenditures against contractor HUB plans.

Management’s Response

Management concurs.

Facilities Services has extended the tracking of Commercial General Liability insurance coverage to include the one-year warranty period.

Target implementation: June 1, 2010 (COMPLETED).

Project managers are now required to inspect the work cited in the contractor’s Schedule of Values within seven days to verify amounts for which the contractor is seeking payment, and appropriate documentation of that inspection is retained in the project file.

Target implementation: June 1, 2010 (COMPLETED).

When implemented, pay applications, inspections and verifications will be tracked in the project management software.

Target implementation: June 30, 2011.

Implementation of the web-enabled software will allow for more aggressive monitoring of project milestones. It will also allow for customer review of data to ensure milestones are aligned with customer expectations.

Target implementation: June 30, 2011.

HUB expenditures will be tracked against contractor HUB plans in the project management software when implementation of AiM is complete.

Target implementation: June 30, 2011.
9. Compliance with Contract Conditions – Construction & Renovation

Observation

Facilities’ Construction & Renovation project management processes do not ensure compliance with contract conditions. A review of 15 WORC projects managed by the Construction & Renovation group found noncompliance with contract conditions in a number of areas, some of which are briefly described below.

For 27% (4 out of 15) of the projects reviewed, the project manager did not conduct a walk-through at project completion, as required by contract. This lack of management oversight elevates the risk that the University could officially accept and pay for work that does not meet customer standards.

Contract conditions, which are in line with standard practice, require punch list items to be cleared within 37 days of the final walk-through. Twenty-nine percent (2 out of 7) of the projects reviewed took more than 37 days to complete the punch list items. This is primarily due to project managers not monitoring key milestones closely. In addition, project managers were not aware of the requirement for formal/written extension approval. The lack of a timely walk-through elevates the risk that punch list items could remain outstanding, in turn creating customer complaints.

For 20% (3 out of 15) of the projects reviewed, the Notice to Proceed did not specify the time in which the contractor must complete the project. Thus, the contractor was unaware of the completion date, and thereby could extend project delivery time longer than necessary without consequences. Management indicated it assumed that the contractor would know to finish quickly as these were Emergency Notices to Proceed.

Recommendation

Construction & Renovation management should improve compliance with contract conditions by tracking key project milestones closely. Additionally, project managers should conduct a final walk-through as required and punch list items should be completed timely. Finally, completion dates should be documented in the Notices to Proceed.

Management’s Response

Management concurs.
A project outline has been developed to track key milestones. Project managers are now required to conduct final walk-throughs, as specified by the contract, and punch list items are now required to be completed on a timely basis. All project completion dates are now documented in the Notice to Proceed.

**Target implementation: June 1, 2010 (COMPLETED).**

The implementation of AiM, the department’s web-enabled work order management system, will provide significant opportunities to track key project milestones as well as ensure that final walk-through and punch list items are completed timely.

**Target implementation: June 30, 2011.**

### 10. Warranty Inspections

#### Observation

Facilities’ project management processes do not ensure warranty inspections are performed to ensure any defects within the warranty period are addressed by the contractor. For 57% (17 out of 30) of the construction projects reviewed, Facilities did not conduct warranty inspections prior to the expiration of the warranty period. Not conducting these inspections increases the University’s risk that defects/malfunctions covered by warranty are not corrected and fixed within the warranty period.

#### Recommendation

Facilities management should improve project management processes to ensure that warranty periods are tracked and that warranty inspections are performed in a timely manner.

#### Management’s Response

Management concurs.

A notification process has been implemented to notify the project managers of pending warranty expirations so inspections can be conducted. As the software implementation proceeds, additional processes are being evaluated to ensure warranty periods are tracked and warranty inspections are performed in a timely manner.

**Target implementation: June 30, 2011.**
11. Communication Center

Observation

Physical Plant’s Communication Center maintains at least five different manual logs in addition to an electronic database with the same information. Management has not analyzed the University’s Communication Center logs and database to determine if the Center is operating efficiently and effectively and is appropriately staffed. The five logs include personnel sign-in, key check-out, elevator checklist, maintenance work orders and a radio call log. While the electronic database has been in use for more than ten years, the information has not been analyzed to identify common problems, issues, or trends. Periodic analysis of activity is important for identifying opportunities for improvement and/or changes, particularly for a center whose operations are as diverse as that of the Communication Center. For example, analysis could reveal decreases in demand for services offered, allowing for personnel reassignment. Also, for example, with the growing use of the Internet, some universities have significantly decreased or eliminated the number of staff handling the directory services function.

Recommendation

Analyze the Communication Center’s logs and database to determine if actions can be taken to utilize the Center’s resources more efficiently and effectively.

Management’s Response

Management concurs.

The Interim Executive Director for Facilities and the Executive Associate Vice President are working on re-aligning Facilities Services to provide greater accountability in staffing levels in a number of areas. The Communications Center’s function and processes are being reviewed as part of this re-alignment. It is anticipated that the focus of this department will be to provide enhanced customer service for Facilities Services and serve as the primary point of contact for all customers.

Target implementation: January 31, 2011.
BASIS OF REVIEW

Objective

The overall objective was to review and assess financial and management controls and processes over Physical Plant Facilities to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations and University rules.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, Uniform General and Supplementary Conditions of the Texas A&M University System and other sound administrative practices. This audit was performed in compliance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Facilities’ mission is to provide safe, functional and efficient facilities for students, faculty and staff. Its two main elements of focus are customer service and stewardship. Facilities has approximately 480 employees and an annual budget of $53 million. Facilities operations are organized under Construction & Renovation, Engineering and Design Services, Facilities Maintenance and administrative functions.
AUDIT TEAM INFORMATION

Charlie Hrnčir, CPA, Director
Amanda Jenami, CPA, Project Manager
Lori Ellison
Chris Powell
Katherine Redo

DISTRIBUTION LIST

Dr. R. Bowen Loftin, President
Dr. Karan Watson, Interim Executive Vice President for Academics and Provost
Dr. Russell Cross, Interim Senior Vice President for Administration
Ms. B.J. Crain, Chief Business Officer
Ms. Lallah Howard, Executive Associate Vice President
Mr. Charley Clark, Associate Vice President for University Risk and Compliance
Mr. Rodney E. Weis, Executive Director, Facilities
Mr. Les Swick, Director, Facilities