

FACILITIES CONDITION AND REINVESTMENT STRATEGIES

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* The life cycle of an INSTITUTIONAL BUILDING is considered to be 50 yrs.

Age of Nebraska Medical Center Facilities

NORTH CAMPUS

Clarkson Tower East Expansion	1955/1968 1993
Kiewit Tower	1961
N. Doctors Bldg	1979
S. Doctors Bldg	1955
Hixson-Lied Center	2005

SOUTH CAMPUS

UT UNIT I	1916/1967
UT UNIT II	1927
UT UNIT III	1962
UT UNIT IV	1969
Lied Transplant Center	1998
Durham Outpatient Center	1993
Specialty Services Pavilion (SSP)	1957

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- **Building Condition Index (BCI)**

- Formula & Rating System to Evaluate Overall Buildings Condition
- Recognized by GSA (Government Services Administration) and APPA (Assoc. of Physical Plant Administrators for Universities & Colleges)
- BCI= Deferred Maintenance Back Log / Total Replacement Cost

- **Index Rating**

Excellent	= < 5%
Good	= 5-10%
Fair	= 10-25%
Poor	= 24-40%
Replacement	= > 40%

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The Nebraska Medical Center:

- BCI Estimated At 11.7% (Fair)
 - UT- BCI= 38.3% (Poor)
 - All Other TNMC= 4.8% (Excellent)
- Total Deferred Maintenance Backlog = approx. \$90M

University Tower (Units I-V) = approx. \$60M

All Other TNMC Buildings = approx. \$30M

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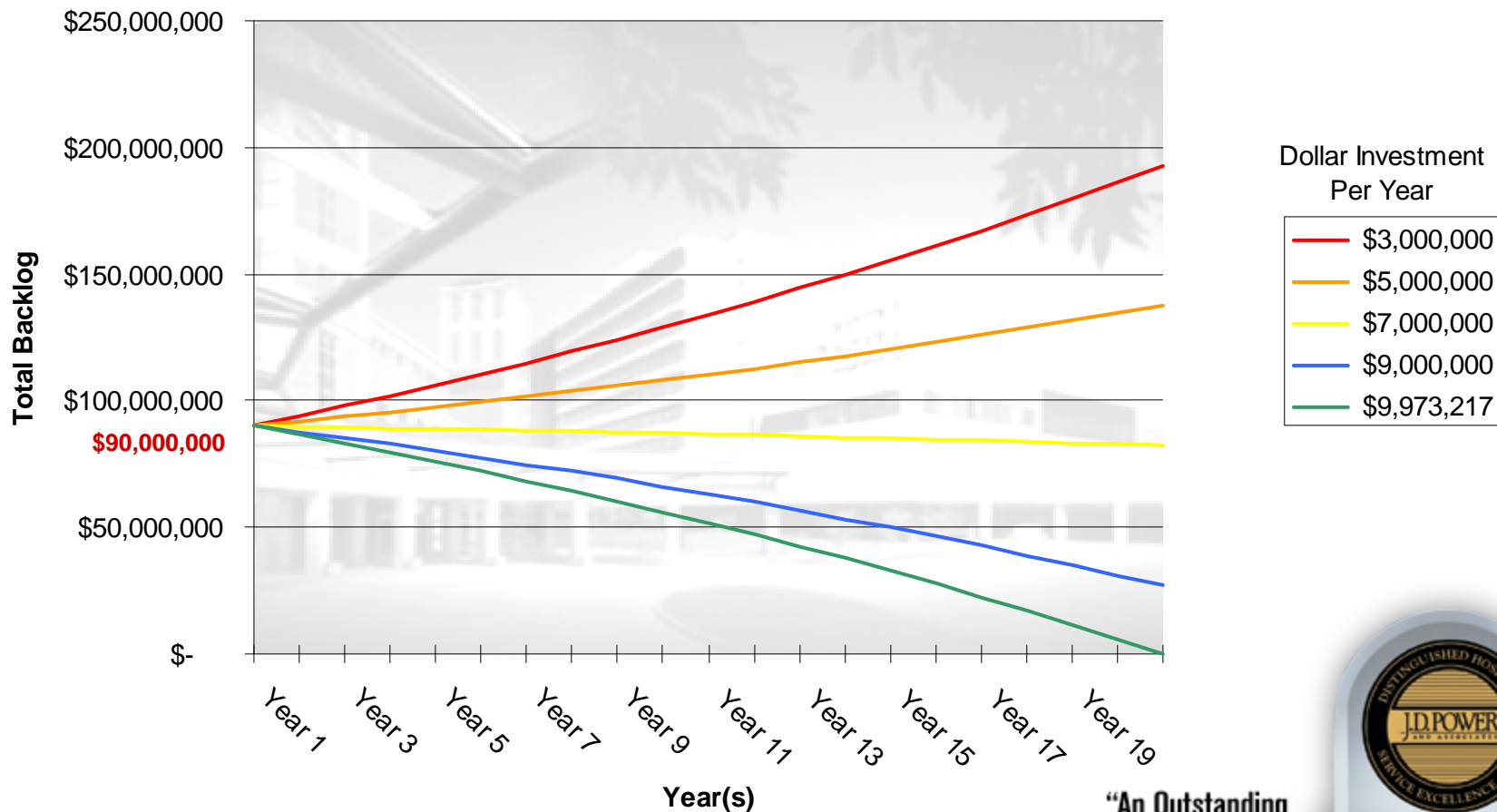
	Cost
Maintain Current Condition *	\$4.1 M/Yr.
Eliminate Existing Backlog in 20 Years	\$5.87 M/Yr.
Total Reinvestment Required	\$9.97 M/Yr.

* At 2.07/SF Annually as cited by *Whitestone Building Maintenance And Repair Cost Reference, 2007/2008.*

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Facilities Management & Planning Repair & Maintenance Backlog Reduction



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Annual Infrastructure Reinvestment Requirements

Annual Payment	Current Year	Year 5	Year 10	Year 15	Year 20
\$ 3,000,000	\$ 90,000,000	\$ 110,349,918	\$ 133,941,049	\$ 161,289,637	\$ 192,994,145
\$ 5,000,000	\$ 90,000,000	\$ 99,413,098	\$ 110,325,458	\$ 122,975,874	\$ 137,641,174
\$ 7,000,000	\$ 90,000,000	\$ 88,476,278	\$ 86,709,867	\$ 84,662,112	\$ 82,288,203
\$ 9,000,000	\$ 90,000,000	\$ 77,539,458	\$ 63,094,275	\$ 46,348,349	\$ 26,935,231
\$ 9,973,217	\$ 90,000,000	\$ 72,217,508	\$ 51,602,726	\$ 27,704,544	\$ 0

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Allocation of Requested Capital (FY09) By System Type

HVAC	2,418,623	48.4%
Electrical	760,000	15.2%
Fire Protection	715,000	14.3%
Exteriors	567,000	11.3%
Interior (Access)	100,000	2.0%
Plumbing	245,500	4.8%
	4,806,123	96.0%
Contingency	193,877	4.0%
	5,000,000	

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Allocation of Requested Capital (FY09) By Building

UT	\$2.338 M	46.7%
CT	\$1.164 M	23.3%
East Expansion		
Dr's Building North & South	\$0.376 M	7.5%
SSP	\$0.290 M	5.8%
Lied Transplant Center	\$0.264 M	5.3%
Midwest Eye	\$0.126 M	2.5%
Kiewit Tower	\$0.072 M	1.4%
Hixson Lied	\$0.120 M	2.4%
Clarkson West	\$0.055 M	1.1%

	\$4.806 M	
Contingency	\$0.194 M	4.0%
	5,000,000	

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- Effective preventive maintenance program can extend average useful life of equipment
- Improvements/ performance measures implemented
- Industry standard for preventive maintenance, minor repairs and unscheduled maintenance): \$1.37/sf

$\$1.37/\text{sf} \times 2.2\text{m}/\text{sf} = \3.01M

Current Budget Level \$3.56M

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- Current capital reinvestment is significantly below requirements to sustain the buildings over time
- Reinvestment should be increased incrementally to achieve the desired results
- Initial target should be \$7.0M annually in order to prevent escalation of the deferred maintenance backlog
- Investments should be targeted to specific buildings, consistent with the long-term strategy
- Maintenance and Operations are currently funded at appropriate levels

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