

Driven By Data

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6 questions to challenge the way you for budget pavement maintenance

As the leaves begin to pile up outside, so do numerous maintenance projects for your restaurants.

In order to secure proper funding for future repairs, most facility managers are tasked with budgeting for the year ahead in the third and fourth quarters. The difficulty is that, oftentimes, the needs greatly exceed the budget dollars available. In fact, maintenance costs in aggregate are one of the highest cost items on a company's P&L, thus having a significant impact on earnings. Compounding this is the fact that restaurants continue to age and fall in decline, yet the demands to cut costs continue to rise.

So, how do facility managers determine which maintenance projects are a priority and which ones can be deferred to save money? The answer lies in data and analysis. Without data, informed decision making is nearly impossible.

The Power of Data

When it comes to pavement maintenance, it is no different. Not knowing the condition of all the pavement in your portfolio makes it difficult to budget for or make decisions concerning how best to utilize and optimize funds. As a result, you may spend more on unnecessary repairs or wait too long to perform maintenance, leading to costly structural remedies.

This can be especially detrimental to restaurants with drive-through service, because business is actually conducted on the pavement. If your drive-through lane is littered with potholes, for example, it could drive business away rather than steer it to the service window.

If you are like many facility managers who are unable to visit every site in your portfolio, there is still a way to collect data for your pavement assets to enable accurate budgeting. The solution is pavement assessments. These reports provide visibility into the condition of your pavement so you can implement proactive maintenance strategies, which lead to consistent scheduling and spending from month-to-month.

The Key Questions

Pavement assessments can also help you answer the following six questions, which can be particularly helpful as you budget for pavement maintenance in 2017. If you can't answer them, consult a professional to perform an assessment.

- Do we have the right pavement maintenance budget? Assessments provide detail of pavement condition within your portfolio. This will ensure you are allocating funds

in the appropriate places. In addition, assessments can provide insight into budget needs beyond the current year, thus helping you plan ahead on future capital and expense needs.

- Are we prioritizing the right projects? Within an assessment, specific areas of a property are assigned a rating to explain the relative condition or quality of pavement, and then the property is rated as a whole. Once rated, properties can be compared and prioritized according to condition, repair needs and budget available.
- Are we performing the right scope of work? Pavement assessments can provide you with detailed scopes of work with recommendations based on your requirements and specifications. This is important for two reasons. First, every site is different and may require different products and processes. Assessments will recommend materials that are best suited for the repair, based on a variety of site-specific factors, along with method of application. Second, it allows you to plan your repairs more efficiently throughout the year. Typically, the earlier in the year you can execute work, the more money you will save. Plus, knowing the cost for materials and labor can also help you secure proper availability of funds that, later in the year, may become scarce.
- Are we driving consistency across our portfolio? You have a brand standard to uphold that, at its core, aims to deliver a consistent customer experience from site to site. If just one section of a property fails to meet the standard, your overall brand image could be impacted. Routine assessments keep data fresh and enable accurate budgeting so you can afford ongoing maintenance. The result is consistency in pavement condition, regardless of location.
- Are we getting apples-to-apples bids to evaluate true cost? Each contractor scopes a site differently, depending on his or her knowledge of the area, the customer and other factors. Getting two or three bids that are different in scope makes it difficult to decide which bid to accept. In cases like this, the lowest bid is not always the best bid. Assessments provide you with one scope of work that is best suited for that site (as explained above) and can be used to solicit multiple bids quoting the exact same work, which makes contractor selection much simpler and saves you money in the long run.
- Are we getting what we pay for? To ensure that you continue to accurately budget and perform the right repair at the right time, be consistent with pavement assessments. Enlist the help of a specialist to assess your portfolio every two to four years. The data accumulated will help you compare properties over a specific time period, easily chart degradation and modify your strategy long term.

The cost of a pavement assessment can vary greatly and is usually driven by four primary factors:

1. Type of data being collected
2. Square footage of the parking lot
3. Number and location of the sites to be assessed
4. Turnaround time for the assessment to be completed

Based on those variables, pavement assessments can range from several hundred dollars to more than \$1,000 per site. Having more information you have upfront about those four variables will help your paving professional provide you with a competitive price.

Doing it Right

Assessments and budgeting both require proper time and planning to ensure a solid outcome. It is recommended to not short-change the process, as it can have downstream effects on your budget and the condition of your restaurants. The success of an initiative like this is dependent on the partnership and commitment of all stakeholders involved in the process. Take the necessary steps to plan and lay out your objectives. Make sure you are collecting the right data that helps you make decisions to optimize your budget. Partner with a trusted contractor who can perform the assessment and truly help you answer these six key questions.

Michael Zator is a former facilities manager who currently leads the Partner Solutions arm of Let's Pave. He has more than 20 years of retail experience, with concentration in corporate finance and facilities management. Zator leverages this expertise to provide customers with pavement management services tailored to supplement and enhance their current pavement program.