



Facilities Management

Client

Confidential Beverage Company



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Project Description

This is one of the largest beverage manufacturing/production sites in the world. It produces more than 600 million gallons per year on 2,300 acres of land, with over 8 million square feet of facilities.

Facilities supported by CH2M HILL include the main beverage operations and transportation facility, a container facility, a glass facility, an end plant facility, and two wastewater treatment plants. Average age of these facilities is 35 years.

CH2M HILL scope includes operations and maintenance, project management, and facility engineering.

Customer Issues

The clients' first outsourcing of building operations and maintenance services to another supplier gave them less-than-expected results in terms of service quality and cost reduction. Secondary objectives to consolidate suppliers and improved management of supplier contracts were also not met. The client remained committed to outsourcing as a cost-reduction strategy and chose to rebid the incumbent's work.

The CH2M HILL Solution

CH2M HILL was successful in winning the work during the rebid of the incumbent's work statement and has gone on to produce \$1.5 million in savings in the first full year of operation. Additional savings targets will be exceeded in the second year. Service quality has been enhanced and facilities asset management initiatives have been implemented, all while achieving the desired cost reduction targets. Based on this performance, the client has awarded a five-year, renewable contract to CH2M HILL.

Benefits

- Cost reduction targets exceeded (committed cost savings of \$1.3 million exceeded by \$250,000)
- Quality of services enhanced (increased customer satisfaction survey results)
- Consolidated subcontracting to minimize supplier base
- Service delivery improved (reduced response time, reduced call backs)
- Safety program implemented (including subcontractor safety program management)
- Provided significantly increased utilization of MBE/WBE businesses
- Diverse spend goals exceeded