Report of Task Force on Construction and Facilities Maintenance Optimization

Executive Summary

The charge to the Task Force invited us to examine all facets of the processes and organizational structures engaged in the development and maintenance of the NYU built environment, with a primary focus on the academic facilities of the Washington Square campus. The members examined the interface between the Office of Strategic Assessment, Planning, and Design, and the Provost’s and Executive Vice President’s consultative structures (such as the Space Planning Working Group), with the Facilities & Construction Management Organization (FCM). Because of the vast budget and overarching responsibilities of FCM, our attention devolved into close scrutiny of that organization, its processes, internal systems, and management of projects of various scale.

Throughout we looked at essentially two categories of expenditures:

1) Those that derive from administrative processes and decisions under the university’s direct control: staffing, information systems, allocation of physical plant, policies, and procedures that govern decision-making and the allocation of resources, including budgetary methodology and the loci of financial responsibility.

2) Those that are inherent in costs of operations: the prices of energy, of materials required for construction, wages, and charges determined by collective bargaining units, and of market conditions affected by our location.

Our investigation began by confronting some receding preconceptions. The world of construction management and facilities maintenance at NYU had a checkered reputation for many years. In our efforts of study, analysis, and review, we encountered those with long histories at NYU whose memories of what is now FCM were conditioned by an abundance of bad experiences about poor management, inattentive customer service, inefficiencies of many kinds, and endemic patterns of cost overruns. Though the evidence of transformative change has been incontrovertible, some of those lingering memories must be understood as the prisms that have clouded the ability of members of the university community to understand what an altogether different professional organization is now in place.

So perhaps our most important finding is a set of commendations. The University’s consultative and planning processes appear to be functioning at a very high level, and thus decision-making with respect to authorization and integrated planning is on a secure footing. The handover to FCM could be improved, but once underway, FCM’s project management is sound and highly efficient. Matters of cost-overruns involve distributed responsibility: we have made a number of pragmatic suggestions from the use of visualization tools in the design process to improving the bidding process for contractors, better to align with industry practice and discourage inflated bids.

Most important perhaps is the need to pay attention to the fundamental role clients have in managing their engagement with the process. We recommend some policy requirements to minimize change orders that derive from inattentive planning or incomplete decision-making on
the part of the client, and to limit the use of contingency budgets to cover those problems that arise from field conditions or, more rarely, truly exceptional conditions for the institutional client that could not have been reasonably foreseen in the planning process. We also suggest practices of sharing benchmarked data with all clients in the early stages of the planning process, to encourage where appropriate, client-generated design decisions that could result in substantial economies and optimize functionality.

With respect to the management of the “already” built environment, FCM has made enormous progress and admirable commitments for continuing improvements on all fronts. The substantial reductions in budget are already testimony of measurable success, and constitute the largest share of savings achieved to date in the Reengineering One process. It is also true that the body of evidence of sustainable change in areas like customer service, process communications, and performance information available to users lies ahead, though the preliminary efforts are highly encouraging. Most reassuring, as the appendices reveal, FCM has become an organization devoted to continuous improvement: it benchmarks performance against peer institutions; undertakes regular internal assessment; seeks input and informs the administration and its clients of its performance goals, and success (or lack thereof) in achieving them. It has embraced a culture of accountability, and NYU as a whole is the beneficiary of the tangible results in our environment and in the openness that invites feedback and leads to ongoing refinements in services.

The majority of the recommendations in this report are for incremental changes that we believe in the aggregate will contribute to better performance, better outcomes, and sustainable savings. At the same time, it is to be noted that they follow a glide-path that FCM has in most cases, already marked out.

The principal areas of concern involve both a) the realities of our architecturally diverse and relatively old physical plant and the backlog of accumulated inattention to maintaining infrastructure, and b) a cross-cutting need for accurate, granular, and data sets that meet widely-agreed upon criteria and a vigorous communications environment. Regarding the first matter, we believe it is essential to protect the deferred maintenance (now “capital maintenance”) budget so that we minimize the risk of neglect that can provoke widespread disruption when poorly maintained HVAC, roofs, or plumbing systems fail. As to the second, better decision-making, enhanced collegiality, and the promulgation of best practices will be the predictable results of efforts that vary from the installation of more meters to monitor energy consumption (providing benchmarked accountability data that also enable incentive programs for users who achieve conservation goals and savings), to maintaining effective communications to clients about scheduled maintenance or citations involving code violations, or simply to developing patterns of regular consultations with informed user groups.

NYU can take comfort that the nexus of organizations and structures involved in planning is purposeful, strategic, consultative—and functioning. And FCM, the enterprise that oversees building and maintaining our physical environment, has become an exemplar of sound practices and quality management, while assuring that our facilities perform ever more admirably to support teaching and learning and research, and administrative excellence in support of that mission.