

FACILITY RISK AND EXPENSE EVALUATION



DATA TO HELP YOU MAKE DECISIONS

When it comes to budgets, practically every facility owner faces the challenge of doing more with less. It can be tempting to delay general maintenance, system upgrades, or building repairs to a future budget cycle—or even to postpone them indefinitely until funding becomes available. *The team at GEM Service cautions against this approach for a number of reasons. Below are actual situations that the GEM team has been asked to fix or revise. With a Facility Risk and Expense Evaluation, data is generated to help you make ongoing decisions about equipment and prevent these types of situations.*

PUTTING OFF EQUIPMENT REPLACEMENT CAN BE COSTLY

A customer had deferred replacement of a large rooftop unit that was beyond its useful life with the hope of avoiding the cost of replacement and allocating funds to other parts of the business. With a major compressor failure happening in the summer and lead time for a new unit at eight to 10 weeks, the company was forced to make the repair knowing that it was investing money in equipment that needed replacement.

To compound the issue, the building had another rooftop unit with two additional compressors. This unit was also in need of replacement. The following fall season, GEM Service helped the customer better understand the risk of another major repair and the costs it could avoid by fully replacing the old rooftop units. This information gave the company the financial data necessary to make the right decision to replace both units.

IMPORTANCE OF PROPER MAINTENANCE

A northern Ohio medical facility received an expensive lesson in ignoring critical maintenance of its chiller. Chillers are among the most critical pieces of equipment and comprehensive maintenance is critical to ensure their reliability and efficient operation. After years of overlooking preventive maintenance, the facility was forced to take on the risk of a major failure. Ignoring important maintenance measures can render a chiller unusable. In the case of the medical facility, an emergency chiller purchase cost it more than \$200,000.

REPLACEMENT ISN'T ALWAYS THE ANSWER

The property manager of a prominent building in northeast Ohio had been informed by another contractor that it would need to replace a \$20,000 compressor. Taken aback by the cost, the property manager asked GEM to diagnose the compressor. The GEM Service team determined that the compressor was not the problem and was able to spend a day reformatting the compressor controls, costing the customer a total of \$1,000. In this case, getting a second opinion resulted in a savings of \$19,000.

A steel manufacturer in northeast Ohio sought a second opinion on replacing a rooftop cooling unit on a five-story administrative training building in Cleveland. Following a systematic inspection of the very large air handler, it was determined that cleaning the evaporator would solve the problem and the company would be able to avoid a total system replacement. The GEM Service team spent the next summer undoing many of the perceived improvements the previous contractor had made assuming it was because the system was older. It turned out that the real problem was poor airflow from a very dirty coil.



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**BOYS & GIRLS CLUBS
OF AMERICA**

BOYS & GIRLS CLUBS OF CLEVELAND

A preventive maintenance agreement along with new equipment and controls resulted in utility savings that more than paid for the cost of the maintenance contract.

Annual Operational Savings: \$8,000



FIFTH THIRD FIELD

Comprehensive HVAC agreement, facility management, annual and capital facility planning, procurement, lighting retrofit, boiler optimization, domestic water shutdown procedures.

Annual Operational Savings: 19 percent of total costs; no in-house facility or maintenance staff



HYLANT

Comprehensive energy solution plan: improvements in building automation, HVAC, lighting, and utility procurement. Reviewed utility supplier arrangements and optimized scope of services by negotiating for best price and value, corrected billing errors, eliminated duplicate maintenance contracts, and increased supplier accountability. Assisted in review of PACE financing options and securing First Energy utility incentives. Tenant management.

Annual Operational Savings: \$209,954



SPARTAN CHEMICAL

Comprehensive HVAC agreement, compressed air system upgrade, plant-wide lighting with motion sensors, hot water storage tank installation, chiller unit replacement.

Annual Operational Savings: \$170,000



YMCA OF GREATER TOLEDO

Multiple projects, including lighting improvements, equipment upgrades and controls improvement for six separate facilities throughout northwest Ohio and southeast Michigan. HVAC Preventive Maintenance plan in place at seven locations, one of which began in 2005.

Annual Operational Savings: \$313,000