

**CONTRACTING FOR FACILITIES SERVICES**

**MARK STANIS**  
DIRECTOR, CAPITAL CONSTRUCTION AND RENOVATIONS  
MSTANIS@VIRGINIA.EDU

JANUARY 2023

 **UVA** | Facilities Management



---

---

---

---

---

---


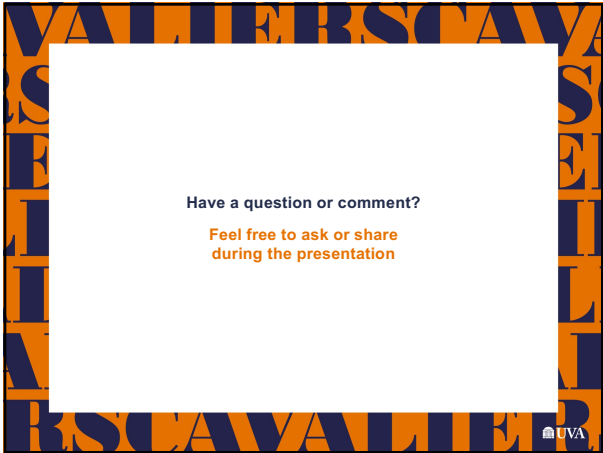
---

---

1

Have a question or comment?

Feel free to ask or share during the presentation



---

---

---

---

---

---



---

---

2

**IN THIS SECTION WE WILL COVER**

- In-house vs. Outsourcing
- Types of Contracts
- Bidding



---

---

---

---

---

---

---

---

3

A slide with a decorative border of repeating 'UVA' text in orange and blue. The central white area contains the text 'Why contract/outsourcing?' in bold blue font. A small UVA logo is in the bottom right corner of the slide.

**Why contract/outsourcing?**

4

---

---

---

---

---

---

---

---

A slide with a white background and a dark blue footer containing the UVA logo. The title 'Examples' is in orange. A bulleted list of reasons for outsourcing is provided.

**Examples**

- Problems with in-house service delivery
- Reduced costs
- Quality of work
- Managing a contract operation is easier
- Specialty Need
- Resource Utilization

5

---

---

---

---

---

---

---

---

A slide with a white background and a dark blue footer containing the UVA logo. The text 'Operational · Managerial · Fiscal' is in blue, and 'Reaction to crisis or economic pressure' is in orange.

**Operational · Managerial · Fiscal**

**Reaction to crisis or economic pressure**

6

---

---

---

---

---

---

---

---

**In-house Performance  
VS  
Contracting for Services**

UVA

7

---

---

---

---

---

---

---

---

**Group Activity**

At your tables, list:

- 1-2 advantages of keeping services in-house
- 1-2 advantages to outsource

UVA

8

---

---

---

---

---

---

---

---

**In-house services**

<p><b>PERCEIVED ADVANTAGES</b></p> <ul style="list-style-type: none"> <li>• Staff Loyalty/Dedication</li> <li>• Customer Service/Interaction</li> <li>• Commitment</li> <li>• Continuity</li> <li>• Responsiveness</li> <li>• Flexibility in staff Utilization</li> <li>• Quality</li> <li>• "Corporate knowledge" and knowledge transfer</li> <li>• Security</li> <li>• Mutual Trust</li> <li>• Organizational Cohesiveness</li> <li>• Emergency Response Capability</li> <li>• Lower Cost (sometimes)</li> </ul>	<p><b>PERCEIVED DISADVANTAGES</b></p> <ul style="list-style-type: none"> <li>• "It takes too long"</li> <li>• "It costs too much"</li> <li>• "My neighbor is a _____ and he could have done it in half the time"</li> </ul>
--	---

UVA

9

---

---

---

---

---

---

---

---

**What about Contracting?  
Advantages?**



1 0

---

---

---

---

---

---

---

---

**Contract Advantages**

- Avoid capital costs
- Obtain specialized or infrequently required services
- Meet peak workload demands
- Lower costs (sometimes)
- Obtain management resources of a large, specialized organization
- Volume purchasing power
- Avoid inventory requirements
- Eliminate support space requirements
- Greater flexibility in adjusting to changing service level needs
- Avoid personnel management requirements



1 1

---

---

---

---

---


---

---

---

**Contracting Considerations**

- Public/private
- Procurement delegation
- Urban/rural
- Union/non-union
- Economic climate



1 2

---

---

---

---

---

---

---

---



**Contracting  
Facilities Management Services**



1 3

---

---

---

---

---

---

---

---

**Operations & Maintenance Services**

- Grounds maintenance
- Snow removal
- Custodial Services
- Pest Control
- Transportation services
- Refuse collection and disposal
- Paving
- Painting services
- HVAC services
- Elevator maintenance and inspection
- Asbestos abatement
- Facilities and equipment PM and maintenance services
- Plant operations
- Management of a particular function or operation
- Management of entire Facilities Management function



1 4

---

---

---

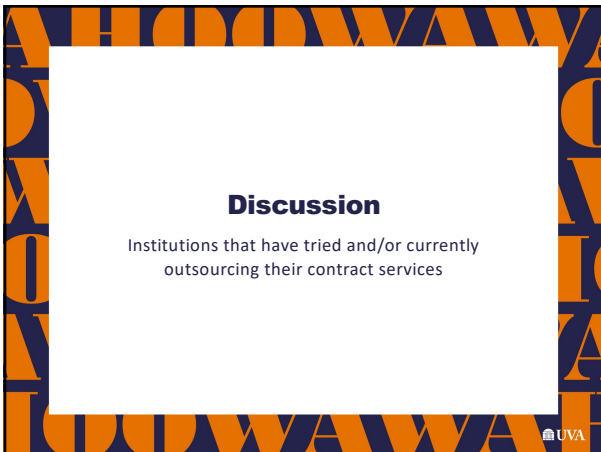
---

---

---


---

---



**Discussion**

Institutions that have tried and/or currently outsourcing their contract services



1 5

---

---

---

---

---


---

---

---

**Value:** *attributed or relative worth, merit or usefulness*

- Financial
- Logistical
- Quality
- Ethical
- Collaborative
- Customer satisfaction
- Trust
- Importance
- Timeliness



1 6

---

---

---

---

---

---

---

---

**5 MIN BREAK**



1 7

---

---

---

---

---

---

---

---

**Contract**

An agreement between two or more persons or parties to do or not to do something.



1 8

---

---

---

---

---

---

---

---

**Essential Elements of a Binding Contract**

- An agreement (offer and acceptance)
- Voluntarily entered into
- By parties having capacity to contract
- Supported by consideration
- To do legal acts or acts

UVA

19

---

---

---

---

---

---

---

---

**Basic Documentation**

- Specific goods or services to be provided
- Required performance and quality
- Delivery requirements and schedule
- Consideration to be paid and related terms or conditions

UVA

20

---

---

---

---

---

---

---

---

**Contractual Procurement Procedures**

UVA

21

---

---

---

---

---

---

---

---

## Competitive Bidding (IFB)

- Compete solely on basis of price
- Award to responsive and responsible contractor with the lowest offer

2 2

---

---

---

---

---

---

---

---

## Competitive negotiation (RFP)

- Qualitative evaluation
- Negotiate on basis of specific selection criteria
- May or may not include price
- Mandatory/preferred terms

2 3

---

---

---

---

---

---

---

---

## RFP Score Sheet



### TECHNICAL PROPOSAL EVALUATION COMMITTEE AVERAGES

**Athletics Complex Phase 3 Olympic Sports Complex**  
**RFP No. 21-104, Project Manager: Brian Williams**

RFP Evaluation Criteria	Max RFP Point Value	Nelsen	Jennison Leets	Bartlett Melow	Clark
Key Proposed On-Site Team	30	15.13	25.88	27.00	21.63
Corporate Experience on Similar Projects	20	9.38	16.75	19.38	15.75
Specific Job Plan	20	10.88	17.50	18.25	15.88
Innovative Construction Techniques/Technologies	10	4.75	8.00	8.88	8.50
Project Safety Record & Proposed Plan	10	6.75	8.38	8.25	8.50
SWM Firm Qualification	10	8.00	10.00	5.00	5.00
<b>Total</b>	<b>100</b>	<b>54.88</b>	<b>86.50</b>	<b>88.75</b>	<b>75.25</b>

2 4

---

---

---

---

---

---

---

---



## RFP Score Sheet – Alternative

### TECHNICAL PROPOSAL EVALUATION

COMMITTEE MEMBER \_\_\_\_\_

Athletics Complex Phase 3 Olympic Sports Complex  
RFP No.: 21-104; Project Manager: Brian Williams

RFP Evaluation Criteria	Score	Nelson	Jaraman-Lewis	Barton Malow	Clark
Key Proposed On-Site Team	1 to 10				
Company Experience on Similar Projects	1 to 10				
Specific Job Plan	1 to 10				
Innovative Construction Techniques/ Technologies	1 to 10				
Project Safety Record & Proposed Plan	1 to 10				
SMM Firm Utilization	1 to 10	Score Provided by Supplier Diversity			

---

---

---

---

---

---

---

---

---

---

2 5

## Negotiated or "Sole Source" contract

- Direct negotiation with single vendor
- Justification required in public sector

---

---

---

---

---

---

---

---

---

---

2 6

## Defining Contractual Requirements

### MUST DEFINE

- What we want
- How much
- Standards of quality & performance
- When

### CAN DO THIS BY:

- Plans/specifications
- Statement of performance objectives or standards
- General statement of requirements

---

---

---

---

---

---

---

---

---

---

2 7

**Obtaining Offers**

- Advertisement
- Solicitation
- Pre-bid /pre-proposal meeting
- Addenda
- Type of offer

UVA

2 8

---

---

---

---

---

---

---

---

**Formal Contract**

- Plans and/or specifications
- Request for bid/proposal document
- Contractor's offer/proposal
- Bonds
- Terms or conditions negotiated following selection of contractor

UVA

2 9

---

---

---

---

---

---

---

---

**Contract Management**

- Contract Administrator
- Pre-performance conference
- Inspection procedures
- Performance incentives/penalties
- Payment
- Claims and disputes procedures
- Renewal procedure

UVA

3 0

---

---

---

---

---

---

---

---

**To be successful, an institution's decision process needs to be ...**

- Performed within the context of the institution's mission and culture
- Seen as a strategic choice
- Consultative and inclusive of customers, functional area specialists and administrators
- Able to qualitatively and quantitatively define the institution's requirement for the functional area's performance
- Balanced and cognizant of all management/operating alternatives



3 1

---

---

---

---

---

---


---

---

**At the end of the day...**

"Only the provision of a service can be contracted for, not the responsibility for it".

"In the eyes of the consumer, the ultimate accountability will always rest with the institution."



3 2

---

---

---

---


---

---

---

---

- There *is* a contract alternative
- Understand the advantages and disadvantages of the alternatives
- Understand contracting principles
- Recognize perceptions/seek reality
- Inject competition



3 3

---

---

---

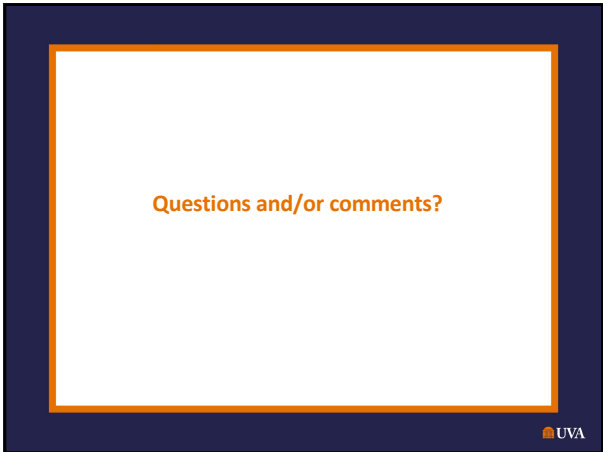
---

---

---

---

---



3 4

---

---

---

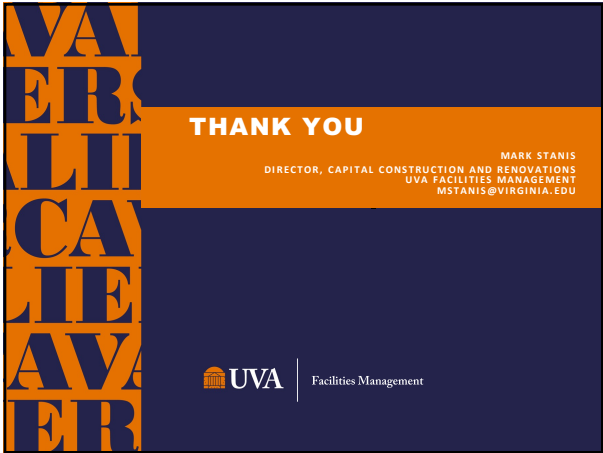
---

---

---

---

---



3 5

---

---

---

---

---

---

---

---