6 QUESTIONS TO ASK YOURSELF WHEN PLANNING YOUR FACILITY MANAGEMENT BUDGET
Facility management professionals recommend starting the budget planning process as early as 10 months in advance.

Sources:
QUESTION #1
Have I planned far enough ahead?
If possible, make your budget decisions with a **minimum five year horizon**.
Emergencies happen. And most of the time, they must be resolved immediately. By planning ahead five years, you will have enough in the budget for major investments and emergencies.
QUESTION #2

Should I replace or repair my equipment?
If you have equipment nearing the end of its life, consider replacing it instead of trying to keep it alive with repairs.
By opting to replace older or inefficient items instead of constantly repairing them, you can save your organization from:

- Suffering double the downtime from the repair work and the equipment’s eventual replacement
- Costly repair expenditures
- Equipment failures and other unexpected emergencies
When calculating the ROI of replacement vs. repair, project a timeframe longer than a year. If you account for less, your results will not be accurate.
QUESTION #3

Have I taken capital replacement into account?
Will our roof need major work this year? Is our chiller likely to need a new compressor? Evaluate your facilities and set aside a portion of your budget so you can maintain the existing infrastructure.
When creating your capital replacement plan, consider the risks involved.

FOR EXAMPLE,

Let’s say you have 30-year-old boilers and 15-year-old chillers that need to be replaced.

At first glance, replacing the chillers seems like the best idea since it will result in a greater return on investment (ROI). However, if the boilers are left in their current condition, they have a greater risk of failure.

If a boiler was to fail, rushing to restore your building’s heat can end up costing you time and money. This could have been prevented had the boiler been placed first on your capital replacement plan.
QUESTION #4
What energy efficient upgrades can I make?
Major strides have been made in energy efficiency. When evaluating energy efficient upgrades for your facilities, look for those with the quickest payback.
Invest in the following now to save money in the long run:

- Using LED lighting can yield energy and cost savings of more than 50% and can reduce the amount of maintenance required for changing lamps.
- Replacing electric motors with Variable Frequency Drives (VFD's) can cut energy usage by 50%, improve process control, extend the life of equipment, and reduce maintenance.
- Upgrade your building automation system for energy savings as high as 35%.
QUESTION #5
Could my preventive maintenance plan be more efficient?
If you currently use a calendar to schedule preventive maintenance (PM), consider switching to a metered PM schedule.
A metered PM schedule allows you to preserve resources and save money.

For example,

A calendar PM schedule would mean changing the filters in an AHU after three months of calendar time.

A metered PM schedule would mean changing the AHU filters after 1500 hours of run time.

Since a calendar PM schedule doesn't take run time into account, it can lead to performing tasks that are not yet necessary. If the AHU filter is not dirty after three months but is still replaced as directed by your calendar PM schedule, you’ve wasted both resources and funds.
QUESTION #6
How much inventory should I order this year?
While you want to make sure you order enough inventory, ordering too much can be a wasteful and costly error. Any unused material represents resources that could've been diverted elsewhere.
Using an effective Computerized Maintenance Management System (CMMS) can help you know when to order inventory and exactly how much you have on hand.
Plan your budget with confidence. Facilities Management eXpress can help you simplify your workflows, track spending, and more. Talk with an FMX-pert today to learn how you can get the most out of your budget.

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