



Presidio Partnership Detailed Overview by the Numbers

NORDSTROM



Kodak



Google™

WAL★MART®

ALWAYS LOW PRICES.

Always.

Walmart.com

We benchmark against
successful companies



Continuous Improvements





"Island"
Thinking

"Asset
Management?"

Short-Term
"Thinking"

"Core"
Functions

**Avoiding
Business
as Usual**

Excess
Capacities
/ Assets

Redundancy

Poor Service
Levels

Wasteful
Spending

Reinventing
the
WHEELS

Authorization



F:\M8\FARR\FARR.011

H.L.C.

**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 INSTAL-**
3 **LATIONS IN MONTEREY COUNTY, CALI-**
4 **FORNIA.**

5 (a) **AUTHORITY.**—Subject to subsection (b), public
6 works, utility, and other municipal services needed for the
7 operation of any Department of Defense asset in Monterey
8 County, California, may be purchased from government
9 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



Before



AFTER





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**

1998-2001

First Contract

1994 Monterey Demonstration Legislation

2001-2005

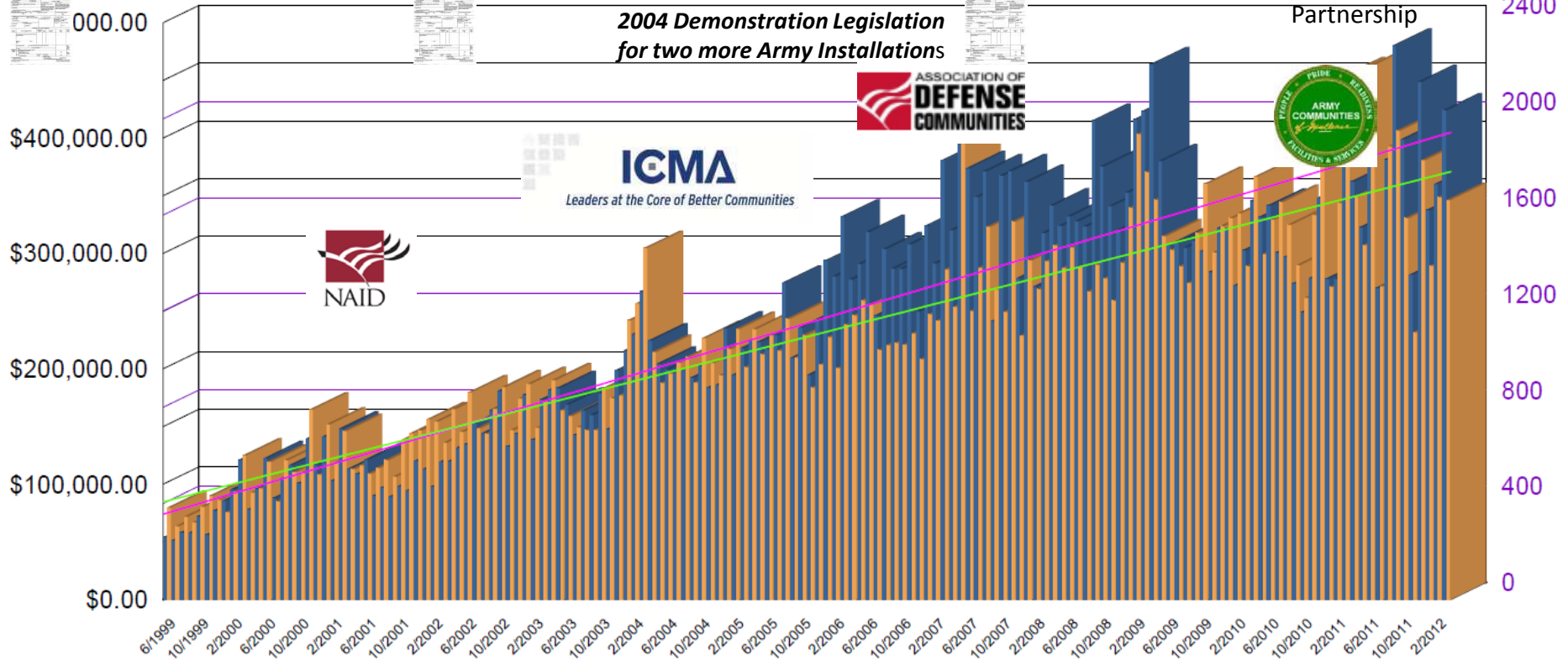
Second Contract

2003 Permanent Legislation

2006-2011

Third Contract

2011 Rediscovery of Public-Public Partnership



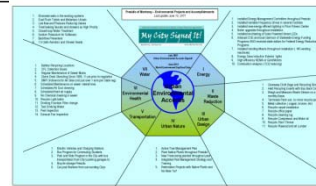
■ Monthly Costs ■ Work Order Count



2001
Monterey won competitive bid



2004/2005
Extension Projects creating 126 additional classrooms



2010
Cost Avoidance through warranties > \$1million

2000



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

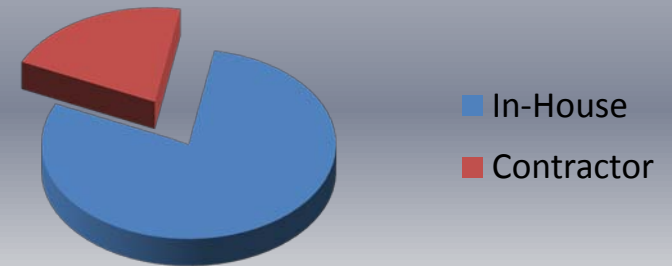
Federal Tax Dollars Spent...

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)

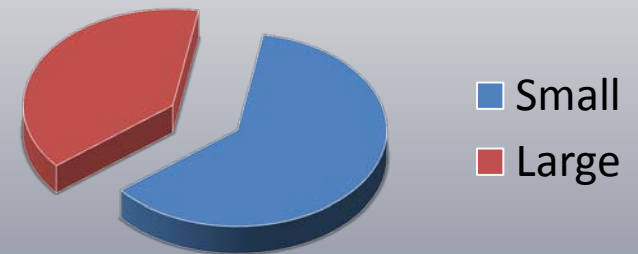
Contract Work



Contractor \$'s

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)

Space Type	Area (gsf)	Staffing Factor	
		(FTE/millions gsf)	FTE
Classroom	1,171,330	15	17.56995
Office/Admin	62188	24	1.492512
Dorms	604046	18	10.872828
Misc.	362,436	15	5.43654
	2,200,000		35.37183

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)

Space Type	Area (gsf)	Staffing Factor (FTE/millions gsf)	FTE
Classroom	1,171,330	6	7.02798
Office/Admin	62188	4	0.248752
Dorms	604046	6	3.624276
Misc.	362,436	6	2.174616
	2,200,000		13.075624

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

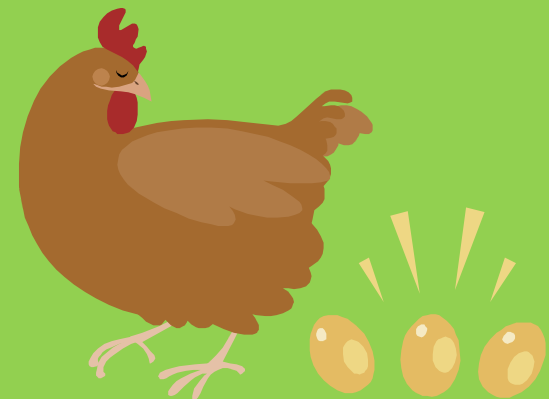
- 10 Projects Awarded - \$2,469,941.00

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

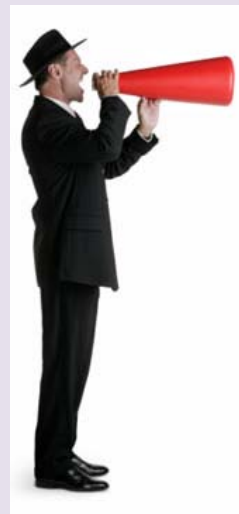
- Employees received each \$100 suggestion awards





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.

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.

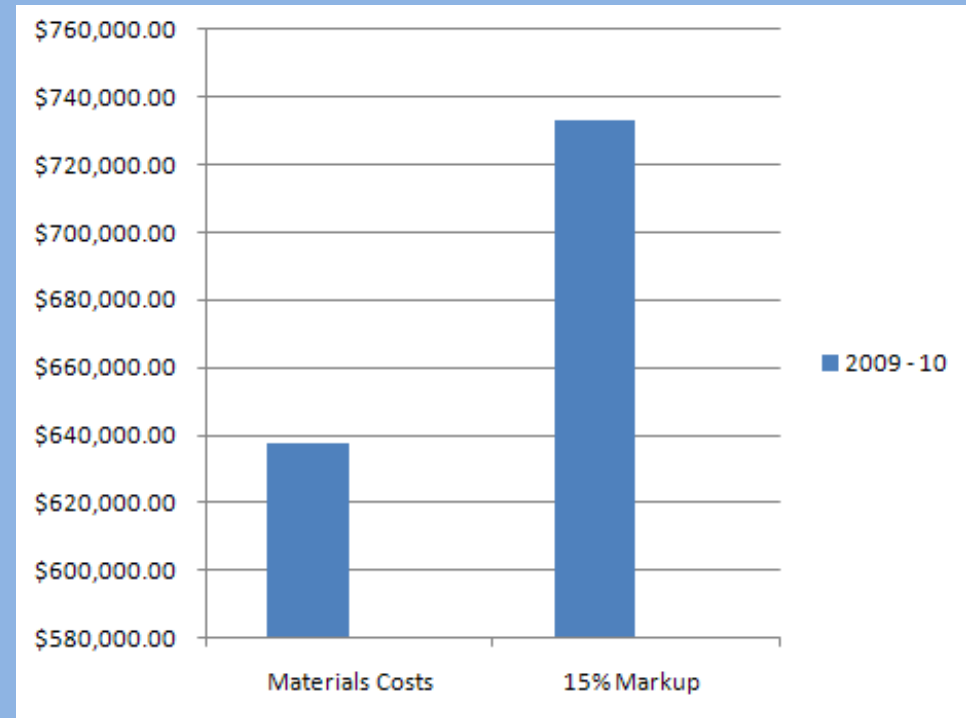




Materials at Cost

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

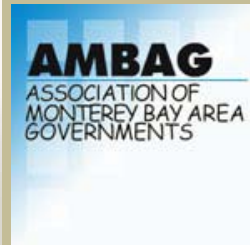


Just In Time Supply
Paint cannot get 'old'

Buy only what
we need!



What? You can get paid for that?



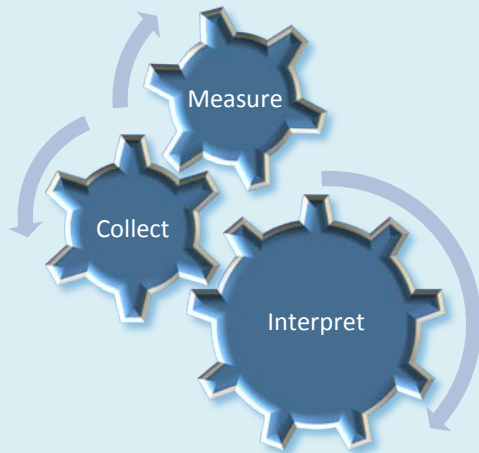


Our Employees Are Competitive



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."

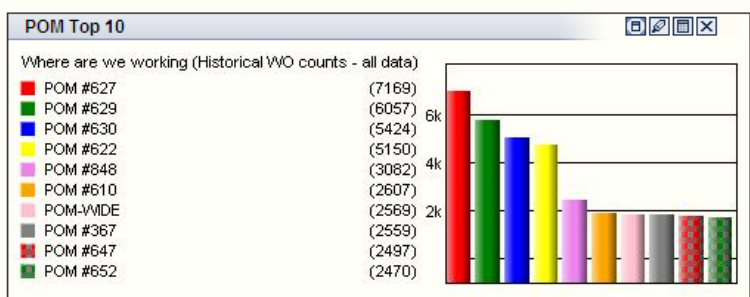
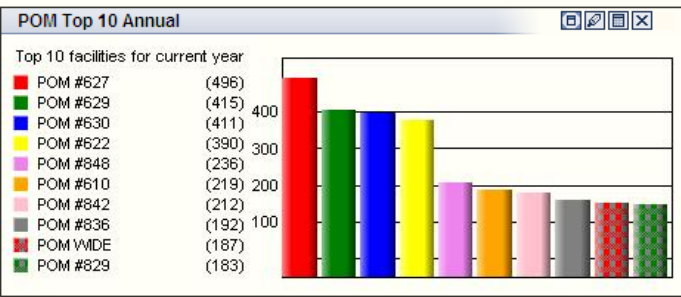
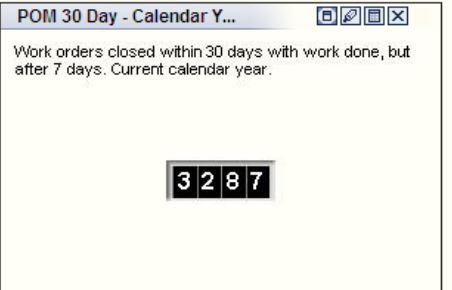
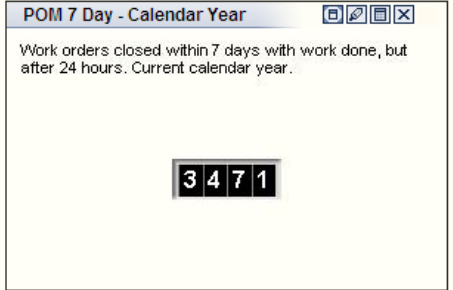
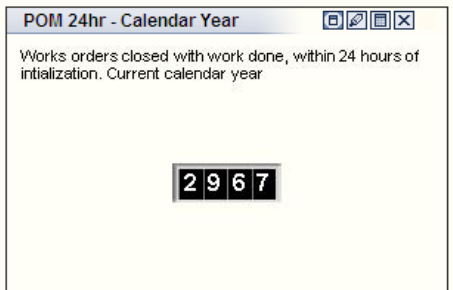
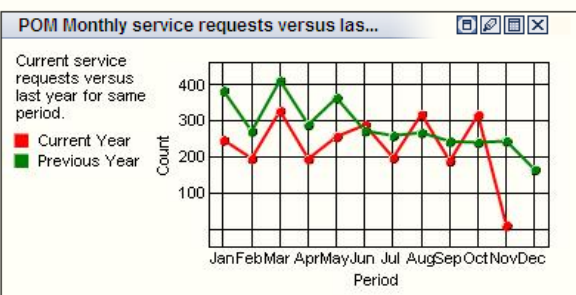
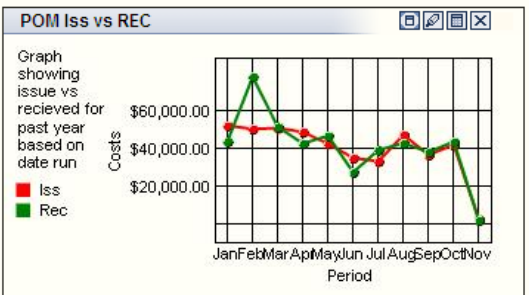
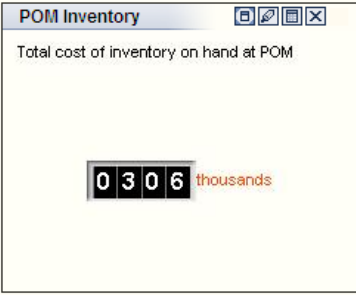
"If you can not measure it, you can not improve it."

Lord Kelvin, 1827-1907

Welcome to Dashboard

HANSEN
People. Government. Solutions.

- Billing
- Case
- CDR
- CRM
- Licensing
- Monterey
 - MECH Iss vs Rec
 - MECH Open Work Orders
 - POM 24hr - Calendar Year
 - POM 24hr - Current Month
 - POM 30 Day - Calendar Year
 - POM 30 Day - Current Month
 - POM 7 Day - Calendar Year
 - POM 7 Day - Current Month
 - POM Assigned WO Count
 - POM Closed WO - Calendar Year
 - POM Closed WO by Maint type - Calendar Year
 - POM Closed WO by Maint Type - Current Month
- Notice
- Work Management



DASHBOARD Technology in use since 2004

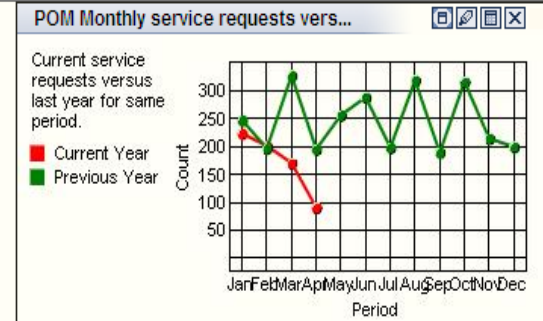
- Billing
- Case
- CDR
- CRM
- Licensing
- Montery
 - type - Calendar Year
- POM Closed WO by Maint Type - Current Month
- POM Closed Work Orders - Current Month
- POM Collective
- POM Inventory
- POM Iss vs REC
- POM Monthly service requests versus last year
- POM Open Work Orders - Current Month
- POM Service Requests
- POM Top 10
- POM Top 10 Annual
- POM Top 7 Crew Leaders
- Notice
- Work Management

POM Inventory

Total cost of inventory on hand at POM

0 3 0 1

thousands



POM 24hr - Calendar Year

Works orders closed with work done, within 24 hours of intialization. Current calendar year

0 8 4 5

POM 7 Day - Calendar Year

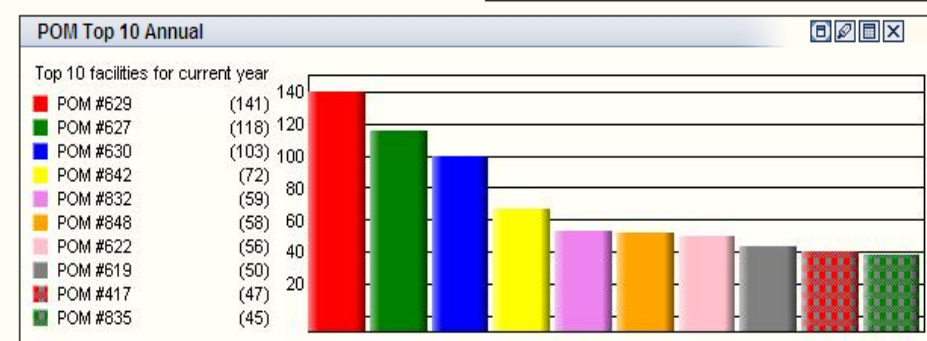
Work orders closed within 7 days with work done, but after 24 hours. Current calendar year.

0 8 4 6

POM 30 Day - Calendar Y...

Work orders closed within 30 days with work done, but after 7 days. Current calendar year.

0 8 6 1



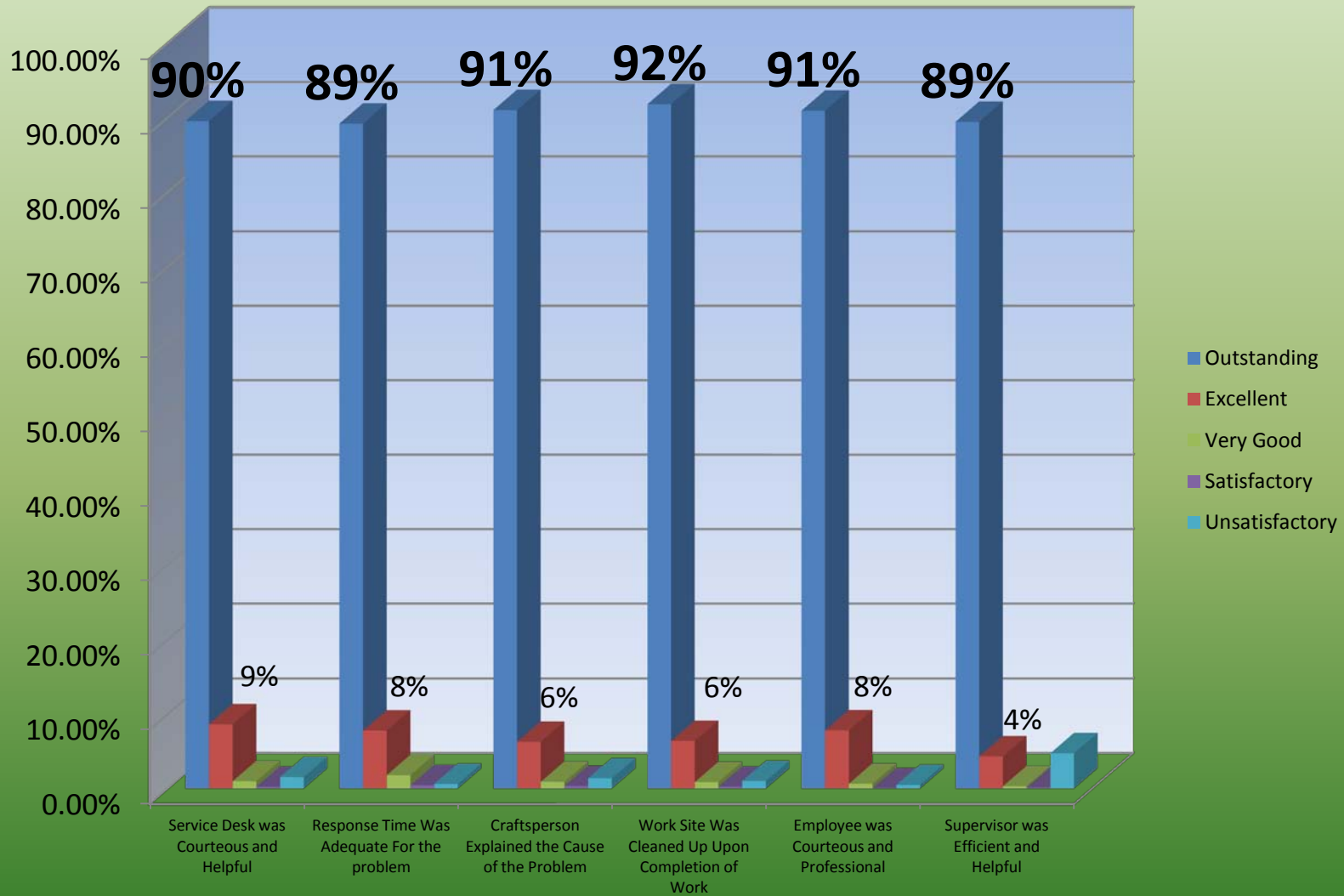
How Happy are the Customers?

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



How Happy are the Customers?



- Survey attached to each work order
- Survey can also be submitted online
- Monthly review of data

THE OLD POST

ILLUSTRATED WEEKLY NEWSPAPER

Member of the Associated Press .
Not really, but we wanted to get this
news out about what our great Presidio
customers think of us!

Est. 1770

Tuesday, March 14, 2011

Always Free

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!

(cont pg 2)

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!!

(cont pg 6)

“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



The Chief of Staff of the Army requests the pleasure of your company at the Army Communities of Excellence Awards Ceremony on Tuesday, the fourth of May two thousand and ten at two o'clock Pentagon Auditorium, Room BH650 The Pentagon, Washington, DC



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



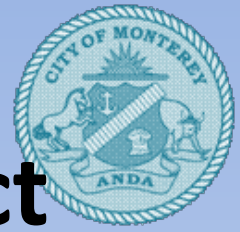
Reduce Vehicle Charges on BaseOps Contract

1. New flat rate charge: \$39.96

Average per month savings \$19,365.56 * 7

\$135,558.92

subtotal: \$1,008,027.31



Reduce Work on BaseOps Contract

1. Slurry Sealing to \$0	\$450,000.00
2. Signage to \$5K	\$64,000.00
3. Fence to \$5K	\$62,000.00
4. Over-time to \$7.5K	\$46,937.91
5. Tree Trimming to \$0	\$36,526.88
6. Reduce Pest Control inspection	\$7,385.00
7. Reduce Street Sweeping 30%	\$4,919.46

subtotal: \$1,679,796.56



Seaside

1. Invoice reduction by 30%

Average per month savings $\$32,564.33 * 7$

\$227,950.29

Total: \$1,907,746.85

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

