



QUICK STATS

PARTNER SINCE	2005
GROSS SQUARE FEET	4,500,000
SCHOOLS	42 K-12
SCHOOL BUILDINGS	38
STAFF	200

Over \$30 million
in savings achieved

140% increase
in the number of
skilled trades

Raised average
Energy Star scores
by 18%

33% improvement
in custodial productivity

Zero decrease in
wages or benefits
to hourly staff

Performance-Based Facilities Management Garners Providence Over \$30 Million

You know there's a serious problem in your school district when you regularly cancel school because the heating system keeps breaking down. This was one of the problems the Providence Public School District faced in the early 2000s. The schools' boilers were antiquated and consistently failing. But the district lacked the funds for much-needed upgrades.

The district also was losing money in a contract with an outsourced facilities maintenance provider that was hiring local trade technicians at high prices, but was providing little or no supervision or accountability. Further, there was limited maintenance leadership, no way to track work, no way to verify the cost of work being performed, and a backlog of deferred maintenance projects in excess of \$750 million. Clearly, something had to change.

Something did change—in two phases. First, the Providence School District replaced its original outsource partner with Aramark, which started improving building maintenance under an hours-based business model.

The original agreement worked reasonably well for the first five years of the new partnership. Then the district's large and serious deferred maintenance issues began to take a toll. Realizing this maintenance exposure, the Aramark team proposed a new approach to the partnership.

"We performed a detailed review of purchase services and identified specific areas where work could be self-performed better and redirected the savings to needed maintenance," noted Steve Weiser, Aramark regional vice president. "This allowed us to focus improvements on boilers and so much more."

Once the contract was changed, investments covered by Aramark's performance-driven model funded the recommissioning of outdated boiler monitoring systems at schools district-wide, along with optimizing boilers and their controls. Since 2010, there have been zero no-heat days.

Aramark's new model also provides a wide range of maintenance services and programs, including hiring, training and licensing in-house staff to perform mechanical, electrical, plumbing, HVAC and boiler maintenance; launching one of the most extensive formalized K-12 employee training programs in the industry.

Aramark suggested a shift from the hours-based model to a new performance-driven, value-added model based on defined metrics—with no cost increase.

With this model, Aramark has improved the infrastructure across the district with capital project management and provided at least \$30 million in cost savings. Aramark is also making other necessary repairs, including installing weather stripping and a Building Management System. An LED investment is expected to net over \$300,000 in district-wide savings in National Grid incentives. They are projected to reduce the district's annual natural gas use by 32,074 therms, and save about \$45,000 a year.

These enhancements have been so effective at directly improving the energy efficiency that they have significantly boosted the district's Energy Star® score by an average of 18 percent across all schools. Also, 13 of the 22 elementary schools have Energy

Providence Public School District— Providence, Rhode Island

Star scores of 75 or above, qualifying them to be Energy Star-certified buildings. Two of the highest Energy Star scores in the portfolio are two of the oldest buildings, where building updates garnered Energy Star scores of 97 and 98.

After accomplishing so many facilities improvements, Aramark has started working toward a comprehensive building revitalization effort. It will include repainting the interiors of each school building, repairing or replacing damaged or broken ceiling tiles and light fixtures, and repairing or replacing damaged or broken non-asbestos floor finishes.

Aramark is not just improving the schools in which it works, but also the communities in which its employees live. The company now invests approximately \$30,000 a year in a wide variety of community programs. As part of its community service, Aramark is contributing \$10,000 a year in college scholarships for 100 high school graduates who want to continue their education.

Aramark also sponsors a reading and comprehension mentoring program for elementary school kids, supports students with disabilities through local or private schools and participates in several community organizations such as the Rhode Island National Air Show.

Aramark's proposal is specifically designed to deliver substantive value for our students and faculty by exceeding the district expectations, thus, having a significant impact on the total educational experience. Aramark's goal is to deliver experiences that enrich and nourish lives."

— Providence Public School District

Challenges

Massive Deferred Maintenance Backlog

Maintenance deferrals from inadequate funding created a critical operational and life safety exposure.

Failing Heating Systems

Antiquated and poorly maintained heating systems plagued school operation.

Overpaying for Services

High-cost custodial service agreements hampered investment in facility maintenance.

Solutions and Results

Switched From an Hours-Based to a Performance-Based Maintenance Model

By changing the terms of the outsourcing agreement, Aramark reallocated wasteful expenditures in the maintenance program to where the funds were needed most. The new direction transformed the facilities program with no increased cost to the district or the city—while, at the same time, successfully gaining credibility with local labor unions.

Achieved Significant Savings

In the last nine years, Aramark has saved the district cash and generated cost savings of approximately \$33 million by 2016 in the following areas: \$16 million on using in-house trades versus outside contractors; \$5 million in performance-based contract savings; \$6 million in Aramark investment; \$3 million in high-performance (CHPS) building maintenance; \$2 million in cash grants; and \$1 million in project management savings.

Redirected Funds From Overpriced Services to Equipment Repairs

Aramark's performance-based contract reallocated funds for overpriced contractor fees to invest in the district's heating systems and other vital repairs. Since 2010, the district has not lost a single day of school to heating issues.

Working with Organized Labor

Aramark developed a strong partnership with organized labor, adjusting work schedules and creating skilled job paths that did not previously exist. Realized cost savings were never secured through staffing or benefit reductions.

Saving Money and Improving Buildings

The district saved \$3 million in contracted custodial fees, and redirected the money to much-needed infrastructure repairs at program management costs that are less than one-third of what the district was paying in the hours-based contract.

Interested in learning what Aramark can do for your district?

CONTACT US TODAY