


The background of the entire page is a photograph of a campus. In the foreground, there are green trees on the left and a large, multi-story brick building with a white portico and columns on the right. The building has a sign that reads "PAT NEFF HALL". In the bottom left corner, there is a brick wall and some red-leafed plants. The text "ADDRESSING DEFERRED MAINTENANCE" is overlaid in large, white, bold, sans-serif capital letters across the middle of the image.

ADDRESSING DEFERRED MAINTENANCE

ON YOUR CAMPUS



While college and university campuses are displaying modern, new buildings, state-of-the-art sports facilities and fully furnished residence halls, many are simultaneously hiding leaky pipes, damaged roofs, poorly sealed windows, backed-up sewers and outdated heating and cooling systems in their older buildings.

Higher education institutions want to repair and refurbish aging structures and sources of risk, but older buildings are trapped between a rock and a hard place. The reality is that it's easier to get funding to build new than to repair existing structures.

Estimates on the deferred maintenance backlog nationally vary, but all place the need squarely in the billions of dollars. Experts do agree, however, that there will never be enough funds to address the need.

In fact, a recent [Sightlines study](#) found that the backlog of maintenance on campuses has grown since the economic downturn a decade ago. It's up 18 percent since 2007 at private, nonprofit campuses and 22 percent at public universities and colleges. More disturbing is an estimate that the financial need on a cost-per-square-foot basis is approaching \$100/GSF, an insurmountable figure for funding purposes.

AS BACKLOGS BUILD, RISKS RISE

The impact of this problem is far-reaching. The sight of leaking pipes, peeling paint, worn carpet and spalling facades deter students from enrolling. Poor air conditioning, heating, water pressure and furniture keep them from re-enrolling. A vicious cycle ensues. As buildings deteriorate, applicant pools shrink and revenue falls. Without funding, buildings continue to deteriorate, driving incoming student interest down even further.

DEFERRED MAINTENANCE BEST PRACTICES

That's the bad news. The good news is that institutions can take steps to better manage their deferred maintenance backlogs and reduce their risk exposure.

Before undertaking the development of a deferred maintenance strategy, it is advisable to understand the components needed.

Although approaches to addressing deferred maintenance vary, minimally you should **expect the following:**



INVENTORY

Completing a comprehensive inventory of need is necessary for determining a maintenance strategy. The inventory should consist of a database of present and pending maintenance needs, priorities, costs and other variables, and will form the basis of planning efforts.



STEERING COMMITTEE

A team approach to managing the deferred maintenance exposure brings a multitude of perspectives necessary to assure a balanced approach to the issue. A well-composed team of campus constituents, including students, faculty, athletics staff and key support functions is advisable to assure acceptance of the final strategy.



PHASE-OUT STRATEGY

The steering committee works within a framework for an actionable strategic phase-out plan. This plan provides a detailed schedule for tackling projects while managing spending. Efforts should be articulated as portfolios of need rather than individual projects. The annual phase-out plan will be based on highest-priority needs and available funds.




FINANCIAL STRATEGY

Capital funding will be required. However, other funding options should be assessed and incorporated into the overall strategy. For example, low-interest loans, restructuring debt, asset monetization, reconfiguring infrastructure to reduce maintenance and the most often overlooked step, reconfiguring infrastructure to reduce energy costs. Many campuses have seen a remarkable reduction in operating costs with the strategic reconfiguration of heating and cooling systems.



COMMUNICATION

Once the details of the plan are in place the campus community should be informed to ensure everyone is aware of the approach and prepared for successful implementation. As the implementation phase proceeds reports on spending versus strategy and targets should be shared with detailed results for the institution's board. They will want to know how the strategy is impacting the budget, the students, campus politics and more.



**COMMITTING TO A
DEFERRED MAINTENANCE
PHASE-OUT PROGRAM
CAN BE DAUNTING.
INSTITUTIONS USUALLY
LACK THE INTERNAL
RESOURCES, EXPERTISE
AND TIME COMMITMENT
TO COMPLETE AN
INVENTORY AND
DEVELOP A STRATEGY ON
THEIR OWN.**

The magnitude of exposure and complexity of the solution often dictates the need for outside expertise. Outside experts bring proven best practices and experience from similar engagements to help your institution.



Selecting a Strategic Partner

There are a number of considerations to include when selecting a strategic partner for a deferred maintenance strategy. Although the root cause of deferred maintenance is based in operations (primarily from insufficient operational or recurring capital funding) and an inability to “keep up” with need, the “catch-up” solution will require an influx of capital.

THE BEST SOLUTIONS EMPLOY MULTIPLE APPROACHES TO MINIMIZE AN INSTITUTION'S FINANCIAL BURDEN. AS A RESULT, LOOK FOR A PARTNER WITH EXPERTISE IN THESE FIVE AREAS:

1. TECHNICAL

Mechanical exposures often are the most expensive to remedy. Yet, rarely are mechanical systems replaced in kind. Expertise in building and mechanical systems design, energy and technology is essential. Mechanical solutions that leverage new technology and integrated approaches can actually lower both short- and long-term costs, while simultaneously reducing your backlog.

2. OPERATIONS

Often overlooked, expertise in building operations is critical to protect the investment your institution will make to address deferred maintenance. An operations perspective assures a holistic, rather than purely technical or engineering, view to your solution. Your institution's operating team will also appreciate a partner that understands their day-to-day challenge of maintaining an unfunded operation. They will be more likely to accept and buy-in to the final strategy.

3. ENERGY MANAGEMENT

Invariably, the options for funding deferred maintenance will involve a corresponding energy strategy. Look for a partner with proven experience implementing energy management programs and achieving measurable savings. The best programs integrate both technical solutions and operational behavior change.

4. STRATEGY

Look for a partner that has a proven process for developing a credible phase-out strategy. Since your final strategy will likely require board approval, look for a partner with experience creating solutions that balance the highest priority needs with an institution's programmatic needs. The total need can be overwhelming and frustrate those with the best intentions. A partner able to isolate portfolios of need, with realistic funding levels and time frames, will be most successful.

5. FINANCIAL ACUMEN

Preparing a realistic and achievable funding strategy is essential. Look for a partner that integrates multiple funding solutions, such as energy savings by optimizing existing operations and maximizing system configurations, as well as sourcing grants, rebates and low-interest loans. Reconfiguring an institution's infrastructure is one of the most often overlooked opportunities for reducing energy costs and funding deferred maintenance. Public-private partnerships (3rd party funding) may also be considered.



Deferred Maintenance Management Strategy:

8 STEPS TO SUCCESS

A person is shown from the chest up, wearing a dark jacket, sitting at a desk and writing in a white notebook with a blue pen. The background is blurred, showing what appears to be an office or classroom setting.

STEP 1

CREATE A REPRESENTATIVE STEERING COMMITTEE

UNDERSTAND THE SCOPE AND BREADTH OF THE DEFERRED MAINTENANCE EXPOSURE ON CAMPUS.

Many campuses aren't fully aware of their overall deferred maintenance projects. Facilities managers are unable to address the board until they understand the magnitude of the problem and have formulated a plan on how to spend funds.

CREATE A STEERING COMMITTEE TO MANAGE IDENTIFICATION, QUANTIFICATION AND PRIORITIZATION OF DEFERRED MAINTENANCE EXPOSURE.

Experienced members will understand equipment with a 20-year life span can last 25 to 30 years with better maintenance, or only 10 years with poor maintenance. As part of the campus community, they are aware of the needs of campus constituents, including students, faculty, athletics staff and key support functions.

A construction worker, a woman wearing a white hard hat, safety glasses, and a yellow safety vest over a blue shirt, is looking upwards and to the right. She is holding a clipboard and a pen. The background shows industrial equipment, including a large metal structure and a red pulley.

STEP 2

SET PHASE-OUT GOALS ALIGNED WITH INSTITUTION'S GOALS

CONSTRUCT THE FRAMEWORK FOR AN ACTIONABLE STRATEGIC PHASE-OUT PLAN.

This provides a balanced schedule for tackling deferred projects while managing spending. Frontline or general maintenance managers can use the plans in the field, while administrators can use it as a tool for accountability.

ADOPT A PORTFOLIO VERSUS A BUILDING-BY-BUILDING APPROACH.

All projects should be viewed as a portfolio versus individual projects. This makes it easier to manage, deliver value to multiple areas simultaneously and to gain senior-level support.



STEP 3

REVIEW DATA COLLECTION THEMES

INVESTIGATE ALL EXPERTISE AND CAPITAL FUNDING OPTIONS TO ADDRESS THE DEFERRED MAINTENANCE SCHEDULE.

- Investigate low-interest loan options
- Restructure client debt
- Identify grants and rebates
- Reconfiguring utility systems infrastructure (most often overlooked)
- Third-party financing solutions

Many campuses have large central systems driven in the off-season by small loads. Small loads reduce system efficiency and increase operating cost.



STEP 4

DEVELOP A FUNDING DISTRIBUTION STRATEGY AND SPENDING TARGETS

IDENTIFY WHICH OUTCOME IS MOST IMPORTANT FOR YOUR INSTITUTION.

- Constituency
- Institutional stewardship
- Priority
- Type (safety, code, energy savings, comfort, sustainability, etc.)

ASK THE FOLLOWING QUESTIONS:

- What building issues have the biggest impact on the most people?
- What does a high return on investment look like?
- How will we support recruitment and retention efforts?



STEP 5

DEVELOP AN ANNUAL PHASE-OUT PLAN BASED ON AVAILABLE FUNDS

CREATE A PLAN TO MANAGE THE DEFERRED MAINTENANCE BACKLOG SYSTEMATICALLY.

Create a multi-year schedule that addresses critical-priority needs and aligns with the campus master plan. Identify the deferred maintenance projects by codifying and categorizing them, so priority projects can be searched, organized and effectively managed.



STEP 6

COMMUNICATE THE APPROACH AND FOCUS

COMMUNICATE THE DEFERRED MAINTENANCE STRATEGY TO THE CAMPUS COMMUNITY.

Share this broadly, including board of trustees, maintenance teams, students, and staff. Ensure everyone is aware of the approach. Highlight visible and non-visible improvements. Use social media to communicate success and progress.



STEP 7

REPORT ON SPENDING VERSUS STRATEGY AND TARGETS

PREPARE DETAILED INFORMATION FOR YOUR INSTITUTION'S BOARD.

They'll want to know how the strategy is impacting budget, students, campus politics and more. To get the program funded, the steering committee must show real results.



STEP 8

MANAGE THE DATA—AND REPEAT

CONTINUALLY AND PROACTIVELY MONITOR PROGRESS

Create a living document to record accomplishment as well as capture new need. This will help ensure projects stay on track, and record proof that the strategy is working. The process continues as the campus continues working its deferred maintenance phase-out plan.

DIFFICULT DECISIONS

The maintenance and upkeep of college campuses with historic buildings will never be fully funded, nor should be. The mission of academia dictates a higher purpose for the limited funds available to an institution. Yet, institutions are finding effective ways to fund their deferred maintenance. A persuasive argument to secure resources, especially at a time when there's so much scrutiny on higher education, is needed.

In the end, each campus must make informed decisions about what is most important to protect. The student's experience, the institution's longevity, the management of their properties and the campus' ability to function are all strong contenders. The risk of letting buildings deteriorate impacts your institution's reputation..

Developing and managing a systematic phase-out plan can prolong the lifespan of institutional assets and minimize the growth rate of deferred maintenance. The effort and resources needed to address an existing deferred maintenance backlog must be done with precision and care. Your institution will want to maximize the value of its investment to protect the next generation of students, buildings and administrators. **A strategic partner can bring credibility, perspective and success to your effort. Aramark is uniquely qualified to guide institutions through the planning, design, and execution of phase-out strategies. Let us share our technical and operational expertise to develop a program that all can support.**

Ready to make the changes that maximize the value of your campus investments?

[CONTACT US TO LEARN MORE!](#)