



MANAGING CAPITAL PLANNING AND COMPETING PRIORITIES

February 21, 2023

1:30 to 2:30 PM

Foothills Room

AGENDA

- ▶ Introductions
- ▶ Setting the Table
- ▶ Winning the Competition for Capital
- ▶ Prioritization
- ▶ Telling Your Story
- ▶ What's the Catch

INTRODUCTIONS

INTRODUCTIONS – ROTH IAMS

Bill Roth

- ▶ President & CEO of Roth IAMS
- ▶ Co-Founder of SLAM Technologies
- ▶ Over 25 years of experience collaborating with higher education institutions across North America on all aspects of facility and infrastructure asset management
- ▶ Proud Member of APPA, SRAPPA, ERAPPA, MW APPA, Several State Chapters



SETTING THE TABLE

QUESTION #1



- ▶ Do you have Facility Condition Assessment (FCA) data, and if so, how much does it inform your capital planning decision making process?

QUESTION #2



- ▶ What tools/software do you currently use to build your facility and infrastructure capital plans?

QUESTION #3



- ▶ Other than FCA data, what else informs your current capital planning process?

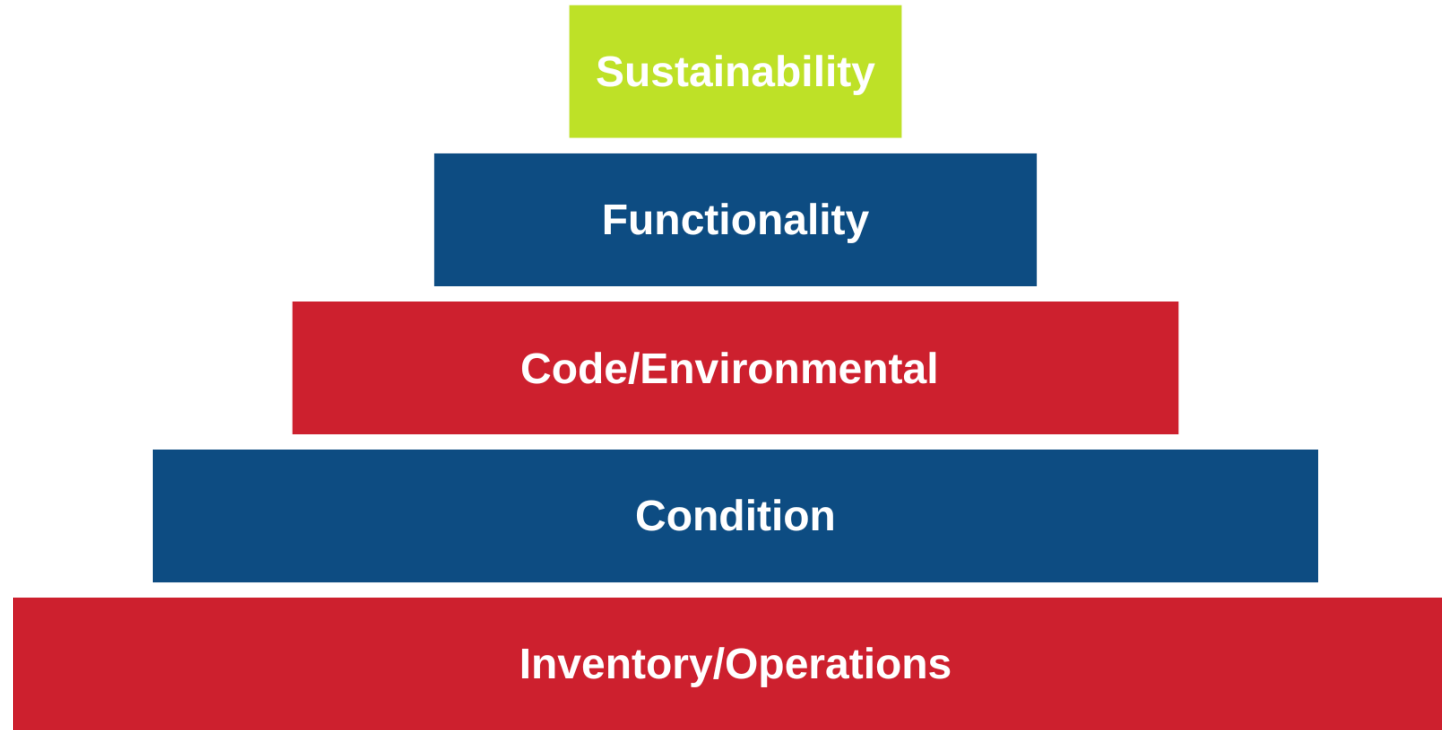
WINNING THE COMPETITION FOR CAPITAL



IAM – WHERE IS OUR FOCUS NOW?



ALL THE COMPETING FACTORS



WHERE ARE WE COMING FROM?

- ▶ Single Year Budgets
- ▶ Bottom-Up Development (single asset focus)
- ▶ Priority is based on:
 - ▶ Squeaky Wheel/Politics
 - ▶ Discipline Bias of Decision Makers
 - ▶ Is it Broken?

WHAT ARE THE RESULTS?

- ▶ Inflexibility
- ▶ Highly reactive
- ▶ Worsening overall asset condition and performance
- ▶ Inefficient investment of limited capital dollars
- ▶ Little accountability to results/improvement

WHY EVOLVE?

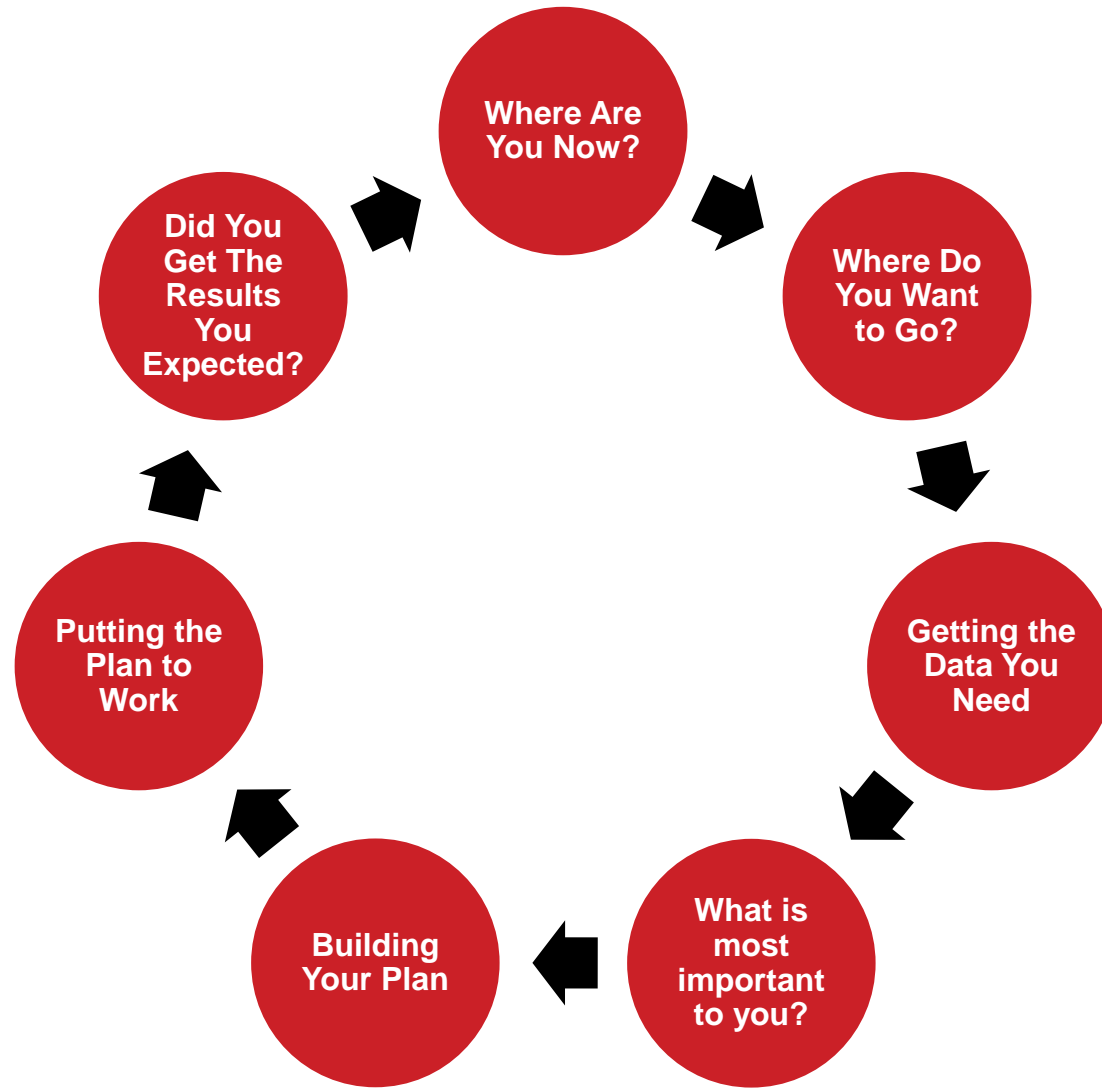
- ▶ Aging infrastructure and evolving building program needs
- ▶ Inadequate funding
- ▶ Interdepartmental competition for capital
- ▶ Aging/retiring workforce that takes its knowledge with them when they leave
- ▶ Inconsistent asset data
- ▶ Stricter regulations/codes

WHAT IS THE GOAL?



- ▶ To develop a strategy, process and tools that allow an organization to improve the quality of their built environment through the efficient and effective allocation of limited capital and maintenance dollars.

MULTI-YEAR PLANNING PROCESS



WHAT IS A MULTIYEAR PLAN?

- ▶ Three or Five-Year plan that details specific projects to be undertaken
- ▶ Based on Condition Assessment Data as well as other Expert-Level Assessments
- ▶ Includes consideration for business and “political” factors
- ▶ Built based on known levels of funding and projections of future funding
- ▶ Presented to Senior Leadership and Stakeholders for approval each year

WHAT IS A MULTIYEAR PLAN

- ▶ Updated throughout the year based on:
 - ▶ Changes in Priority
 - ▶ Changes in Available Funding
 - ▶ System Failure
 - ▶ Changes in Project Costs
- ▶ Refreshed annually based on
 - ▶ Actual Work Completed
 - ▶ Confirmation of Funding
 - ▶ Updated Asset Information
 - ▶ Available Internal Resources

MULTI-YEAR PLANNING TOOL

- ▶ What is it?
 - ▶ Spreadsheet used to select the FCA requirements for inclusion and exclusion from the Three-to-Five-Year Capital Plan
- ▶ How does it Work?
 - ▶ Begins with an extract of relevant FCA data
 - ▶ Far greater need than available funding
 - ▶ Needs to align with long-term space/program needs
 - ▶ Integrates additional facility data beyond 5-Year Condition data based on visual observation
 - ▶ Provides justification for inclusion and exclusion of each need identified in the FCA
 - ▶ Can include Multivariable Prioritization (MVP) based on organization-specific objectives (e.g. enhanced utilization)

PRIORITIZATION

NOW
LATER



PRIORITIZATION

- ▶ Picking what needs are included in an actual capital plan
- ▶ Most organizations use categorical priority
 - ▶ e.g. Urgent, High, Medium Low
 - ▶ What happens when you run out of money in the middle of a category?
 - ▶ Which High is Higher than High?
- ▶ Often primarily based on condition assessment data and condition criteria
- ▶ Needs to build beyond traditional risk management

TRADITIONAL RISK MANAGEMENT

		Consequence of Failure				
		1	2	3	4	5
Likelihood of Failure	5	Yellow	Orange	Orange	Red	Dark Red
	4	Yellow	Yellow	Orange	Red	Red
	3	Light Green	Yellow	Orange	Orange	Red
	2	Green	Light Green	Yellow	Yellow	Orange
	1	Green	Green	Light Green	Light Green	Orange

MOVING BEYOND JUST RISK MANAGEMENT

- ▶ More than just Risk to consider in Capital Planning
- ▶ What other factors do you consider?
 - ▶ Program Needs
 - ▶ Sustainability
 - ▶ Political
 - ▶ Community Needs
 - ▶ Others?

MULTIVARIABLE PRIORITIZATION (MVP)

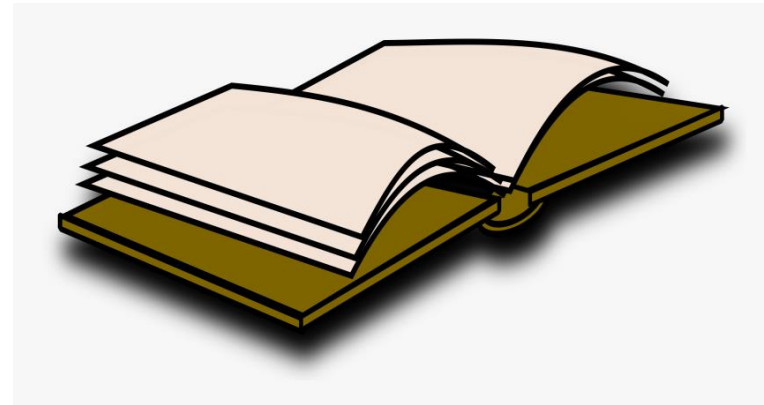
- ▶ Collaborative process with stakeholders from across an organization – Facilities, Finance, Users, etc.
- ▶ Provides a matrix that captures the results of a prioritization workshop
- ▶ Building/Asset or Element Level Categories that are scored and weighted
- ▶ Allows stakeholders to understand the how priority score was calculated
- ▶ Easy update as organizational goals evolve
- ▶ Generally includes both aspects of Risk Management

MULTIVARIABLE PRIORITIZATION (MVP)

Category Type	Category	Weighting	Subcategory	Score
Building/Asset	Building/Infrastructure Type	10	Academic - Classroom/Lab	10
			Academic - Research	9
			Residence	8
			Infrastructure - Subsurface	8
			Ancillary	4
			Infrastructure - Surface	2

Category Type	Category	Weighting	Subcategory	Score
Element	Consequence of Failure	30	Fire/Life Safety	10
			Full Campus Shut Down	9
			Multi-Building Shutdown	8
			Full Building Shut Down	6
			Partial Building Shut Down	4
			Program Interruption	3
			Nuisance	1

TELLING YOUR STORY



ROAD MAP



- ▶ What is it?
 - ▶ Part of the Multi-Year Planning Tool
 - ▶ Provides a step-by-step review of how each relevant FCA need was addressed
 - ▶ Presented in Lay-Person Language for non-facilities stakeholders' benefit
- ▶ How Does it Work?
 - ▶ Links to all other areas of the Planning Tools so you can stay at the high-level or “dive deep” to look at a specific project in a specific building
 - ▶ Answers the question “How did we get from there to here?”

ROAD MAP

3-Year Capital Plan (2019/2020 to 2021/2022)- Road Map

Count of 5-Year Recommendations			1,000
Total 5-Year Recommendations			\$ 11,250,000
Selection Criteria	Explanation	Included Rec.	Excluded Recs
Life Safety	Life Safety Systems in Critical/Poor Condition	15	
Potential Closure	Building being considered for Closure/Divestment		110
Studies	Studies (from BCAs) covered by Maintenance Budget		35
Priority	Low and Medium Priority Removed		625
Roofing Consultant Recs	Findings of Detailed Roofing Study	20	
Roofing Deferrals	BCA Recommendations that contradict Roofing Study		24
Boiler Program	Two Highest Priority Boilers included Each Year	6	
Board Priority - Windows	Focus on Window Renewal due to Previous Deferrals	20	
Building Staff Feedback	Feedback provided by Building Ops Staff/Occupants	20	
Energy Opportunities	Energy consuming equipment in Critical/Poor Condition	25	
Budget	Insufficient Capital Budget Available		115
Totals		91	909
Total 3-Year Capital Spend			\$ 2,350,000

WHAT'S THE CATCH?

WHAT'S THE CATCH?

None of this will work if you don't have an effective strategy in place to acquire, manage and update consistent and defensible asset data on a regular basis

- ▶ Finding your data sweet spot
 - ▶ More data is not always a good thing
- ▶ Requires collaboration across your organization
 - ▶ Capital/Construction
 - ▶ Operations & Maintenance
 - ▶ Finance
 - ▶ Program/Users



ANNUAL UPDATES

- ▶ Adjustments are made to the process and tools each year
 - ▶ Review and update MVP/Priority
 - ▶ Adjust the dataset based on newly completed FCAs
- ▶ In-depth annual revision to the specific projects selected
 - ▶ Reconcile deferred projects from previous year's plan
 - ▶ Consideration of the previous assumptions / priorities
 - ▶ Adjustments based on current business objectives

HOW TO WIN THE COMPETITION FOR CAPITAL

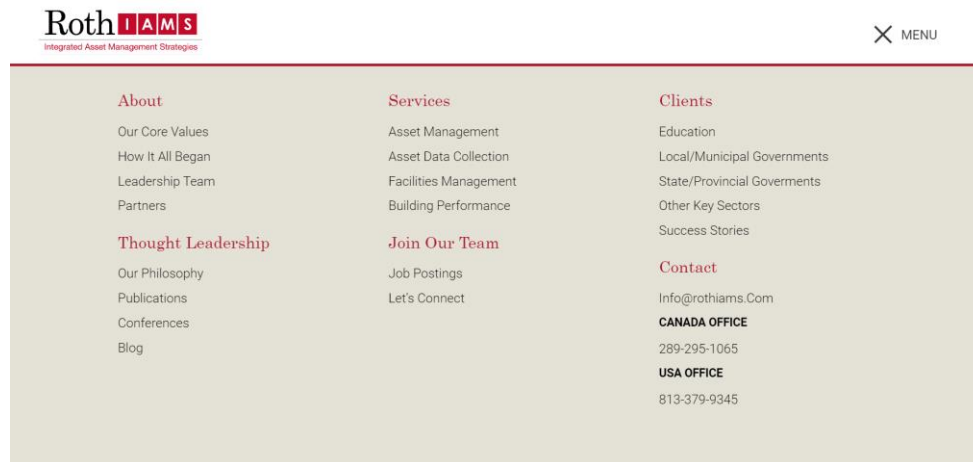
- ▶ Develop a Multiyear Capital Planning Process
- ▶ Maintain a Comprehensive Prioritization System
- ▶ Build a Road Map Each Year
- ▶ Acquire, manage and update consistent and defensible data
- ▶ Repeat Each Year



Q & A

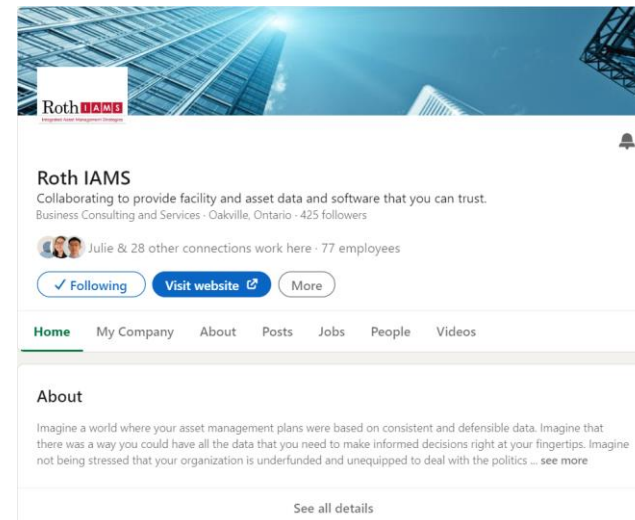
THANK YOU FOR ATTENDING

- ▶ Visit our website at rothiams.com
- ▶ Follow us on [LinkedIn](#) for more content
- ▶ Connect with us directly through email at bill.roth@rothiams.com or call **(727) 247-9419**



The screenshot shows the Roth IAMS website navigation menu. The logo "Roth IAMS" is at the top left, with the tagline "Integrated Asset Management Strategies" below it. A "MENU" button is at the top right. The menu is organized into three columns:

- About**
 - Our Core Values
 - How It All Began
 - Leadership Team
 - Partners
- Thought Leadership**
 - Our Philosophy
 - Publications
 - Conferences
 - Blog
- Services**
 - Asset Management
 - Asset Data Collection
 - Facilities Management
 - Building Performance
- Join Our Team**
 - Job Postings
 - Let's Connect
- Clients**
 - Education
 - Local/Municipal Governments
 - State/Provincial Governments
 - Other Key Sectors
 - Success Stories
- Contact**
 - Info@rothiams.Com
 - CANADA OFFICE**
 - 289-295-1065
 - USA OFFICE**
 - 813-379-9345



The screenshot shows the Roth IAMS LinkedIn profile page. The header features the Roth IAMS logo and a background image of a modern building. The profile name is "Roth IAMS" with the tagline "Collaborating to provide facility and asset data and software that you can trust." Below this, it states "Business Consulting and Services - Oakville, Ontario · 425 followers". There are buttons for "Following", "Visit website", and "More". The navigation menu includes "Home", "My Company", "About", "Posts", "Jobs", "People", and "Videos". The "About" section is visible, starting with "Imagine a world where your asset management plans were based on consistent and defensible data. Imagine that there was a way you could have all the data that you need to make informed decisions right at your fingertips. Imagine not being stressed that your organization is underfunded and unequipped to deal with the politics ... see more". A "See all details" link is at the bottom.