

Facilities Management Labor Rate Setting Purpose and Methodology

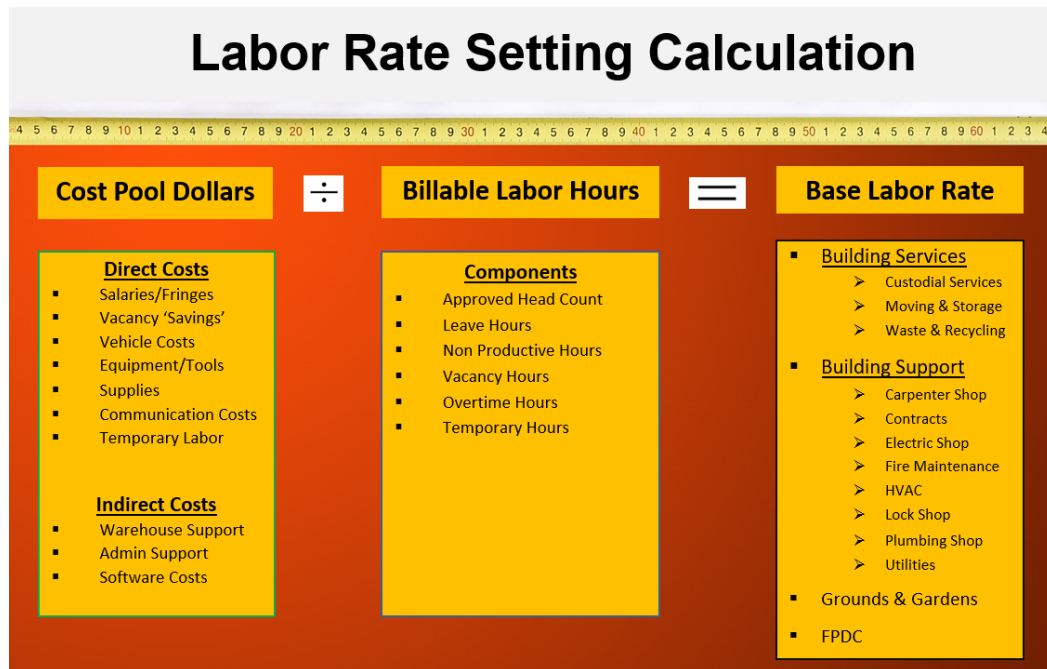
Facilities Management sets labor rates to recover the workforce costs that are not funded by the University operating budget.

To do this, we first begin by developing a list of assumptions. What are the expectations for the next fiscal year: Do we have any new buildings coming online, Are there any staffing changes that we need to consider, Are there any salary increases planned during the next fiscal year that we need to include, if so, what is the % increase? What is our percentage of vacancies?

Then we compile a list of staff positions to include current salaries, fringes and date of hire. Using the date of hire information and taking into consideration the annual leave, sick leave, and community service leave (analysis shows 25% of this leave is being used), along with the holidays and recognition leave days, we are able to calculate the available "**BILLABLE**" hours by crew (Lockshop, HVAC, Plumbing, Carpentry, etc...)

We then review prior year expenses such as office supplies, software subscriptions, cell phone stipends, etc. Upon this review, we determine the non-labor overhead budget which includes everything the employees may need to perform his/her job such as the items mentioned above as well as shop stock (tools), vehicles, maintenance on the vehicles, iPads, computers, uniforms, safety shoes, safety equipment, etc...

Once we have identified the recoverable costs per crew, we then divide those figures by the available billable hours per crew. This will give us the hourly rates/crew. See calculation below:



After we feel everything has been factored into the rate development, the new rates are presented to the AVP/Chief Facilities Officer and Directors for approval. Once approved, the AVP/Chief Facilities Officer will send a message on the DIGEST notifying the campus community of the new rates. New labor rates are entered into FAMIS at the beginning of the new fiscal year and are effective on June 10th of each year. Labor rates are calculated annually and will be reviewed quarterly and may be adjusted based on actual expenses and billable hours. Should adjustments be necessary, it will be communicated to the campus community via the W&M Digest.