

# Report Highlights

**Division of Administration**  
**Office of State Buildings**  
**(OSB)**  
**August 2004**

Louisiana Legislative Auditor



State law created the Office of State Buildings (OSB) in the Division of Administration - Office of Facility Planning and Control. OSB is charged with ensuring that all 42 state buildings are safe, energy-efficient, comfortably cooled and heated, attractive and properly maintained. The office provides grounds upkeep, security, custodial services, waste management, repairs and renovations of facilities under its jurisdiction.

This audit examines OSB's costs and organization compared to industry guidelines and similar facility management departments in other states, if OSB is properly managing and performing its services, and if OSB tenants are satisfied with OSB's services.

## Audit Results

### OSB Costs and Organization

- OSB has sufficient monetary resources to provide adequate services when compared to industry guidelines.
- OSB's total costs (per square foot) is close to the median when compared to facility management departments in other states.
- OSB's total costs (per square foot) is lower than the U.S. Government sector but higher than the Louisiana private market for buildings located in major regions of the state.
- OSB's organization needs some improvements to enhance the department's efficiency.

### OSB Management

- OSB's work order data are not reliable because management has not established written policies and procedures to document its work flow and to review the information in the work order database for accuracy and completeness. Therefore, we could not determine whether OSB has efficiently and effectively managed its work control activities.
- OSB management does not collect response times for work orders and has not established standards for response and completion times to help determine its efficiency.
- OSB management does not ensure that all preventive maintenance work orders are completed.
- OSB management has not established written policies and procedures regarding its record-keeping practices. Thus, work order and time records lack consistency and some records may not be needed.

### OSB Customer Satisfaction

- Although most of OSB's customers (tenants) said they were satisfied with OSB's maintenance services, most tenants said that OSB does not effectively communicate with the tenants regarding OSB's progress on work orders and changes in policies and procedures.
- OSB's mission statement and other performance information do not include any customer service or satisfaction goals.
- OSB has never implemented a customer satisfaction program that would enable the organization to obtain feedback for gauging maintenance work performance.

**Steve J. Theriot,**  
**CPA**  
**Legislative**  
**Auditor**

## How Does OSB's Costs and Organization Compare to Industry Guidelines and Similar Facility Management Departments in Other States?

### What We Found

#### OSB's Maintenance and Repair Funding Meets a Nationally Recommended and Industry-Accepted Guideline

- Facility management experts recommend that to properly maintain and repair an inventory of facilities, annual maintenance and repair funding should be 2% to 4% of the aggregate current replacement value of the facilities.
- OSB's maintenance and repair spending was 2.33% of the current replacement value of its facilities for fiscal year 2003. OSB's budgeted amount for maintenance and repair services during fiscal year 2004 was 2.52% of the current replacement value of its facilities.

#### RECOMMENDATION

- ✓ OSB should use the 2% to 4% guideline as a performance indicator to determine if funding is adequate to properly maintain state facilities.



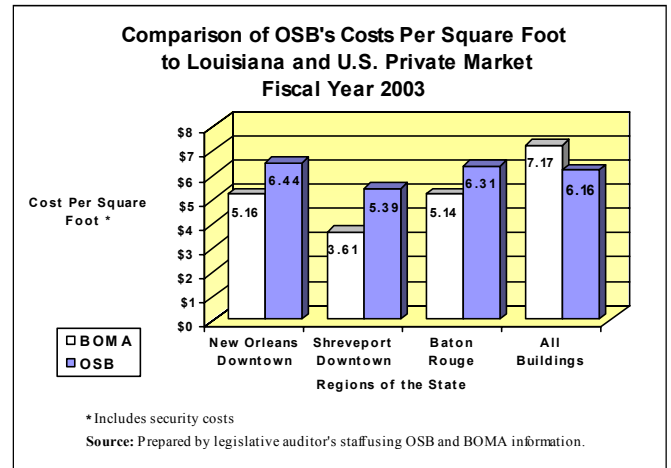
#### When Compared to Seven Other States' Facility Management Departments, Most of Which Are Considered Best Practice States, OSB's Total Costs (per square foot) Are Close to the Median

- In fiscal year 2003, OSB ranked fourth among the eight states' facility management departments in its total costs (per square foot) to operate and maintain its facilities.
- OSB's costs per square foot, without security services, was \$5.78. The median costs per square foot among the eight states was \$5.70 or 1.4% less than OSB's costs.

#### OSB's Cost (per square foot) Is Lower Than the U.S. Government Sector But Higher Than the Louisiana Private Market for Buildings Located in Major Regions of the State

- OSB's total operating costs per square foot, including security costs, was \$6.16 for fiscal year 2003. The Building Owners and Managers Association's (BOMA) 2003 survey of all buildings in the U.S. Government shows costs of \$6.67 per square foot or 7.6% higher than OSB's costs.

- OSB's cost per square foot for all state buildings in Louisiana is lower than the BOMA 2003 survey of all buildings in the U.S. private market. However, OSB's costs per square foot for fiscal year 2003 was more than Louisiana private market costs per square foot for buildings in major regions of the state (New Orleans, Shreveport, Baton Rouge) as shown in the table below.



#### RECOMMENDATIONS

- ✓ OSB should lower its costs so that it is comparable with other state facility management departments and industry standards.
- ✓ OSB should expand its efforts to measure its costs by comparing itself to other state facility management departments and to Louisiana's private market.

#### OSB's Organizational Structure Needs Improvement to Facilitate Its Efficiency

- OSB had one manager for every nine staff members. However, the average among the eight states was one manager for every 12 staff members. The median was one manager for every 10 staff members.
- OSB had more managers and supervisors than subordinates to operate and maintain its buildings.
- Many of OSB's personnel that had supervisory positions did not meet civil service supervisory requirements.

#### RECOMMENDATION

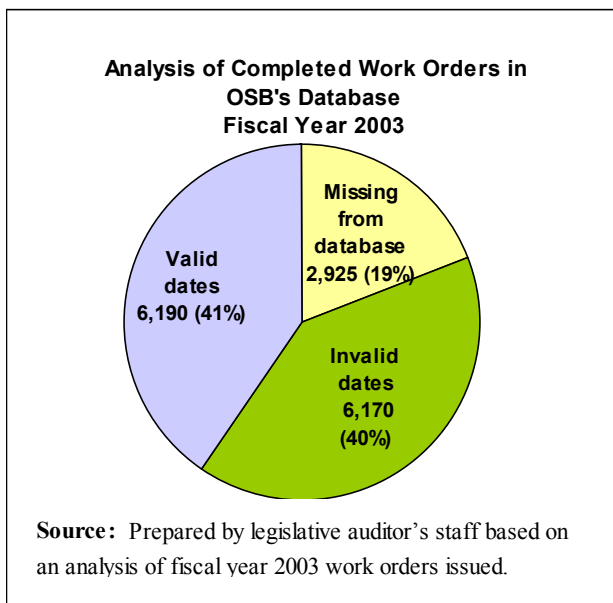
- ✓ OSB should review its organizational structure and either reallocate positions or update civil service job descriptions to help improve its efficiency.

## Is OSB Properly Managing and Performing Its Services?

### What We Found

#### Reliable Data Are Needed to Determine the Efficiency of OSB's Work Control Methods

- Over half of the 15,285 work orders OSB completed in fiscal year 2003 were either missing from OSB's database or contained invalid request or completion dates in the database. The Office of Information Services and OSB did not have adequate internal controls that would prevent these deficiencies. Because of this, OSB could not track response time and worker productivity.



#### RECOMMENDATIONS

- ✓ DOA - Office of Information Services should ensure that adequate backup and recovery procedures are developed and implemented for OSB's database.
- ✓ OSB should ensure that the request date input into the work order database is accurate and that voided work orders do not appear as valid work orders.

#### Stronger Controls Would Increase Data Reliability and Help to Monitor Efficiency

- For the work orders that had valid dates, we found many other types of errors. These errors occurred because OSB did not have written policies and procedures that documented its work flow, how to operate and maintain its database, and how to review its database for accuracy and completeness. For example, some OSB work orders reviewed did not relate to maintenance and repair tasks but were actually administrative tasks.

- OSB's Work Control Section's organization and responsibilities may have affected the reliability of information in OSB's work order database.

#### RECOMMENDATIONS

- ✓ OSB should establish policies and procedures that require it to document its work flow, how to operate and maintain its database, and how to review its database for accuracy and completeness.
- ✓ OSB should determine, formally document, and enforce what types of work, other than maintenance and repair, it should allow to be included in work orders.
- ✓ OSB should review the Work Control center's organization to determine if its responsibilities are efficiently organized.

#### Collecting Response Time Data for Work Orders Would Allow OSB to Track Its Efficiency

- OSB did not collect data on the length of time it took to respond to work orders. OSB had no established standards for responding to or completing a work order.
- All seven other state facility management departments interviewed, collected work order response and completion time data to help them determine their efficiency and cost-effectiveness.

#### RECOMMENDATIONS

- ✓ OSB should modify its new database to collect response times for all work orders.
- ✓ OSB should establish standards for work order response and completion times and monitor that such standards are being followed.

#### Ensuring Preventive Maintenance Work Is Completed Is Important in an Efficiently Managed Facility Department

- OSB had not established procedures to verify that all preventive maintenance work orders had been completed and that completion data were entered into OSB's database.

#### RECOMMENDATIONS

- ✓ OSB should implement policies and procedures for supervisors to verify the status of their work orders on the database.
- ✓ OSB should properly plan preventive maintenance schedules and carry out the associated work orders.

### Improved Record-Keeping Practices Could Help Improve OSB’s Efficiency and Effectiveness

- OSB did not have established procedures for retaining hard copies of all work orders. Thus, 35.4% of the sampled hard copies could not be located.
- Other OSB records were inconsistent with each other and some records may not be needed.

#### RECOMMENDATIONS

- ✓ OSB should develop and document a consistent method of maintaining hard copies of work orders until it implements adequate procedures to ensure the reliability of its database information.
- ✓ OSB should review its record-keeping practices to determine if some records can be eliminated and to ensure consistency for records deemed necessary.
- ✓ OSB should provide its supervisors access to the OSB database for them to be able to view the status of their work orders.

### What We Found

#### Are Customers (Tenants) Satisfied With OSB’s Services?

#### Cultivating a Customer-Focused Operations and Maintenance Organization Could Improve OSB’s Effectiveness



- OSB did not include customer service or satisfaction goals in its mission statement, objectives or performance indicators.

#### RECOMMENDATION

- ✓ OSB should include some customer service information in its performance information.

#### Measuring Customer (Tenant) Satisfaction Could Expand OSB’s Quality Control Procedures

- OSB had no formal method in place to measure customers’ satisfaction with OSB’s operations and maintenance services. However, five of seven states we interviewed have a method for measuring customer satisfaction.

#### RECOMMENDATION

- ✓ OSB should develop and implement a formal method to measure customer satisfaction.

#### OSB Could Enhance Customer Satisfaction by Improving Its Methods of Communication With Customers (Tenants)

- Most OSB tenants interviewed said they were satisfied with OSB’s services; however, they did express concerns regarding OSB’s lack of communication regarding those services.

#### RECOMMENDATIONS

- ✓ OSB should develop and implement a method of feedback (i.e., customer survey) for its customers.
- ✓ OSB should ensure that its Work Control center and maintenance employees are trained to provide information that customers should know.
- ✓ OSB should maintain a reciprocal line of communication with all building tenants.
- ✓ OSB should publicize its facilities manual more effectively.

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## Louisiana Legislative Auditor

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Questions?  
Call  
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at  
225-339-3800.

# LEGISLATIVE AUDITOR

STATE OF LOUISIANA

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DIVISION OF ADMINISTRATION  
OFFICE OF STATE BUILDINGS

PERFORMANCE AUDIT REPORT  
ISSUED AUGUST 18, 2004

**LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
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Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

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August 18, 2004

The Honorable Donald E. Hines,  
President of the Senate  
The Honorable Joe R. Salter,  
Speaker of the House of Representatives

Dear Senator Hines and Representative Salter:

This report gives the results of our performance audit of the Division of Administration - Office of State Buildings. The audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

The report contains our findings, conclusions, and recommendations. Appendix E contains the agency's response. I hope this report will benefit you in your legislative decision-making process.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve J. Theriot", is written over a large, stylized flourish.

Steve J. Theriot, CPA  
Legislative Auditor

SJT/ss





	Page
Executive Summary .....	3
Audit Initiation and Introduction .....	5
<b>Findings</b>	
<b>Section 1: How does OSB’s costs and organization compare to industry guidelines and similar facility management departments in other states?</b>	
OSB’s Maintenance and Repair Funding Meets a Nationally Recommended and Industry-Accepted Guideline .....	9
When Compared to Seven States’ Facility Management Departments, Most of Which Are Considered Best Practice States, OSB’s Total Costs (per square foot) Are Close to the Median .....	10
OSB’s Cost (per square foot) Is Lower Than the U.S. Government Sector But Higher Than the Louisiana Private Market for Buildings Located in Major Regions of the State .....	11
OSB’s Organizational Structure Needs Improvement to Facilitate Its Efficiency .....	13
<b>Section 2: Is OSB properly managing and performing its services?</b>	
Reliable Data Are Needed to Determine the Efficiency of OSB’s Work Control Methods .....	17
Stronger Controls Would Increase Data Reliability and Help to Monitor Efficiency .....	18
Collecting Response Time Data for Work Orders Would Allow OSB to Track Its Efficiency .....	20
Ensuring Preventive Maintenance Work Is Completed Is Important in an Efficiently Managed Facility Department .....	21
Improved Record-Keeping Practices Could Help Improve OSB’s Efficiency and Effectiveness .....	22
<b>Section 3: Are customers (tenants) satisfied with OSB’s services?</b>	
Cultivating a Customer-Focused Operations and Maintenance Organization Could Improve OSB’s Effectiveness .....	25
Measuring Customer (Tenant) Satisfaction Could Expand OSB’s Quality Control Procedures .....	26
OSB Could Enhance Customer Satisfaction by Improving Its Methods of Communication With Customers (Tenants) .....	27



DIVISION OF ADMINISTRATION -  
OFFICE OF STATE BUILDINGS

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**Appendixes**

Appendix A: Scope and Methodology..... 29

Appendix B: Overview of OSB’s Work Control Process, Fiscal Year 2003 ..... 33

Appendix C: Buildings Under OSB’s Control, as of October 2003 ..... 35

Appendix D: Example Customer Survey Used in Missouri ..... 41

Appendix E: Management’s Response ..... 43



## EXECUTIVE SUMMARY

State law (Louisiana Revised Statute 49:141) directs the Office of State Buildings (OSB) within the Division of Administration - Office of Facility Planning and Control to manage, operate, and maintain the general public buildings of the state. The three objectives of this performance audit of OSB were to determine how OSB's costs and organization compare to industry guidelines and similar facility management departments in other states, if OSB is properly managing and performing its services, and if customers (tenants) are satisfied with OSB's services. The findings related to these objectives are summarized below. Based on OSB's response to this report, it concurs with most of the findings and has taken the initiative to make or propose changes to address the findings and recommendations.

### Performance Audit Findings

#### Costs and Organization *(See pages 9 through 16 of the report.)*

- OSB has sufficient monetary resources to provide adequate services when compared to industry guide-lines. In addition, its total cost (per square foot) is:
  - Close to the median when compared to facility management departments in other states.
  - Lower than the U.S. Government sector but higher than the Louisiana private market for buildings located in major regions of the state.
- However, OSB's organization needs some improvements to enhance the department's efficiency.

#### Management *(See pages 17 through 24 of the report.)*

- OSB's work order data are not reliable because management has not established written policies and procedures to document its work flow and to review the information in the work order database for accuracy and completeness. Therefore, we could not determine whether OSB has efficiently and effectively managed its work control activities. In addition, management does not:
  - Collect response times for work orders and has not established standards for response and completion times to help determine its efficiency.
  - Ensure that all preventive maintenance work orders are completed.
  - Have established written policies and procedures regarding its record-keeping practices. Thus, work order and time records lack consistency and some records may not be needed.

#### Customer Satisfaction *(See pages 25 through 28 of the report.)*

- Although most of OSB's customers (tenants) said they were satisfied with OSB's maintenance services, most tenants said that OSB does not effectively communicate with the tenants regarding those services, such as OSB's progress on work orders and changes in policies and procedures. In addition:
  - The office's mission statement and other performance information do not include any customer service or satisfaction goals.
  - The office has never implemented a customer satisfaction program that would enable the organization to obtain feedback for gauging maintenance work performance. Five of seven states' facility management departments we surveyed have such a program.

Legislative Auditor  
339-3800





## Audit Initiation and Introduction

### Audit Initiation and Objectives

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. Louisiana Revised Statute 24:522 requires, in part, that the legislative auditor establish a schedule of performance audits to ensure that at least one performance audit is completed and published for each executive department within a seven-year period beginning with the 1997-98 fiscal year. In accordance with this requirement, the Office of Legislative Auditor developed a plan scheduling a performance audit of state facilities planning and maintenance to be conducted in fiscal year 2004. The Legislative Audit Advisory Council approved this audit on July 30, 2003. The focus of our audit is the Office of State Buildings (OSB). Appendix A contains our audit scope and methodology.

Our audit objectives were to answer the following questions:

- How does OSB's costs and organization compare to industry guidelines and similar facility management departments in other states?
- Is OSB properly managing and performing its services?
- Are customers satisfied with OSB's services?

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### Overview of OSB

**Purpose and Statutory Authority:** State law created the Division of State Buildings in the office of the governor to manage, operate, and maintain the general public buildings of the state,<sup>1</sup> including both the old and new governor's mansions. During the early 1990s, the Division of State Building's name was changed to the Office of State Buildings. The office is placed under the supervision of the director of the Division of Administration (DOA), Office of Facility Planning and Control. OSB is administered by a superintendent of state buildings. OSB is charged with ensuring that all 42 state buildings are safe, energy-efficient, comfortably cooled and heated, attractive, and properly maintained. This office provides grounds upkeep, security, custodial services, waste management, and repairs and renovations to facilities under its jurisdiction. This office is also responsible for ensuring the timely and proper maintenance of elevators.

**OSB Expenditures:** OSB's expenditures to operate and maintain the buildings within its scope increased from \$16 million in fiscal year 2001 to \$18 million in fiscal year 2003, as shown in Exhibit 1 on page 6. In addition, the total appropriation increased by almost 40% to \$25 million for fiscal year 2004. This increase is caused mainly by workload adjustments for new buildings opening in fiscal year 2004 and increased security costs.

To help fund OSB's operations, most agencies housed in state-owned buildings that OSB maintains and operates pay a rental charge. The DOA - Office of Finance and Support Services (OFSS) determines the amount of rent for each agency by allocating OSB's costs to the agencies based on the square footage of the buildings and other factors.

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<sup>1</sup>According to the International Facility Management Association, facility management is a profession that encompasses multiple disciplines to ensure the functionality of the built environment by integrating people, place, process, and technology.

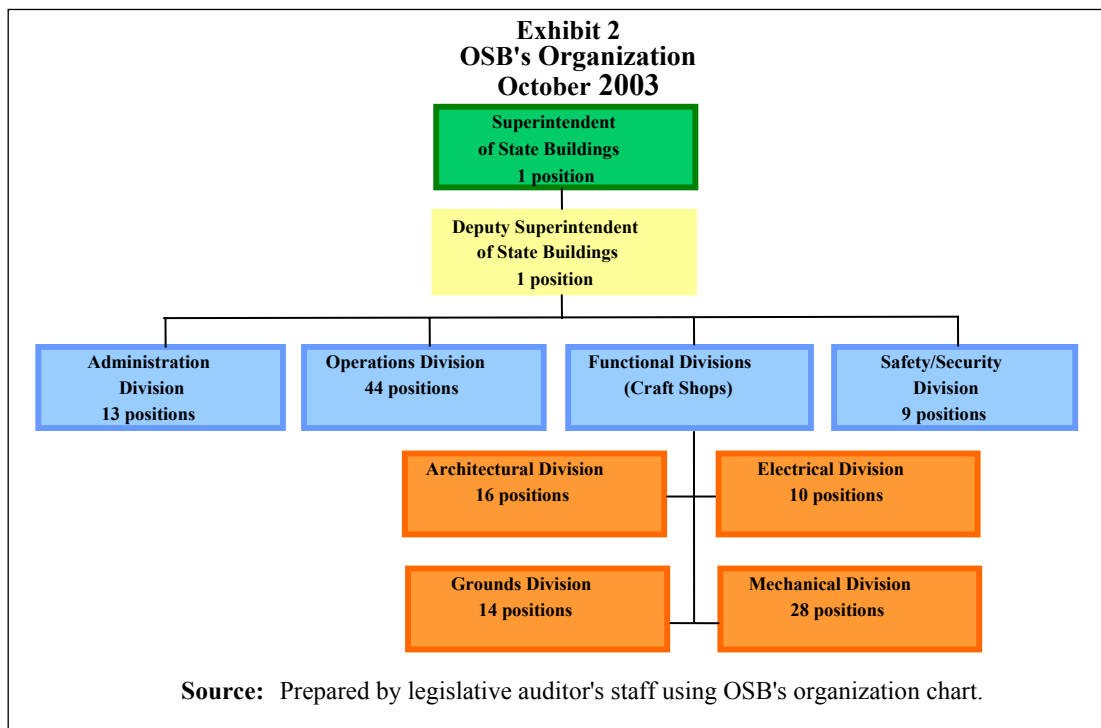


DIVISION OF ADMINISTRATION -  
OFFICE OF STATE BUILDINGS

<b>Exhibit 1 Summary of OSB's Actual and Appropriated Expenditures Fiscal Year 2001 Through 2004</b>				
<b>Function</b>	<b>Actual Expenditures</b>			<b>Current Budget***</b>
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Operations*	\$11,630,523	\$10,797,498	\$11,768,617	\$17,980,037
Crafts	1,688,547	2,155,069	2,582,708	2,784,887
Administration	1,331,074	1,083,654	1,173,388	1,552,565
Security	913,865	1,120,475	1,270,765	1,773,093
Grounds Maintenance	616,681	861,725	926,865	974,279
Elevators	415,366	364,993	436,227	591,800
Governor's Office Renovations**	108,462			
Construction	59,641	49,928	84,678	
Central Stores	38,386	109,192	100,515	29,977
<b>Total Expenditures</b>	<b>\$16,802,545</b>	<b>\$16,542,534</b>	<b>\$18,343,763</b>	<b>\$25,686,638</b>

\*Approximately 52% of these amounts is for utilities for gas, electricity, and water for the buildings under OSB's jurisdiction for fiscal years 2001 through 2003.  
 \*\*This was a line item appropriation for fiscal year 2001 that OFSS and OSB had to track separately.  
 \*\*\*As of December 31, 2003  
**Source:** Prepared by legislative auditor's staff using financial data from DOA's Integrated Statewide Information System (ISIS).

**OSB's Organizational Structure, Staffing, and Locations of Offices:** As of October 2003, OSB's staff consists of 136 employees. There are four divisions as shown in Exhibit 2 below and as described on the next page.



- **Administration Division:** This division provides management oversight (including financial management) and direction for the other sections within OSB. Administrators are involved with such tasks as work control and budget development.
- **Operations Division:** This division handles operations, preventive maintenance, and routine maintenance for 42 buildings statewide. Building operations include activities related to the building’s normal performance of the functions for which it is used that are not maintenance. Building operations include the costs of janitorial services, pest control, and utilities, such as the operation of heating, ventilation, and air conditioning (HVAC), electrical and plumbing equipment. The Operations Division is divided into the four regional divisions shown in Exhibit 3 below. Furthermore, buildings within the Baton Rouge Region are divided into five sectors. Each region/sector is responsible for operating and maintaining a variety of state buildings that house numerous agencies, as summarized in Exhibit 3.
- **Functional Divisions (crafts):** These divisions consist of the architectural, electrical, grounds, and mechanical divisions. These divisions perform more specialized repairs and minor construction on all the buildings within OSB’s jurisdiction in accordance with standard practices of the trade.
- **Safety/Security Division:** This division provides a reasonable level of safety and security to tenants, visitors, and employees by identifying facility impairment issues that could result in injuries, danger, and damage.

<b>Exhibit 3</b>						
<b>Summary of Buildings Under OSB’s Control</b>						
<b>As of October 2003</b>						
<b>Regional Office</b>	<b>Number of Buildings</b>	<b>Number of Occupant Agencies</b>	<b>Number of Occupants</b>	<b>Total Gross Area (sq. ft.)</b>	<b>Total Rentable Area (sq. ft.)</b>	<b>Average Age of Buildings (years)</b>
Alexandria/Lafayette Region	3	18	802	165,401	152,388	25
Baton Rouge Region						
• Sector 1	9	14	868	488,928	445,833	***120
• Sector 2	10	15	2,748	1,420,295	1,323,206	7
• Sector 3	6	18	3,127	2,157,086	2,017,094	17
• Sector 4	5	25	683	277,298	250,212	53
• Sector 5	1		14	22,500	20,830	6
<b>Subtotals</b>	<b>*31</b>	<b>72</b>	<b>7,440</b>	<b>4,366,107</b>	<b>4,057,175</b>	<b>49.2</b>
New Orleans Region (includes Harvey)	4	41	1,155	577,815	510,509	53
Shreveport/Monroe Region	4	26	615	353,452	307,999	49
<b>Totals</b>	<b>**42</b>	<b>157</b>	<b>10,012</b>	<b>5,462,775</b>	<b>5,028,071</b>	<b>48</b>
<p>*This total includes three garages that OSB counts separately from the attached building.</p> <p>**The total aggregate replacement value for the 42 buildings is \$442 million. Appendix C includes a detailed listing of the buildings under OSB’s control. The totals do not include six buildings that are either in the design or construction phase that will be within OSB’s scope upon completion and three buildings demolished during fiscal year 2004. In addition, there are two buildings that OSB no longer maintains that are not in this total, but does provide the security for one of them.</p> <p>***This sector includes several historic buildings, such as the State Capitol, Arsenal Museum, and Pentagon Barracks.</p> <p><b>Source:</b> Prepared by legislative auditor’s staff using information OSB’s staff provided.</p>						



DIVISION OF ADMINISTRATION -  
OFFICE OF STATE BUILDINGS

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**Work Control Process:** OSB has established a work order process that all building tenants must follow to resolve maintenance problems. A description and flowchart of the work order process is shown in Appendix B.





## How Does OSB's Costs and Organization Compare to Industry Guidelines and Similar Facility Management Departments in Other States?

For fiscal year 2003, OSB's building maintenance and repair funding is within recommended levels that should prevent repair backlogs. OSB's total costs are close to the median when compared to seven similar facility management departments, some of which are considered to employ "best practices." In addition, OSB's total costs are close to the United States government sector but higher than the Louisiana private sector. In terms of organization and number of personnel, OSB's organizational structure has more managers/supervisors than staff. In addition, most of these supervisors do not fully meet the civil service supervisory requirements because they do not supervise enough staff. Some supervisors have no staff to supervise. Overall, OSB has the monetary tools to provide adequate services, but it may not have the most efficient organization in terms of ratio of supervisors to subordinates. Our findings are as follows.

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### OSB's Maintenance and Repair Funding Meets a Nationally Recommended and Industry-Accepted Guideline

The Federal Facilities Council and other facility management experts recommend that to properly maintain and repair a substantial inventory of facilities, annual maintenance and repair funding should be 2% to 4% of the aggregate current replacement value (CRV) of those facilities.<sup>2</sup> The failure to properly maintain and repair facilities leads to a backlog of maintenance and eventually (sometimes years later) code, structural, service and safety failures. Officials with Utah and Arkansas's facility management departments told us they agreed with this guideline. Utah is recognized by the Federal General Services Administration and other states responding to our survey as employing "best practices."

**OSB's funding meets the guideline for fiscal year 2003.** As shown in Exhibit 4 on the following page, OSB's maintenance and repair spending was \$8,418,033 for fiscal year 2003 or 2.33% of the current replacement value of OSB-managed facilities. In addition, for fiscal year 2004, OSB's current budget for maintenance and repairs services also falls well within these guidelines. As shown in Exhibit 4, OSB budgeted \$11,153,370 or 2.52% of the current replacement value of OSB-managed facilities for maintenance and repair spending.

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<sup>2</sup> "Current Replacement Value" is defined as the amount in current dollars it would cost to duplicate the facility or facilities.



<b>Exhibit 4</b>			
<b>Comparison of OSB's Maintenance and Repair (M&amp;R) Funding to Guideline Fiscal Years 2003 and 2004</b>			
<b>OSB Facilities' Aggregate CRV During Fiscal Year</b>	<b>Minimum Recommended Funding Based on Guideline @ 2%</b>	<b>*OSB M&amp;R Funding During Fiscal Year</b>	<b>M&amp;R Funding as a Percentage of OSB Facilities' CRV</b>
<b>Fiscal Year 2003 (actual expenditures)</b>			
\$361,984,181**	\$7,239,684	\$8,418,033	2.33%
<b>Fiscal Year 2004 (current budget)</b>			
\$442,712,273	\$8,854,245	\$11,153,370	2.52%
<p>*According to the Federal Facilities Council, not all budget items for a facility management department are included in the maintenance and repair budget to make this comparison. Items usually included in M&amp;R budgets are preventive maintenance and repairs, programmed major maintenance, predictive testing and inspection, routine and emergency service calls, and replacement of obsolete items. Items usually not included in M&amp;R budgets are custodial work, pest control, waste removal, grounds care/landscaping, security, fire protection, snow removal, environmental operations, recordkeeping, support of special events, and non-M&amp;R service requests. We have adjusted OSB's total expenditures, accordingly.</p> <p>** Does not include the following buildings opened after June 30, 2003: Livingston, New Supreme Court, and Galvez.</p> <p><b>Source:</b> Prepared by legislative auditor's staff using information from OSB and the Office of Risk Management.</p>			

**Recommendation 1:** OSB should use the 2% to 4% guideline as a performance indicator to determine if funding is adequate to properly maintain state facilities and to head off any future maintenance and repair costs.

**Management's Response:** The DOA agrees that the 2% to 4% guideline should be a minimum standard for funding ordinary maintenance and repairs. However, management does not concur that the guideline should be used as a performance measure since funding levels are a function of legislative appropriation. (See Appendix E for management's full response.)

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**When Compared to Seven States' Facility Management Departments, Most of Which Are Considered Best Practice States, OSB's Total Costs (per square foot) Are Close to the Median**

In fiscal year 2003, OSB ranked fourth among the eight states' facility management departments in its total costs to operate and maintain its facilities. Exhibit 5 shows how OSB's cost per square foot, without security services, was \$5.78. The costs per square foot among the eight states averaged \$5.60 or 3.2% less than OSB's cost, while the median was \$5.70 or only 1.4% less than OSB's cost.



<b>Exhibit 5 Comparison of Costs (per Square Foot) Fiscal Year 2003</b>			
<b>State (Ranked by Costs Per Square Foot)</b>	<b>Total Expenditures Without Security Costs*</b>	<b>**Total Rentable Square Footage</b>	<b>Cost Per Square Foot Without Security Costs</b>
<b>Oregon</b>	\$15,487,156	2,253,348	\$6.87
<b>Arkansas</b>	5,797,081	867,960	6.68
<b>North Carolina</b>	21,090,000	3,494,053	6.04
<b>Louisiana***</b>	16,058,731	2,777,240	5.78
<b>Texas</b>	25,059,061	4,468,922	5.61
<b>New Mexico</b>	4,668,984	904,842	5.16
<b>Missouri</b>	15,337,976	3,082,170	4.98
<b>Utah</b>	17,423,410	4,727,838	3.69
<b>Average</b>	<b>\$15,115,300</b>	<b>2,822,047</b>	<b>\$5.60</b>
<b>Median</b>	<b>\$15,772,944</b>	<b>2,929,705</b>	<b>\$5.70</b>
<p>*Some of the states do not include security services within their scope. Therefore, we excluded security costs from the states that do include it within their scope to obtain a like comparison.  **We also excluded enclosed garages to be consistent with the International Facility Management Association's (IFMA) definition of rentable square footage.  ***We did not include in Louisiana's calculation the cost or square footage for the buildings not opened in fiscal year 2003, enclosed garages, and vacated buildings during fiscal year 2003.  <b>Source:</b> Created by legislative auditor's staff using financial information from DOA's ISIS and Cost Allocation Analysis for fiscal year 2003 and the other states' facility management departments. We did not audit the other states' data.</p>			

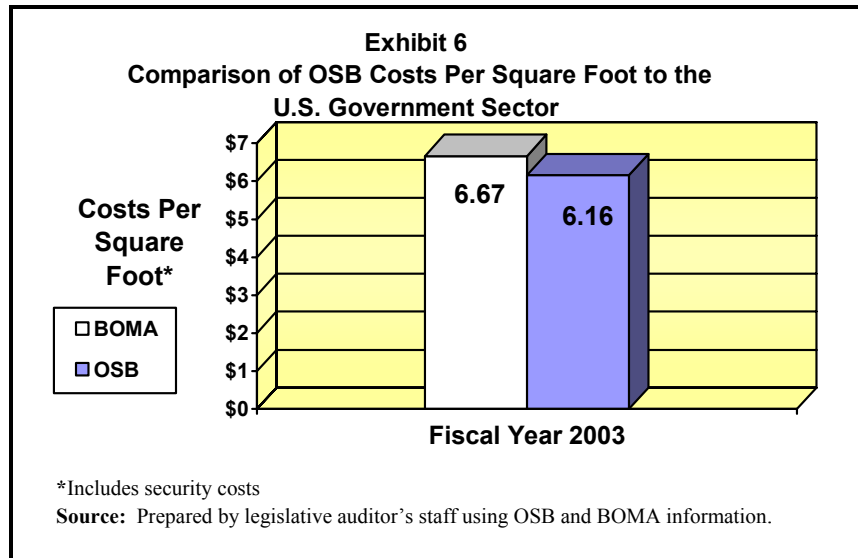
### **OSB's Cost (per square foot) Is Lower Than the U. S. Government Sector But Higher Than the Louisiana Private Market for Buildings Located in Major Regions of the State**

OSB's cost per square foot is lower than the Building Owners and Managers Association's (BOMA) 2003 survey of all buildings in the U.S. Government sector. BOMA is an association of building owners, managers, developers, facilities managers, and others in the commercial real estate industry that promotes excellence in the industry through information, education and recognition and provides recognized industry standards and research.<sup>3</sup> As shown in Exhibit 6 on the following page, OSB's total operating costs per square foot, including security, was \$6.16 for fiscal year 2003. BOMA's 2003 survey of all buildings in the U.S. Government sector shows costs of \$6.67 per square foot or 7.6% higher than OSB's cost.

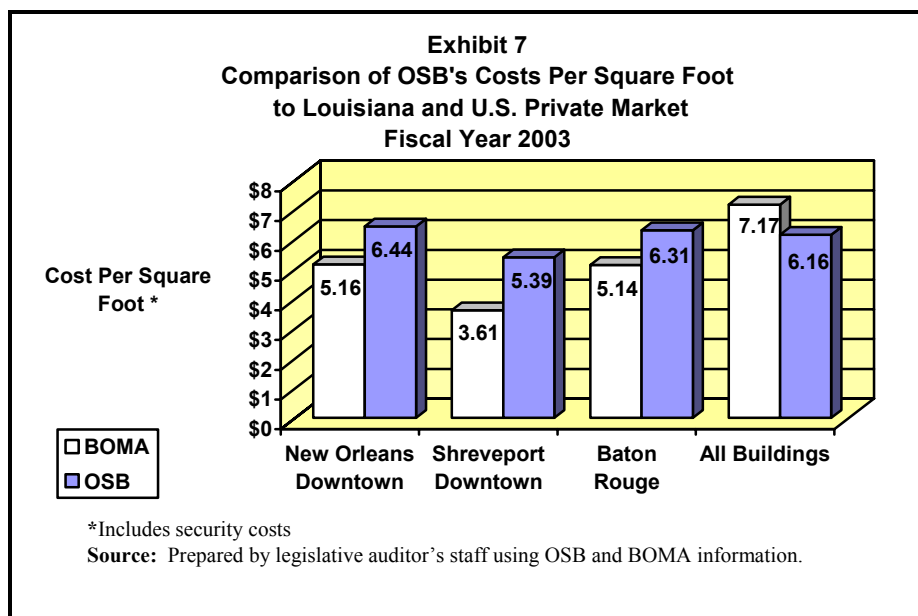
<sup>3</sup> See Appendix A for details on BOMA's survey and our methodology.



DIVISION OF ADMINISTRATION -  
OFFICE OF STATE BUILDINGS



As shown in Exhibit 7, OSB's cost per square foot for all state buildings in Louisiana is lower than the BOMA 2003 survey of all buildings in the U.S. private market. However, Louisiana private market cost per square foot for buildings located in major regions of the state as reported by BOMA is less than OSB's total operating costs per square foot for fiscal year 2003. OSB's operating cost per square foot was \$1.28 higher for the New Orleans downtown region, \$1.78 higher for the Shreveport downtown region, and \$1.17 higher for the Baton Rouge region.



OSB officials said that they have recently obtained the BOMA survey to make these comparisons. However, these officials said they felt that it is unfair to compare government sector costs to private sector costs because OSB has less control over issues such as utility costs than its counterparts in the private sector. However,



at least three of the states (Utah, Missouri, and New Mexico) we reviewed compare their costs to the BOMA's private sector cost to show their cost-effectiveness.

**Recommendation 2:** OSB should lower its costs (per square foot) so that it is comparable with other state facility management departments and industry standards by increasing its efficiency, as recommended in the other sections of this report.

**Management's Response:** The DOA partially agrees with this recommendation. Although the costs per square foot for OSB is currently under the national average of both national and governmental facilities, management will continue to strive to adopt best practices from other states and private entities to reduce its costs. (See Appendix E for management's full response.)

**Recommendation 3:** OSB should expand its efforts to measure its costs by comparing itself to other state facility management departments and to Louisiana's private market.

**Management's Response:** The DOA partially agrees with this recommendation. Management feels that it is not accurate or fair to compare governmental sector facilities to private sector facilities. However, management will use the private sector comparison for informational purposes. (See Appendix E for management's full response.)

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### **OSB's Organizational Structure Needs Improvement to Facilitate Its Efficiency**

**OSB manager to staff ratio for its maintenance and repairs services are close to the median when compared to the other seven state facility management departments we reviewed.** Overall, OSB has one manager for every nine staff members. However, the average among the eight states is one manager for every 12 staff members and the median is one manager for every 10 staff members. Exhibit 8 on the following page shows a comparison of OSB's manager to staff ratio to the ratios of the other states.



DIVISION OF ADMINISTRATION -  
OFFICE OF STATE BUILDINGS

Exhibit 8 Maintenance and Repair (M&R) Manager to Staff Ratio Comparison As of October 2003				
State (Ranked by Staff to Manager Ratio)	Total Number of Employees	*Total Number of M&R Employees	*Total Number of M&R Managers	Amount of Staff Per 1 Manager
New Mexico	112	39	5	7
Utah	121	80	9	8
Oregon	153	62	6	9
Louisiana	136	97	10	9
Arkansas	47	35	3	11
Texas	77	52	3	16
Missouri	210	126	7	17
North Carolina	175	90	5	17
<b>Average</b>	<b>129</b>	<b>73</b>	<b>6</b>	<b>12</b>
<b>Median</b>	<b>129</b>	<b>71</b>	<b>6</b>	<b>10</b>

\*For OSB, we defined manager to mean those employees with a position title of Facility Maintenance Manager 1, 2, 3, or 4. This position has oversight for the construction, maintenance, and repair activities of a facility and supervises superintendents, foremen, and other subordinate positions. For the other states, we included manager/coordinator positions that are in between director and supervisor positions. In addition, this summary does not include administrative, security, grounds, or engineering/drafting managers/staff.

**Source:** Figures were calculated by legislative auditor's staff based on states' organizational charts. Information provided to audit staff by states, except for Louisiana, has not been audited.

Our comparison of the organizational chart and civil service position descriptions also shows that OSB has more managers and supervisors than subordinates to operate and maintain its buildings. Exhibit 9 shows the number and percentage of manager/supervisory staff to subordinates. The Architectural and Mechanical divisions that perform maintenance and repairs have approximately a 2:1 ratio of manager/supervisors to other staff and the Electrical Division has nearly a 1:2 ratio of manager/supervisors to other staff. All of the Operations Division personnel have supervisory duties when compared to the civil service position descriptions.

Exhibit 9 Percentage of OSB's Supervisory Personnel As of October 2003					
Division	Manager	Supervisor	Other Staff	Totals	Percentage Supervisory
Architectural	2	9	5	16	69%
Electrical	2	2	6	10	40%
Mechanical	2	17	9	28	68%
Operations	4	39	0	43	100%
<b>Totals</b>	<b>10</b>	<b>67</b>	<b>20</b>	<b>97</b>	<b>79%</b>

**Source:** Prepared by legislative auditor's staff based on OSB's organizational chart and civil service position descriptions. The Grounds, Administration, and Security divisions are not included because the staff in these divisions do not respond to building maintenance and repair requests.



In addition, many of the personnel that have supervisory duties do not fully meet civil service supervisory requirements. We analyzed the civil service position descriptions and found that almost three-quarters of the positions on the organizational chart are inconsistent with the civil service position descriptions, relating to the function of work and supervisory requirements as shown in Exhibit 10.

The following are some examples of how the civil service supervisory requirements are not consistent with the organization chart.

<b>Exhibit 10</b> <b>Summary of Staff Not Meeting Civil Service Supervisory Requirements</b> <b>As of October 2003</b>			
Division	Total Number of Managers and Supervisors in Division	Number Not Meeting Supervisory Requirements	Percentage Not Meeting Supervisory Requirements
Architectural	11	3	27%
Electrical	4	2	50%
Mechanical	19	8	42%
Operations	43	43	100%
<b>Totals</b>	<b>77</b>	<b>56</b>	<b>73%</b>

**Source:** Prepared by legislative auditor's staff based on a comparison of OSB's position titles, as shown on the organization chart, to the civil service position descriptions. The Grounds, Administration, and Security divisions are not included because the staff in these divisions do not respond to building maintenance and repair requests.

- In the Operations Division, there are 19 maintenance repair masters in addition to 12 foremen, 8 superintendents, and 4 managers. The supervisory requirement indicates that the maintenance repair master position is the lead worker over at least two subordinates. However, according to the organization chart, the individuals in this position do not oversee anyone.
- In the Architectural Division, the three paint master positions are required to be the lead worker over painters and apprentices. However, according to the organization chart, only one painter and one apprentice are in that division. Therefore, at least one paint master position does not oversee anyone.
- In the Mechanical Division, there is one mobile equipment master mechanic leader. The supervisory and function of work requirements say that this position is the lead worker over at least two subordinate mobile equipment master mechanics and lower level mechanics or helpers. However, this position does not supervise anyone.

In addition, each division's facility maintenance manager and facility assistant maintenance manager position(s) do not meet the staffing and building requirements specified in the civil service position descriptions posted on the Internet. For example, the requirements state that the facility maintenance manager 4 position should manage 110 buildings and 120 employees. However, OSB only manages 42 buildings (as of October 2003) and employs 136 employees of which 24 are administrative (15) and security (9) staff that are really not part of the operations and maintenance staff. The four divisions (Operations, Electrical, Mechanical, and Architectural) each have one facility manager 4 position. Therefore, no one division can oversee the 120 or more staff required.

According to OSB officials, they have different job descriptions than what is posted on the Internet. The Internet descriptions are more generic. We reviewed OSB's job descriptions for the facility maintenance manager 4 position. We found that OSB's position description for a facility maintenance manager 4 is more accurate and detailed than the position description on the Internet. However, according to officials with Civil Service and the DOA's Office of Human Resources (OHR), the job description on the Internet is used for pay determination. An official with OHR also said that the Internet descriptions need to be updated.

The disproportionate number of middle managers may be hampering OSB's efficiency. Two tenants we interviewed said that they had to go through several levels of bureaucracy and chain of command for some services.



## DIVISION OF ADMINISTRATION - OFFICE OF STATE BUILDINGS

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One tenant told us that from his experiences there were not enough craft persons to fix all the repairs. Three tenants mentioned that there is often a delay between the time a technician will respond to a problem and the time a crafts person arrives to repair the problem.

OSB officials stated that the reason for so many managers is that the foremen are “working foremen” because they work with the technicians (i.e., other staff). One official also stated that superintendents are the go betweens and the assistant managers are also over the contractors for services, such as custodial, pest control, and the electronic security system. In addition, the OSB officials agreed the civil service positions descriptions are outdated. One official stated that the previous OSB superintendent created the policy of putting maintenance foremen, who were not a master of crafts, in each building. The official said that over time, as these individuals retire or leave, OSB is filling the position with a lower position or not filling the position.

**Recommendation 4:** OSB should review its organizational structure and either reallocate positions or update civil service job descriptions to help improve its efficiency.

**Management’s Response:** The DOA agrees with this recommendation and has directed OSB to work with Civil Service to update its job descriptions. (See Appendix E for management’s full response.)





## Is OSB Properly Managing and Performing Its Services?

We could not determine if OSB has effectively managed its work control activities to ensure that its services have met customer needs and preserved the state’s assets. OSB’s work order data are not reliable, which limits our ability to determine if OSB is doing a good job. During our audit, we identified several deficiencies caused by a lack of management control over OSB’s work control methods relating to data integrity, process controls, and record-keeping practices. Other deficiencies were caused by inadequate technology and computer support.

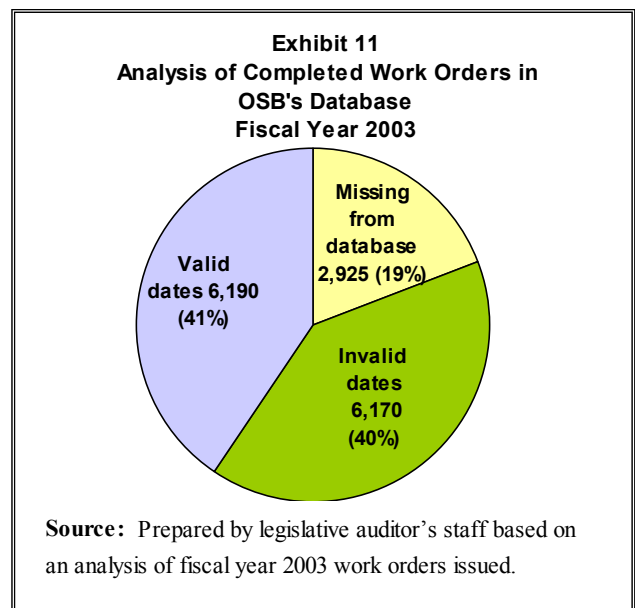
The facilities OSB manages represent a significant investment of tax dollars with a total aggregate replacement value of \$442 million. Also, at least 12 of these facilities are less than seven years old. Therefore, it is important to protect that investment by ensuring that operations, maintenance, and repair of such facilities are implemented efficiently and effectively. In addition, according to our research, effective operations, maintenance, and repair are important in supporting the missions of the state agencies housed in the facilities. A lack of an effective program could result in the disruption of services when breakdowns occur and in higher costs if minor problems escalate into major repairs as a result of deferred maintenance. Although OSB is in the process of implementing a new work order system to better manage its work control activities, it is important that OSB management ensure that its deficiencies are addressed by implementing the recommendations herein. Based on OSB’s response to this report, it concurs with all of the findings in this section and has taken the initiative to make or propose changes to address the findings and recommendations.

### Reliable Data Are Needed to Determine the Efficiency of OSB’s Work Control Methods

Over half of the 15,285 work orders OSB completed in fiscal year 2003 were either missing from OSB’s database or contained invalid request or completion dates in the database. Only 41% of the completed work orders had valid dates in the database. Exhibit 11 summarizes the results of our analysis of request and completion dates in OSB’s database.

**Missing Work Orders.** The database is designed to generate work order numbers in chronological order for each region/sector. We determined that 2,925 (19%) of the work orders were missing from the database for the 2003 fiscal year. We found evidence during our work order test that these work orders actually existed. According to staff with DOA’s Office of Information Services (OIS), there was a computer failure during fiscal year 2003 and these missing records could not be recovered from the backup files. The OIS staff was not sure why the records could not be recovered. This situation indicates a weakness in backup and recovery procedures for this system.

**Work Orders With Invalid Dates:** Most of the work orders with invalid dates showed that the work order



was requested after the work was completed. These errors occurred because some tenants request services directly from the OSB workers instead of going through the formal process of notifying OSB's work control center. In these instances, the OSB worker completes the work and then puts in the official request for a work order number. As a result, the work is completed before the work order number is created. During our audit, OSB management issued a letter that required tenants and technicians to call the work control center to obtain a work order before work commences. However, OSB officials told us that the tenants are not always following the procedure.

In addition, we found that OSB closed some work orders without recording a valid completion date. We determined that most of these work orders were closed because the work orders were voided or cancelled. However, OSB did not have a way to cancel these work orders without including them in the database as a valid work order. Other work orders should have been entered into the database but were not. Without information as to who completed the work order, the date the work order was completed, and the number of hours it took to complete the work order, OSB cannot track worker productivity. We could not determine why the remaining work orders were closed because there was no evidence relating to the work order closure.

**Recommendation 5:** OSB should ensure that the request date input into the work order database is accurate. Ensuring an accurate request date can be accomplished by enforcing the requirement that all tenants and maintenance workers request a work order before work begins.

**Management's Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. (See Appendix E for management's full response.)

**Recommendation 6:** OSB should develop a method to void work orders so that they do not appear as valid work orders.

**Management's Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. (See Appendix E for management's full response.)

**Recommendation 7:** DOA - Office of Information Services (OIS) should ensure that adequate backup and recovery procedures are developed and implemented for OSB's database.

**Management's Response:** The DOA agrees with this recommendation. Management has directed OIS to automate backup and recovery procedures. (See Appendix E for management's full response.)

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### **Stronger Controls Would Increase Data Reliability and Help to Monitor Efficiency**

As mentioned previously, only 41% of completed work orders for fiscal year 2003 had valid request and completion dates. Even though these work orders had valid dates, we found that they had many other types of errors. These errors occurred because OSB does not have written policies and procedures to document its work



flow and to review the database for accuracy and completeness. In addition, there is no documentation on how to operate or maintain the database.

**OSB had not accurately updated the database for some work orders.** Our test of 31 work orders found discrepancies between the database and the actual work order in four critical fields relating to work order completion for 11 (35%) of the 31 work orders. These fields included the craft conducting the work, the date the work was done, the name of the technician(s) that completed the work, and the number of hours it took the technician(s) to complete the work.

Besides the lack of written policies and procedures for ensuring the accuracy of the database, these data entry errors and those mentioned in the previous section could also be due to how management has delegated the work control center's responsibilities. We observed that the work control center is staffed with three clerical positions. In addition, to generating, prioritizing, and closing work orders on the database, which totaled 18,362 for fiscal year 2003 (an average of 6,100 per person or 24 per work day), each staff person has been delegated time-keeping responsibilities for certain OSB divisions. The supervisor in the work control center is also tasked with accounting for special projects and the warehouse inventory, communicating with the tenants, and any other task that may be needed. This organization may not be the most efficient for the work control center to ensure that all work order data are accurately updated on the database.

**Some work orders include administrative tasks.** One of the 31 orders that we selected to review did not relate to maintenance and repair but instead related to administrative duties. Some foremen told us that everything they do is recorded on a work order; whereas, other foreman told us administrative tasks do not need a work order. During our other analysis of the database, we also found other instances of these types of work orders. In fact, one work order's task description was "vacation." An OSB official could not determine why this work order had been generated. This inconsistency could be due to OSB not establishing written procedures to define what tasks should have a work order number and how the maintenance workers should account for all their time.

**OSB's database does not have documentation for users that describes how it is operated and maintained.** OSB officials said that they felt that documentation was not necessary because the system was self-explanatory. Documentation is critical for a well-controlled system because it defines the systems and procedures for performing data processing tasks. OSB's lack of documentation and knowledge of the system made it difficult for us to determine the origin and purpose of some fields in the database.

For example, we observed that OSB personnel did not use many of the available fields in the database and did not know the purpose for these fields. During our review of the 31 work orders, we noted that the completion date field is misleading. The computer program automatically generates the completion date when OSB closes the work order on the database. However, the completion date does not represent the date that OSB personnel completed the work order, but equals the date OSB closed the work order on the database, which could be much later. Therefore, the completion date information is not the actual date in which the work order was completed. Another field, the work order date, is the actual date in which the work order was completed. OSB personnel were not aware of the difference.

In addition, without a database users' manual, a lack of continuity may exist if staffing changes occur in the future. An OSB official told us that the new work order database system's software vendor provided training and a users' manual during the spring of 2004 that OSB can use to develop its own procedures.

**Best Practices in Other States.** Two of seven states maintenance and operations departments that we interviewed said they keep written policies and procedures that relate to the flow of work and associated documentation. Utah maintains its procedures on its Web site. The federal General Services Administration has



recognized Utah for its best practices relating to facility management. It is extremely important that work flow be properly established. Proper work flow ensures that 90% to 97% of the facilities department's work is handled routinely without managerial intervention. In addition, four of the seven states' facility management departments that we interviewed said they have a users' manual for their work order database.

**Recommendation 8:** OSB should formally document its work flow process related to work orders for maintenance, repair, and construction in the form of policies and procedures. OSB should then provide training to its employees related to these policies and procedures. These policies and procedures should include procedures to ensure that work orders are consistently issued and accurately updated in the database when completed.

**Management's Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. (See Appendix E for management's full response.)

**Recommendation 9:** OSB should review the work control center's organization to determine if its responsibilities are efficiently organized so that the work order database can be relied upon.

**Management's Response:** The DOA agrees with this recommendation and has directed OSB to assign it the highest priority. (See Appendix E for management's full response.)

**Recommendation 10:** OSB should determine what types of work other than maintenance and repair it should allow to be included in work orders (such as administrative tasks). OSB should then formally document the decision and disseminate the information to all employees and enforce the decision when creating work orders.

**Management's Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. (See Appendix E for management's full response.)

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## Collecting Response Time Data for Work Orders Would Allow OSB to Track Its Efficiency

OSB's new database does not collect information on when it responded to a work order. In addition, OSB has not established standards for how long it should take to respond to or complete a work order. All seven state facility management departments we interviewed told us they collect work order response time and completion data to determine maintenance timeliness and efficiency. In addition, according to our research, a facility manager's primary goal should be to manage resources wisely by providing responsive, high-quality maintenance and repair services to all entities being supported. To accomplish this goal, the facility manager must establish well-defined procedures to ensure that all the elements of skills, tools, equipment, and materials are synchronized at the right time to satisfy the customer while controlling costs. These procedures should include using a priority system to schedule the work and clearly defining response and completion time. OSB does prioritize its work, as described in Appendix B. However, OSB has not defined formal criteria for response and completion time.



The summary in Exhibit 12 below is an example of some recommended criteria for response and completion time for each priority that we found during our research. We could not measure OSB’s performance against these criteria because, as previously mentioned, OSB’s database is not reliable and OSB does not collect data relating to response time.

<b>Exhibit 12</b> <b>Summary of Suggested Response Time Criteria</b> <b>Fiscal Year 2003</b>	
<b>Priority Category</b>	<b>Criteria</b> <i>(Auditor’s note: When more than one bullet is shown for a category, it signifies more than one source.)</i>
1 or emergency	<ul style="list-style-type: none"> <li>Responded to within 30 minutes to one hour (i.e., less than one day) and worked on continuously until the threat is removed.</li> </ul>
2 or urgent	<ul style="list-style-type: none"> <li>Responded to within one day and completed depending on the nature and complexity of task.</li> <li>Responded to starting from immediately up to 72 hours (3 days) depending on the availability of the workforce. Once started the work should continue until completed depending on the availability of the materials and parts.</li> </ul>
3 or routine	<ul style="list-style-type: none"> <li>Responded to within 3 days depending on the nature and complexity of the task, plus the number of priority 1 or 2 tasks, which are completed first.</li> <li>Completed within 7 calendar days.</li> </ul>
<b>Source:</b> Prepared by legislative auditor’s staff using information from Lewis, Bernard T., <i>Facility Manager’s Portable Handbook</i> , 2000 and Cotts, David G., <i>The Facility Management Handbook Second Edition</i> , 1999.	

**Recommendation 11:** OSB should modify its new database to collect response times for all work orders.

**Management’s Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. (See Appendix E for management’s full response.)

**Recommendation 12:** OSB should establish standards for work order response and completion times and monitor that such standards are being followed.

**Management’s Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. (See Appendix E for management’s full response.)

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## Ensuring Preventive Maintenance Work Is Completed Is Important in an Efficiently Managed Facility Department

In addition to the 15,285 completed work orders discussed on page 17, an additional 3,057 work orders recorded on OSB’s database for fiscal year 2003 may not have been completed as of our audit test date, September 2003. This number includes 2,866 (93%) preventive maintenance work orders, which was 43% of all preventive maintenance work orders generated. Our analysis is uncertain because OSB has not established procedures to verify that work orders are properly updated on the database when the work is completed. An OSB official told us



that with the new work order database supervisors will have access to the database to check to ensure that completed work orders are updated on the database.

An OSB official also told us that the workers may not have completed many of the preventive maintenance work orders. This situation may have occurred because the old system generated the work orders based on a schedule and management found it was not necessary to perform the maintenance work as often as the schedule required. For the new system's implementation, this official said that management is planning to let the workers in the buildings determine the preventive maintenance schedule. Approximately 22% (628) of the incomplete preventive maintenance work orders represent minor vehicle preventive maintenance, such as checking weekly the lights, oil, gasoline, fluids, and other vehicle components, which may not be required as often as scheduled. However, the remaining work orders (78%) related to major building system components, such as air handlers.

According to our research, the preventive maintenance cycle should be largely determined by each manufacturer's recommended maintenance frequency. A key component of a good preventive maintenance program is to recognize which major equipment components should be included. Record-keeping relating to preventive maintenance should consider repair histories, operations manuals, parts, and engineering data to plan and schedule preventive maintenance. Overall, preventive maintenance is important because it ultimately reduces the corrective maintenance work load. Preventive maintenance can be done more efficiently, at a lower cost, and on schedule, with a substantially decreased likelihood of interfering with an organization's program operations.

**Recommendation 13:** OSB should implement policies and procedures for supervisors to verify the status of their work orders on the database.

**Management's Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. (See Appendix E for management's full response.)

**Recommendation 14:** OSB should ensure that preventive maintenance schedules are properly determined and the associated work orders are carried out.

**Management's Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. (See Appendix E for management's full response.)

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## Improved Record-Keeping Practices Could Help Improve OSB's Efficiency and Effectiveness

OSB's record-keeping practices lack consistency and some records may not be needed. These weaknesses result from a lack of policies and procedures that describe what records should be kept, how the records should be periodically evaluated against each other, and how errors and omissions on the records should be corrected. Without such procedures, reports obtained from the records may not accurately present what they purport to display, critical decisions may be based upon erroneous information, and excessive costs may be incurred to maintain unnecessary records.





**OSB did not have an established procedure for retaining hard copies of all work orders.** Because OSB did not have any procedures in place to ensure the reliability of the information in the automated information system, we used the original hard copies of the work orders to test the system. However, we could not find 17 of 48 (35.4%) randomly selected work orders because OSB does not have procedures to ensure that work orders are consistently maintained. For example, we could not find any of the work orders in the Lafayette Regional office because the regional manager only keeps e-mailed work orders for the current fiscal year on his computer. He did not have any work orders for fiscal year 2003. Whereas, when we visited other divisions within OSB, the divisions maintained work orders for several years.

We made 20 trips and interviewed 17 OSB maintenance superintendents, foremen, or managers to find the remaining 31 work orders. We found work orders at only 10 of the 14 OSB buildings, offices, and/or shops visited. Many of the OSB employees had no systematic file of work orders. However, other OSB employees were organized and kept logs of work orders electronically and/or filed according to building location and/or year. In one case, a maintenance foreman had kept copies of the work orders at his home. OSB officials told us they have not established procedures for how the superintendents and foreman are to maintain the records.

For four of the sample work orders related to a contracted service for certain security equipment, the work control center threw away the work order, once the information was entered to the system. We were able to obtain the contractor's service ticket from the contractor to compare to the work order database. We found discrepancies between the database and the service ticket relating to the work order completion information. We could not determine if OSB had entered the wrong information to the system or if the contractor was putting incorrect information on OSB's work order because OSB does not keep the work orders relating to this contractor's services.

**In addition to the work orders and the database, many of the OSB divisions maintain at least four additional records related to the work order status.** OSB did not compare the various records to ensure they are consistent with each other. The records that each division maintains are similar in substance, but do vary in form to some degree. A properly managed work order system would not require this many records to be maintained to monitor work progress. Our research suggests that written work request forms should normally track the work from inception to completion. In addition, the work order system can provide accurate work load and scheduling projections and various other management reports that can be used to assess the effectiveness of the maintenance and preventive maintenance programs. OSB officials said that the new work order system will provide them with various management reports.

**OSB does not check time reports against the work order system.** One of the four records the various OSB divisions maintain is time reports. Within this category, five additional records are kept that document employee work hours and time allocation data. For six of 31 (19%) work orders, the time allocation report did not match the work order as to employee's work location for that date. For example, for one of the six work orders, the employee showed he was on leave on the time allocation sheet, but the work order shows he worked that day.

In addition, the number of hours on 70% (23) of the time allocation sheets did not agree to the work order database for the particular employee, date, and location. For 14 of 23 (61%) time allocation sheets, more hours were recorded on the time sheet than on the work order database. In total, the time sheet information included 94 (44%) more hours than the work order database.

An OSB official said that the supervisors and foremen were not checking their employees work orders. The new work order system will provide reports that should detect such errors, according to this official. Without an accurate accounting of the hours worked on each work order, OSB cannot determine the true cost of each job and, therefore, cannot monitor its cost-effectiveness.



**Recommendation 15:** OSB should develop a consistent method of maintaining hard copies of work orders and document the method in its policies and procedures.

**Management's Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. (See Appendix E for management's full response.)

**Recommendation 16:** OSB should review its record-keeping practices to determine if some records can be eliminated and if other records may be needed and to ensure consistency for records deemed necessary to maintain by periodically evaluating the records against each other and correcting errors and omissions detected.

**Management's Response:** The DOA agrees with this recommendation. Management has directed OSB to standardize and incorporate its practices into the formal policies and procedures that OSB is currently drafting. (See Appendix E for management's full response.)

**Recommendation 17:** OSB should provide its supervisors access to the OSB database for them to be able to view the status of their work orders. Allowing supervisors access to the database will help them to better manage work orders and may reduce the amount of additional record-keeping.

**Management's Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. (See Appendix E for management's full response.)





## Are Customers (Tenants) Satisfied With OSB's Services?

Although all the buildings' tenant contacts (i.e., customers) that we interviewed said they were fairly satisfied or satisfied with the maintenance services that OSB provides, most of the tenants did have some complaints about some aspect of OSB's services. During our audit, we identified several problems with OSB's operations and maintenance as it relates to certain matters of customer service, especially as it relates to communication. According to the administrative staff, OSB has never implemented a customer satisfaction program, which would enable the organization to obtain feedback for gauging maintenance work performance. According to our research, it is important that a facility management department establish a customer-focused operations and maintenance organization by developing and implementing a customer satisfaction program that ensures quality service. Five of the seven states we interviewed have such a program. Based on OSB's response to this report, it concurs with all of the findings in this section and has taken the initiative to make or propose changes to address the findings and recommendations.

### Cultivating a Customer-Focused Operations and Maintenance Organization Could Improve OSB's Effectiveness

**OSB's mission statement and other performance information do not include any customer service or satisfaction goals.** In the OSB Facilities Manual's "OSB Responsibilities to Tenants" section, there is discussion about providing prompt attention to tenant and visitor building needs or problems. However, this section only relates, in part, to customer service and OSB has not clearly defined customer satisfaction or service in the tenant manual or in its performance information. Whereas, five other states (Missouri, New Mexico, Oregon, Texas, and Utah) that we interviewed, especially New Mexico, have a well-developed customer service component in place. For example, the New Mexico Building Services Division conducted its first customer survey in the 1970s and operates under the state's Accountability and Government Act, which has a goal to obtain a 90% quality level of customer satisfaction.

*The mission of the Office of State Buildings is to provide for the operations, maintenance, and safety/security within and around all building facilities under Division of Administration jurisdiction.*

**Source:** OSB's Web site

In addition, the other two states (Arkansas and North Carolina) mention customer satisfaction in their performance information. According to our research, the effectiveness of a facility department is as perceived by the customer. Another source suggests using customer service programs to improve the image of the department. As discussed further in the next sections, we found these programs could include a survey for measuring OSB's performance and better communication with the tenants.

**Recommendation 18:** OSB should include some information related to customer satisfaction in its agency mission statement and/or other performance information (i.e., goals, objectives, performance indicators).

**Management's Response:** The DOA agrees with this recommendation. Management has directed OSB to include appropriate customer service objectives and performance indicators in its strategic plan and to address customer service issues in its policies and procedures. (See Appendix E for management's full response.)



**Measuring Customer (Tenant) Satisfaction Could Expand OSB’s Quality Control Procedures**

DOA and OSB officials said that there is no formal method in place to measure customers’ satisfaction with OSB’s operations and maintenance services. According to one OSB manager, the only method that is used to address customer problems is through an informal process where e-mailed complaints are used in staff performance appraisals. A DOA official told us that he felt the responses to customer surveys would not be constructive. However, OSB’s administrative staff agreed that they need to conduct a formal measure of tenant satisfaction.

Of the seven states we interviewed, five had some type of method for measuring customer satisfaction, as shown in Exhibit 13. See Appendix D for a copy of the customer survey that Missouri currently uses.

Researchers suggest that facility management use customer service evaluations to understand the satisfaction level of customers (tenants) and to ensure quality control. Without customer response, a facility management department cannot operate a successful program. Best practices data state that no one method will be universally successful. Methods of obtaining customer response could include surveys, response cards, e-mail, focus groups and individual conversations with supported managers. Research also suggests that the customer response program must change over time because any one method of measurement has a limited effectiveness cycle.

Exhibit 13 Summary of States and Their Method(s) of Measuring Customer Satisfaction For the Fiscal Year 2003		
State	Measures Customer Satisfaction	Method(s) Used
Arkansas	No	None
Missouri	Yes	Customer satisfaction survey administered every 18 months
New Mexico	Yes	Web-based customer satisfaction survey linked to the work order system
North Carolina	No	None
Oregon	Yes	Customer satisfaction survey
Texas	Yes	Information not available
Utah	Yes	Online customer service evaluation administered twice a year
Source: Compiled by legislative auditor’s staff using information from interviews conducted with other states.		

**Recommendation 19:** OSB should develop and implement a formal method to measure customer satisfaction. OSB could contact the states identified as using customer surveys in Exhibit 13 to help develop this method.

**Management’s Response:** The DOA agrees with this recommendation. Management has directed OSB to include appropriate customer service objectives and performance indicators in its strategic plan and to address customer service issues in its policies and procedures. (See Appendix E for management’s full response.)

**Legislative Auditor’s Additional Comment:** During our exit conference, OSB provided us with a draft of a customer survey that it is planning to implement.



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## **OSB Could Enhance Customer Satisfaction by Improving Its Methods of Communication With Customers (Tenants)**

Although most customers (tenants) that we interviewed said they were satisfied with OSB maintenance services, most did express concerns with OSB's lack of communication regarding those services. Most of the tenants' concerns dealt with the lack of communication from the work control center. As previously discussed, we observed that the work control center may not be efficiently organized to ensure that adequate feedback is provided to customers (tenants).

**OSB does not have an adequate feedback system in place to inform tenants of work order progress or completion.** OSB's Work Control Section is responsible for taking work order requests and closing work orders when they are completed, but there is no dialogue between this department and the building tenant contact throughout the work order process, as shown in the flowchart in Appendix B. As the primary interface between the customer and the organization, research shows that the work control center can significantly influence the facility management image. Providing feedback to customers is essential to develop the professional reputation of the department with the customers.

**Work Order Status.** Three out of four tenants interviewed expressed various concerns over the lack of feedback from OSB, in particular the Work Control Section, concerning work order status and/or completion. For example, two tenants informed us that at least on one occasion, it took the Work Control Section an extended period of time to respond to them concerning a request they had made. The tenants also told us that OSB often does not inform them of how long it will take them to begin and complete the repair work. However, in one case, we discovered that OSB did start communicating and giving feedback to one agency that recently moved into one of the new buildings. Based on our interview, these tenants seemed to be more satisfied with OSB's services.

**Tenant Meetings.** At least one building tenant contact we interviewed reported that he was unaware of OSB's tenant meetings. Another tenant contact told us that OSB has not conducted tenants' meetings in a while. However, an OSB building manager told us OSB holds quarterly meetings to serve as a vehicle for building tenants to voice their complaints, recommendations, or levels of satisfaction with OSB's maintenance services. These meetings are held mostly at the newer buildings in Baton Rouge and the out-of-town buildings. Therefore, tenants in older buildings in Baton Rouge may not be provided this method of communication. Research shows that a periodic group meeting with all customer contact employees can be instructional through the sharing of ideas and could be used to alleviate customer concerns.

**Changes in Policies and Procedures.** Customers (tenants) also often go uninformed of changes made in OSB's policies and procedures in addition to lacking the opportunity for making suggestions or providing input to make recommendations. Six of the seven building tenant contacts we interviewed mentioned that they were not aware of OSB's June 2003 tenant manual, which was published to provide tenants with instructions on requesting work orders, maintenance contact information, and other procedures. Also, two of the seven contacts interviewed said they would recommend that OSB improve the opportunity for tenants' input on decision-making. One research source states that customers are satisfied if they are informed.

**Best practices from other states show that feedback systems are in place.** Three of the seven states interviewed reported that work order information is either accessible on the Internet for their tenants' review or available on their department's Web site for customers to print for their records. Four states inform the tenants of when a work order is completed and thus, keep an open line of communication and feedback with their customers during the process, which indicates the significant value that is placed on customer satisfaction. One state, New Mexico, has a web-based work system linked to customer surveys that are automatically disseminated once a work



DIVISION OF ADMINISTRATION -  
OFFICE OF STATE BUILDINGS

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order is deemed complete. Other states, including Utah, Texas, and in most instances New Mexico (80% of the time), have web-accessible work orders in which building tenants can observe the status or progress of a work order.

**Recommendation 20:** OSB should develop and implement a method of feedback for its customers when providing maintenance work. Information obtained from a customer survey, as recommended previously, is one way for OSB to obtain some feedback.

**Management's Response:** The DOA agrees with this recommendation. Management has directed OSB to include appropriate customer service objectives and performance indicators in its strategic plan and to address customer service issues in its policies and procedures. (See Appendix E for management's full response.)

**Legislative Auditor's Additional Comment:** During our exit conference, we observed that OSB has re-assigned an employee to contact agencies for all closed work orders to determine their satisfaction levels.

**Recommendation 21:** OSB should ensure that Work Control center and maintenance employees that come in contact with customers on a daily basis are trained to provide information that customers should know. Also, if a tenant inquires about a service or has a question about OSB's policies and procedures, this employee should be well-informed and able to provide answers. As previously recommended, the work control center may need to be reorganized to be able to provide customers with adequate feedback and work order status.

**Management's Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. In addition, management will ensure that maintenance employees receive proper training. (See Appendix E for management's full response.)

**Recommendation 22:** OSB should maintain a reciprocal line of communication with all building tenants to ensure a foundation of customer relationships. Establishing a flow of communication between OSB and building tenants could include creating an electronic newsletter to inform agencies of operations and maintenance updates, sending e-mails to inform agencies of work order progress, and encouraging maintenance workers to frequently check for customer satisfaction.

**Management's Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. In addition, management will determine if OSB's Web site can be used to establish and enhance communication. (See Appendix E for management's full response.)

**Recommendation 23:** OSB should publicize its facilities manual more effectively and strongly encourage input among its building contacts.

**Management's Response:** The DOA agrees with this recommendation. Management addressed this issue in July 2004 with the implementation of the new work order system and is currently drafting formalized policies and procedures regarding this issue. In addition, management will determine if OSB's Web site can be used to establish and enhance communication. (See Appendix E for management's full response.)



## APPENDIX A: SCOPE AND METHODOLOGY

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. We followed the applicable generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Preliminary work on this audit began in August 2003.

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### Scope

This audit focused on the OSB's management activities for state fiscal year 2003. Specifically, we reviewed OSB's oversight in the following areas:

- Work control methods
- Customer satisfaction

We also reviewed how OSB's costs and organization compares to nationally recommended and industry accepted guidelines and similar facility management departments in other states. Some of these states have been recognized as best practice states.

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### Methodology

#### Work Control Methods

**To determine whether the OSB is properly managing and performing its services, we performed the following procedures:**

- Reviewed OSB's legal authority.
- Interviewed OSB management and staff regarding their work flow process and established policies and procedures.
- Obtained and analyzed OSB's work order database for the fiscal year 2003 to determine OSB's responsiveness and other information concerning work order completion.
- Randomly selected from OSB's work order database for the fiscal year 2003, 60 work orders from various strata for a detailed review and analysis to determine the reliability of the database information. The strata included 20 preventive maintenance work orders; 28 emergency, urgent, and routine work orders; and 12 work order numbers that were missing from the database.
- Interviewed OSB maintenance superintendents, foremen, or managers to obtain further information when we found insufficient information or other discrepancies relating to the sample of work orders.



## DIVISION OF ADMINISTRATION - OFFICE OF STATE BUILDINGS

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- Checked employee hours on time sheets allocated to OSB managed facilities against time allocation information on work orders and in the work order database to determine if the information on the two records was consistent.
- Researched current literature to find best practices information to use as criteria to evaluate OSB's work control methods. We used the books listed below and other data obtained through Internet researches:

Lewis, Bernard T., *Facility Manager's Portable Handbook*, 2000, McGraw-Hill.

Cotts, David G., *The Facility Management Handbook Second Edition*, 1999, AMACOM  
American Management Association.

- Interviewed similar facility operations and maintenance departments in seven other states to compare to Louisiana. These states included Arkansas, Missouri, New Mexico, North Carolina, Oregon, Texas, and Utah. The federal General Services Administration has recognized Missouri and Utah for best practices in this area. We selected the other states because of the quality of information on the state's Web site and other evidence that portrayed the state as a leader in the operations and maintenance management area.

### **Customer Satisfaction**

**To determine whether OSB's customers are satisfied with OSB's services, we performed the following procedures:**

- Interviewed DOA and OSB officials regarding their efforts relating to customer satisfaction.
- Interviewed seven randomly selected tenant building coordinators to obtain their experiences with OSB maintenance and operation services.
- Interviewed four randomly selected tenant building coordinators of OSB managed facilities concerning the process OSB used in completing specific work order requests the tenants made, and the tenants' general experiences with the maintenance and operation services of OSB.
- Researched current literature to find best practices information to use as criteria to evaluate OSB's customer satisfaction methods. We used the books listed previously and other data obtained through Internet researches.
- Interviewed similar facility operations and maintenance departments in seven other states to compare to Louisiana, as described above.

### **Comparison With Other States and Industry Benchmarks**

**To determine how OSB compares to industry standards and other similar states in terms of costs and other aspects, we performed the following procedures:**

- Gathered and reviewed with OSB information on the buildings it operates and maintains.





- Obtained and reviewed with OSB its budget and expenditure information from ISIS.
- Obtained and reviewed with OSB its organizational structure.
- Collected and reviewed the following benchmarking information to compare to OSB's performance:
  - International Facility Management Association, *Operations and Maintenance Benchmarks*, 2001.
  - Business Owners and Managers Association International, "2003 BOMA Experience Exchange Report," 2003.
- Gathered and reviewed the following technically developed guidelines relating to criteria for determining the budget for maintenance and repair activities:
  - The National Academies, Federal Facilities Council Standing Committee on Operations and Maintenance, *Budgeting for Facilities Maintenance and Repair Activities: Report Number 131*, The National Academies Press, 1996.
- Obtained and summarized the replacement values of OSB managed buildings from the Louisiana "Facility Management Program" (FM Program), (i.e., Statewide Facility Management System) and the Office of Risk Management.
- Compared the aggregate replacement values to the amount OSB budgeted for maintenance and repair services in fiscal year 2003 and fiscal year 2004 to determine if OSB's funding was within the federally developed and industry accepted guidelines.
- Interviewed similar facility operations and maintenance departments in seven other states to compare to Louisiana, as described above.
- Analyzed OSB's facilities operations and maintenance costs against the operations and maintenance costs for U.S. Government-sector buildings and Louisiana's private market facilities using the "2003 Building Owners and Managers Association (BOMA) Experience Exchange Report." This report is a survey of managers or owners of U.S. government-sector buildings and private-sector buildings in 118 cities in North America for 2002. BOMA's report also breaks down the cities into downtown and suburban areas and provides the average total operating and fixed expenses for each.

BOMA suggests that users start with the regional city analysis because operating income and expenses for a given building are most affected by its locale. For Louisiana, only private-sector buildings located in New Orleans and Shreveport and U.S. Government buildings located in New Orleans provided surveys to BOMA. Thus, to obtain the private sector figure for Baton Rouge, we applied the cost-of-living index, as BOMA suggests. We then compared BOMA's regional average costs to OSB's regional costs for New Orleans, Shreveport, and Baton Rouge. To obtain OSB's regional costs, we used DOA - OFSS cost allocation analysis that shows costs allocated to each of the buildings located in these regions. We also compared OSB's cost to BOMA's national cross-tabulations for all private sector buildings surveyed. Because OSB does not have to pay real estate taxes on its buildings, we subtracted them from the expenses of the private-sector market.



## DIVISION OF ADMINISTRATION - OFFICE OF STATE BUILDINGS

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Because BOMA only surveys U.S. Government-sector buildings in New Orleans, we used BOMA's results of all buildings surveyed in the U.S. Government sector to compare to OSB's cost. We also excluded the costs (per square foot) of real estate taxes included on the BOMA survey because OSB does not pay real estate taxes.

- Used OSB's organization chart to compare position descriptions against the Department of Civil Service's work function and supervisory requirements for the Operations, Architectural, Electrical, and Mechanical divisions.





## APPENDIX B: OVERVIEW OF OSB'S WORK CONTROL PROCESS FISCAL YEAR 2003

OSB has established a work order process that all building tenants must follow to resolve maintenance problems. A flowchart of the work order process is shown on the next page.

**Opening a Work Order:** The work order process is initiated when a building tenant calls the statewide 1-800 number, the local access line, or sends an e-mail to OSB's Work Control Section to report a maintenance issue. Work Control manually records the specifics of the problem on a Work Order Request Form. If the problem is urgent or top priority, an employee in Work Control will notify the foreman in the appropriate division via radio of the maintenance assignment.

Work Control then inputs information, such as the problem, the time called, and the agency, into a computerized work order system. The work order receives a computer generated number that identifies it throughout the entire process. There are many data fields in the work order system that Work Control must complete, including the sector or division that will handle the maintenance issue, the type of work order (regular, project, or preventive maintenance<sup>4</sup>), and the location of the maintenance assignment. In addition, the computerized work order system is programmed to automatically generate preventive maintenance work orders that schedule service on a weekly, monthly, quarterly, or annual basis. Preventive maintenance work orders include specific instructions that explain the work needed to be done.

For each work order, Work Control also enters a priority number that is used to identify the severity of the maintenance problem. OSB has established three categories for prioritizing work.

- Priority 1: The problem needs immediate attention, such as an emergency.
- Priority 2: The problem needs immediate attention, but is not urgent.
- Priority 3: The problem is routine or preventive maintenance.

After Work Control enters all of the information into the computer, Work Control prints the work order and places it in boxes kept for each foreman in each division. The foreman or supervisor in each division checks his box to obtain the work orders. The foreman then disseminates the work order assignments to the technicians under his supervision.

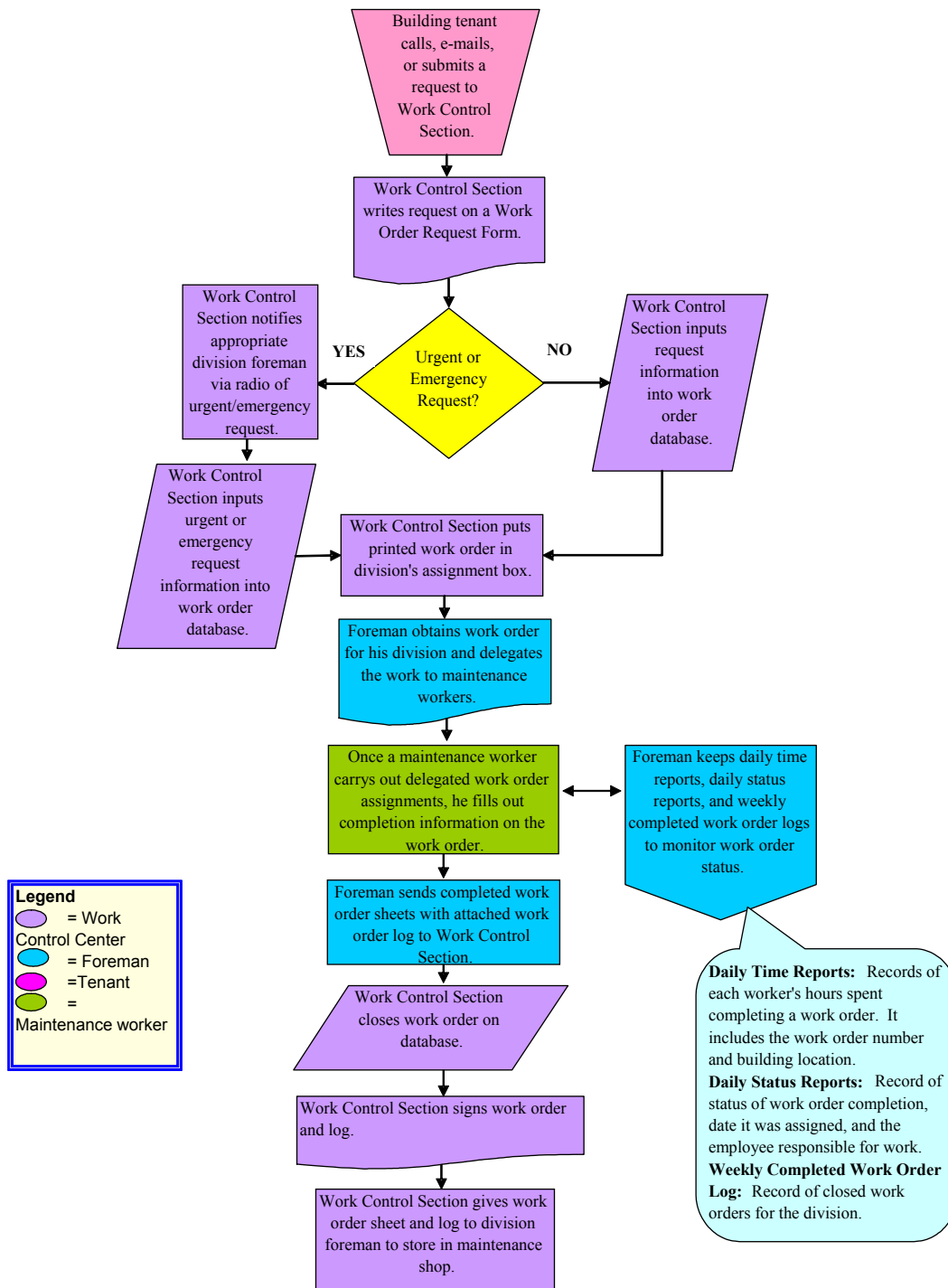
**Completing and Closing a Work Order:** Each technician completing the work orders, records on the work order his name, the number of hours it took to complete the work order, and the date(s) the work order was completed. When the work order is completed, the foreman, except for the Operations Division, will send to Work Control a weekly log listing all the completed work orders with the work orders attached. When the foreman has supplied complete information on the work order, Work Control will update each work order's status on the computer system to close the work order. Work Control signs the work order log and sends it with the original work orders to the division manager where it is stored in the craft shop. The Operations Division sends Work Control completed time reports and/or work orders to close the work orders. Work Control returns the time reports and/or closed work orders to the region/sector offices for storage after they have updated the database to close the work order.

<sup>4</sup> According to the International Facility Management Association, preventive maintenance are planned actions undertaken to retain an item at a specified level of performance by providing repetitive scheduled tasks which prolong system operation and useful life; i.e., inspection, cleaning, lubrication and part replacement.



DIVISION OF ADMINISTRATION -  
OFFICE OF STATE BUILDINGS

OSB's Work Order Process  
Fiscal Year 2003



Source: Created by legislative auditor's staff based on interviews with OSB.



**APPENDIX C: BUILDINGS UNDER OSB'S CONTROL  
AS OF OCTOBER 2003**

<b>Building Name and Address</b>	<b>Region or Sector</b>	<b>Age of Bldg. (Years) As of October 2003</b>	<b>Number of Occupants</b>	<b>Number of Floors</b>	<b>Total Rentable Area (S.F.)</b>	<b>Total Gross Area (S.F.)</b>	<b>Current Replacement Value</b>
<b>Alexandria S.O.B.</b> 900 Murray Street, Room E-102 Alexandria, LA 71301	Alex/Laf	32	277	2	70,747	73,470	\$6,025,824
<b>Arsenal</b> Capitol Drive Baton Rouge, LA 70804	1	168	1	1	2,681	3,895	\$479,686
<b>AZ Young Building</b> 755 Third Street Baton Rouge, LA 70804	3	48	585	5	76,261	81,727	\$8,989,719
<b>Baton Rouge S.O.B.</b> 150 Third Street Baton Rouge, LA 70801	4	77	192	13	85,115	96,945	\$9,387,335
<b>Brandywine III S.O.B.</b> 825 Kaliste Saloom, Suite 210 Lafayette, LA 70508	Alex/Laf	22	125	2	33,829	38,159	\$2,957,093
<b>Brandywine VI S.O.B.</b> 825 Kaliste Saloom, Suite 210 Lafayette, LA 70508	Alex/Laf	22	400	3	47,812	53,772	\$4,234,674
<b>Capitol Annex</b> 1051 North Third Street Baton Rouge, LA 70804	1	66	336	7	127,553	142,777	\$16,708,761
<b>Central Plant - North</b> 1825 North Third Sreet Baton Rouge, LA 70804	2	1	12	2	20,830	22,505	\$5,250,329



DIVISION OF ADMINISTRATION -  
OFFICE OF STATE BUILDINGS

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<b>Building Name and Address</b>	<b>Region or Sector</b>	<b>Age of Bldg. (Years) As of October 2003</b>	<b>Number of Occupants</b>	<b>Number of Floors</b>	<b>Total Rentable Area (S.F.)</b>	<b>Total Gross Area (S.F.)</b>	<b>Current Replacement Value</b>
<b>Central Plant - South</b> 602 North River Road Baton Rouge, LA 70804	5	6	14	2	20,830	22,500	\$836,550
<b>Champion Building A</b> 4615 Government Street Baton Rouge, LA 70806	4	43	30	2	14,898	17,881	\$1,666,586
<b>Champion Building B</b> 4615 Government Street Baton Rouge, LA 70806	4	43	135	2	38,248	40,272	\$2,239,315
<b>Claiborne Garage</b> 1201 North Third Street Baton Rouge, LA 70802	2	1	0	4	419,543	430,138	\$17,363,017
<b>Clairborne Building</b> 1201 North Third Street Baton Rouge, LA 70802	2	1	1,667	8	452,777	498,766	\$43,224,901
<b>First Circuit Court of Appeals Building</b> 1600 North Third Street Baton Rouge, LA 70804	2	9	170	4	68,898	75,349	\$7,267,700
<b>Galvez Building</b> 602 North Fifth Street Baton Rouge, LA 70804	3	0	1,300	13	329,957	380,000	\$28,251,666
<b>Galvez Garage</b> 504 North Fifth Street Baton Rouge, LA 70804	3	1	0	7	586,000	600,000	\$16,585,423
<b>Governor's Mansion</b> 1001 Capitol Access Road Baton Rouge, LA 70804	2	41	26	4	21,558	26,638	\$4,244,230



BUILDINGS UNDER OSB'S CONTROL

<b>Building Name and Address</b>	<b>Region or Sector</b>	<b>Age of Bldg. (Years) As of October 2003</b>	<b>Number of Occupants</b>	<b>Number of Floors</b>	<b>Total Rentable Area (S.F.)</b>	<b>Total Gross Area (S.F.)</b>	<b>Current Replacement Value</b>
<b>Harvey State Office Building</b> 2150 W. Bank Harvey, LA 70058	N.O.	25	405	7	118,733	125,720	\$12,720,437
<b>Information Services Building</b> 1800 North Third Street Baton Rouge, LA 70802	2	6	76	2	59,336	60,863	\$5,206,752
<b>Jordan Street Building</b> 960 Jordan Street Shreveport, LA 71101	Shrev/ Monroe	37	16	1	2,849	3,041	\$249,019
<b>Livingston Building</b> 1885 North Third Street Baton Rouge, LA 70802	2	0	410	7	140,645	147,426	\$11,417,465
<b>LaSalle Building</b> 617 North Third Street Baton Rouge, LA 70804	3	2	1,152	12	317,391	364,699	\$33,310,643
<b>LaSalle Garage</b> 521 Third Street Baton Rouge, LA 70804	3	2	5	7	585,832	599,158	\$18,404,918
<b>Monroe S.O.B.</b> 122 St. John Street, Room 139 Monroe, LA 71201	Shrev/ Monroe	80	123	6	89,400	102,620	\$9,079,078
<b>New Orleans S.O.B.</b> 325 Loyola Avenue, Room 107 New Orleans, LA 70112	N.O.	45	646	9	144,853	173,826	\$11,205,337
<b>New Supreme Court Building</b> 400 Royal Street New Orleans, LA	N.O.	98	0	4	182,916	210,000	\$24,473,538



DIVISION OF ADMINISTRATION -  
OFFICE OF STATE BUILDINGS

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<b>Building Name and Address</b>	<b>Region or Sector</b>	<b>Age of Bldg. (Years) As of October 2003</b>	<b>Number of Occupants</b>	<b>Number of Floors</b>	<b>Total Rentable Area (S.F.)</b>	<b>Total Gross Area (S.F.)</b>	<b>Current Replacement Value</b>
<b>Office of State Buildings</b> 1928 North Third Street Baton Rouge, LA 70802	2	5	87	1	43,506	47,410	\$2,041,622
<b>Old Governor's Mansion</b> 502 North Boulevard Baton Rouge, LA 70802	4	76	10	4	19,061	22,474	\$5,399,536
<b>OSB Greenhouse</b> 1928 North Third Street Baton Rouge, LA 70802	2	5	0	1	866	1,200	\$30,000
<b>Pentagon Building "A"</b> 859 North Third Street Baton Rouge, LA 70804	1	184	15	2	10,345	12,114	\$1,774,404
<b>Pentagon Building "B"</b> 859 North Third Street Baton Rouge, LA 70804	1	184	10	2	7,234	8,872	\$1,383,335
<b>Pentagon Building "C"</b> 859 North Third Street Baton Rouge, LA 70804	1	184	13	2	6,793	8,472	\$1,418,805
<b>Pentagon Building "D"</b> 859 North Third Street Baton Rouge, LA 70804	1	184	15	2	10,850	12,568	\$1,819,902
<b>Pentagon Mech Building "1"</b> 859 North Third Street Baton Rouge, LA 70804	1	21	0	1	767	948	\$24,205



BUILDINGS UNDER OSB'S CONTROL

<b>Building Name and Address</b>	<b>Region or Sector</b>	<b>Age of Bldg. (Years) As of October 2003</b>	<b>Number of Occupants</b>	<b>Number of Floors</b>	<b>Total Rentable Area (S.F.)</b>	<b>Total Gross Area (S.F.)</b>	<b>Current Replacement Value</b>
<b>Pentagon Mech Building "2"</b> 859 North Third Street Baton Rouge, LA 70804	1	21	0	1	777	891	\$24,205
<b>Poydras Building</b> 702 North Third Street Baton Rouge, LA 70802	2	1	300	6	95,247	110,000	\$10,338,271
<b>Second Circuit Court of Appeals</b> 430 Fannin Street Shreveport, LA 71101	Shrev/ Monroe	17	68	3	33,004	37,169	\$5,508,484
<b>Shreveport S.O.B.</b> 1525 Fairfield Ave., Room 124 Shreveport, LA 71101	Shrev/ Monroe	63	408	12	182,746	210,622	\$22,399,009
<b>State Capitol</b> 1001 Capitol Drive Baton Rouge, LA 70804	1	71	478	34	278,833	298,391	\$59,387,675
<b>State Library Building</b> 701 North Fourth Street Baton Rouge, LA 70802	3	47	85	7	121,653	131,502	\$15,570,542
<b>State Supreme Court Building</b> 301 Loyola Avenue New Orleans, LA 70112	N.O.	45	104	3	64,007	68,269	\$4,464,924
<b>Wooddale S.O.B.</b> 1885 Wooddale Blvd. Baton Rouge, LA 70806	4	26	316	12	92,890	99,726	\$9,347,358
<b>Total</b>			<b>10,012</b>		<b>5,028,071</b>	<b>5,462,775</b>	<b>\$442,712,273</b>
<b>Average</b>		<b>48</b>	<b>238</b>	<b>5.45</b>	<b>119,716</b>	<b>130,066</b>	<b>\$10,540,768</b>
<b>Median</b>		<b>29</b>	<b>86</b>	<b>4.00</b>	<b>66,453</b>	<b>70,870</b>	<b>\$5,767,154</b>
<b>Source:</b> Compiled by legislative auditor's staff using information from the OSB, the Louisiana "Facility Management Program" (FM Program) that the Office of Facility Planning and Control maintains, and the Office of Risk Management.							







**APPENDIX D: EXAMPLE CUSTOMER SURVEY USED IN MISSOURI**

Office of Administration  
 Division of Facilities Management  
 301 W. High St., Rm 590  
 Jefferson City, MO 65101  
 (573) 751-2624

January, 2004

**SPRINGFIELD STATE OFFICE COMPLEX SURVEY**

The Division of Facilities Management values any comments you have about the services that are provided to your office. Please let us know your thoughts by completing and returning this assessment within 5 working days to Facilities Management, P.O. BOX 509 Harry S. Truman Building, Room 590, Jefferson City, MO 65102 or faxing it to: (573) 526-9821.

1. Maintenance	A-Excellent	B	C	D	E-Poor
Heating/Cooling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Restrooms/Plumbing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lighting/Electrical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doors/Windows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ceilings/Walls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Service Rating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments: \_\_\_\_\_  
 \_\_\_\_\_

2. Housekeeping	A-Excellent	B	C	D	E-Poor
Trash Pickup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Windows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Restrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Cleaning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Service Rating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments: \_\_\_\_\_  
 \_\_\_\_\_

3. Building Manager's Office	A-Excellent	B	C	D	E-Poor
Courtesy & Professionalism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Request Handled in a timely manner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telephone Etiquette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Service Rating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments: \_\_\_\_\_  
 \_\_\_\_\_

4. Security	A-Excellent	B	C	D	E-Poor
Courtesy & Professionalism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Response to Emergency Situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evacuation Procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Service Rating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments: \_\_\_\_\_  
 \_\_\_\_\_

Room/Floor #: \_\_\_\_\_ Agency: \_\_\_\_\_

Optional Information  
 Name: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: \_\_\_\_\_





**APPENDIX E: MANAGEMENT'S RESPONSE**







State of Louisiana  
DIVISION OF ADMINISTRATION  
OFFICE OF THE COMMISSIONER

Kathleen Babineaux Blanco  
GOVERNOR

Jerry Luke LeBlanc  
COMMISSIONER OF ADMINISTRATION

July 30, 2004

Mr. David K. Greer, CPA  
Performance Audit Director  
And Assistant Legislative Auditor  
1600 N. Third Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Greer:

I am in receipt of a revised draft of the performance audit report pertaining to the Division of Administration – Office of State Buildings. Before responding to the specifics of the report, I wanted to first thank you for the thoroughness of the audit team and the diligence used in conducting the audit. As Commissioner of Administration, I recognize the importance of a well organized, efficiently run Office of State Buildings. That office is responsible for providing well maintained, efficient operating, work environments for state agencies and state employees that can either be an asset, contributing to the fulfillment of those agency's strategic mission, goals and objectives or a hindrance to those efforts. I want the Office State Buildings to help state agencies fulfill their strategic plans by providing the highest quality, efficient operating and well maintained facilities. I want the Office of State Buildings (OSB) to maximize their efficiency and effectiveness in meeting these needs through a spirit of teamwork and a customer service attitude.

Please find following the requested responses to the recommendations made by the audit team.

RECOMMENDATION(S) (corresponding report draft page no.)	Agree	Partially Agree	Disagree	Comments
Recommendation 1: OSB should use the 2 to 4% guideline as a performance indicator to determine if funding is adequate to properly maintain state facilities and to head off any future maintenance and repair costs	Yes			OSB currently falls within this requirement. However, this should not be a performance measure for OSB since funding levels are a function of legislative appropriation. I agree that this should be the minimum standard of funding for ordinary maintenance and repairs of buildings otherwise, these repairs become deferred maintenance issues which cost more in the long term.

<p><b>Recommendation 2:</b> OSB should lower its costs per sq ft so that it is comparable with other state facility management departments and industry standards by increasing their efficiency, as recommended in other sections of this report.</p>		Partially Agree		<p>The costs per sq ft for OSB maintained facilities are currently under the national average of both governmental facilities and private facilities. OSB will continue to strive to reduce costs by adopting best practices from other states and private entities.</p>
<p><b>Recommendation 3:</b> OSB should expand their efforts to measure their costs by comparing themselves to other state facility management departments and to Louisiana's private market.</p>		Partially Agree		<p>We do not feel that comparing governmental sector facilities to private sector facilities is an accurate or fair comparison. While we will continue to use the private sector for informational purposes, the more accurate comparison should be against other state facilities.</p>
<p><b>Recommendation 4:</b> OSB should review its organizational structure and either reallocate positions or update civil service job descriptions to help improve its efficiency.</p>	Agree			<p>I have directed OSB to update their job descriptions with Civil Service to more accurately reflect duties, responsibilities and scope of work.</p>
<p><b>Recommendation 5:</b> OSB should ensure that the request date input into the work order database is accurate. This can be accomplished by enforcing the requirement that all tenants and maintenance workers request a work order before work begins.</p>	Agree			<p>As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures documentation which is currently being drafted by OSB.</p>
<p><b>Recommendation 6:</b> OSB should develop a method to void work orders so that they do not appear as valid work orders</p>	Agree			<p>As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures documentation which is currently being drafted by OSB.</p>

<p><b>Recommendation 7:</b> DOA-Office of Information Services should ensure that adequate backup and recovery procedures are developed and implemented for OSB's database.</p>	<p>Agree</p>			<p>I have directed OIS to implement this recommendation and if possible to make this back-up and recovery automatic to ensure that this is done on a regular basis</p>
<p><b>Recommendation 8:</b> OSB should formally document its workflow process related to work orders for maintenance, repair, and construction in the form of policies and procedures. OSB should then provide training to its employees related to these policies and procedures. These policies and procedures should include procedures to ensure that work orders are consistently issued and accurately updated in the database when completed.</p>	<p>Agree</p>			<p>As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures documentation which is currently being drafted by OSB.</p>
<p><b>Recommendation 9:</b> OSB should review the work control center's organization to determine if its responsibilities are efficiently organized so that the work order database can be relied upon.</p>	<p>Agree</p>			<p>OSB is currently reviewing the organization of the Work Control Section to establish a more effective and accountable work group. I have directed them to assign this the highest priority.</p>
<p><b>Recommendation 10:</b> OSB determine what types of work other than maintenance and repair it should allow to be included in work orders (such as administrative tasks). OSB should then formally document the decision and disseminate the information to all employees and enforce the decision when creating work orders.</p>	<p>Agree</p>			<p>As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures documentation which is currently being drafted by OSB.</p>
<p><b>Recommendation 11:</b> OSB should modify its new database to collect response and completion dates for all work orders</p>	<p>Agree</p>			<p>As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures documentation which is currently being drafted by OSB.</p>
<p><b>Recommendation 12:</b> OSB should establish standards for work order response and completion dates for all work orders.</p>	<p>Agree</p>			<p>As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures</p>



				documentation which is currently being drafted by OSB.
<b>Recommendation 13:</b> OSB should implement policies and procedures for supervisors to verify the status of their work orders on the database.	Agree			As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures documentation which is currently being drafted by OSB.
<b>Recommendation 14:</b> OSB should ensure that preventative maintenance schedules are properly determined and associated work orders are carried out	Agree			As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures documentation which is currently being drafted by OSB.
<b>Recommendation 15:</b> OSB should develop a consistent method of maintaining hard copies of work orders and document the method in its policies and procedures	Agree			As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures documentation which is currently being drafted by OSB.
<b>Recommendation 16:</b> OSB should review its record keeping practices to determine if there are some records that can be eliminated, if other records may be needed, and to ensure consistency for records deemed necessary to maintain by periodically evaluating the records against each other and correcting errors and omissions detected.	Agree			I have directed OSB to standardize and incorporate these practices into the policies and procedures revisions which are currently being formalized.
<b>Recommendation 17:</b> OSB should provide its supervisors access to the OSB database in order for them to be able to view status of their work orders. Allowing supervisors access to the database will help them to better manage work orders and may reduce the amount of additional record keeping.	Agree			As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures documentation which is currently being drafted by OSB.

<p><b>Recommendation 18:</b> OSB should include some information related to customer satisfaction in its agency mission statement and/or other performance information (i.e. goals, objectives, performance indicators).</p>	<p>Agree</p>			<p>I agree that customer satisfaction is a strong indication of efficient and effective operations. As such, I have directed OSB to focus on customer services by incorporating into their strategic plan appropriate customer service objectives and performance indicators. Customer service issues will also be included in the polices and procedures revisions currently being drafted.</p>
<p><b>Recommendation 19:</b> OSB should develop and implement a formal method to measure customer satisfaction. OSB could contact the states identified as using customer surveys in Exhibit 13 to develop this method.</p>	<p>Agree</p>			<p>I agree that customer satisfaction is a strong indication of efficient and effective operations. As such, I have directed OSB to focus on customer services by incorporating into their strategic plan appropriate customer service objectives and performance indicators. Customer service issues will also be included in the polices and procedures revisions currently being drafted.</p>
<p><b>Recommendation 20:</b> OSB should develop and implement a method of feedback for its customers when providing maintenance work. Information obtained from a customer survey, as recommended previously is one way for OSB to obtain some feedback.</p>	<p>Agree</p>			<p>I agree that customer satisfaction is a strong indication of efficient and effective operations. As such, I have directed OSB to focus on customer services by incorporating into their strategic plan appropriate customer service objectives and performance indicators. Customer service issues will also be included in the polices and procedures revisions currently being drafted.</p>
<p><b>Recommendation 21:</b> OSB should ensure that work control center and maintenance employees that come in contact with customers on a daily basis are trained to provide information that customers should know. Also, if a tenant inquires about a service or has a question about OSB's policies and procedures, this employee should be well informed and able to provide answers. As previously</p>	<p>Agree</p>			<p>As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the</p>

<p>recommended, the work control center may need to be reorganized to be able to provide customers with adequate feedback and work order status.</p>				<p>policies and procedures documentation which is currently being drafted by OSB. We will work to identify any additional training needs of the maintenance employees and work with CPTP to ensure they receive proper training.</p>
<p><b>Recommendation 22:</b> OSB should maintain a reciprocal line of communication with all building tenants in order to ensure a foundation of customer relationships. Establishing a flow of communication between OSB and building tenants could include creating an electronic newsletter to inform agencies of operations and maintenance updates, sending email to inform agencies of work progress and encouraging maintenance workers to frequently check for customer satisfaction.</p>	<p>Agree</p>			<p>As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures documentation which is currently being drafted by OSB. Additionally we will review the option of utilizing the OSB website to establish and enhance agency communications.</p>
<p><b>Recommendation 23:</b> OSB should publicize its facilities manual more effectively and strongly encourage input among its building contacts.</p>	<p>Agree</p>			<p>As a result of the implementation of the new work order system initiated in July 2004, this recommendation has been addressed and will be formalized in the policies and procedures documentation which is currently being drafted by OSB. Additionally we will review the option of utilizing the OSB website to establish and enhance agency communications.</p>

Mr. David Greer, CPA  
July 30, 2004  
Page 7

Once again, thank you for the professionalism of your staff and assistance provided to my office in conducting and providing this performance audit. The recommendations made will assist this office in developing changes to policies and procedures that will ultimately lead to a more effective and efficient Office of State Buildings. I welcome the input and look forward to implementing the recommendations outlined above.

Sincerely,



Jerry Luke LeBlanc  
Commissioner of Administration

cc Billy Wilson, Superintendent of State Buildings  
Jerry W. Jones, Director  
Facility Planning and Control  
Office of Information Services