

CASE STUDY: UNIVERSITY OF CENTRAL FLORIDA

Cost avoidance sets the tone for growth

Celebrating its 50th anniversary in 2013, the University of Central Florida (UCF) is the nation's second-largest university by enrollment, and Florida's largest. The university and its 12 colleges provide opportunities to nearly 60,000 students, offering 177 bachelor's and master's degrees and 31 doctoral programs.

Known as America's leading partnership university, UCF has experienced enrollment growth matched by an equally impressive growth in the university's effect on the region's economy. The impact of UCF operations, student spending and the Central Florida Research Park resulted in an economic output of more than \$4.3 billion for fiscal year 2011; the same economic activity is responsible for more than 45,000 jobs.

And while growth has certainly been top of mind for UCF, the university is committed to doing it the right way by keeping in mind a challenging economic environment and the university's goals. This focus is represented in UCF's variety of ongoing construction projects, from residence halls and classrooms to parking garages. "We continuously look for ways to be more efficient," said Priscilla "Lee" Kernek, associate vice president at UCF, where she manages UCF's facilities and safety departments. "We're not only looking at ways to save money, but also how to improve on sustainability and energy management."

RSM's approach: Partners in progress

Enter RSM US to help in this effort. The RSM team was hired by UCF in 2011 to provide construction audit consulting services. The team poured over existing construction contracts and identified cost-savings opportunities, proposed modifications and reviewed proposals and contractor fees.

"We helped UCF prioritize what was important to them and provided guidance on how to negotiate better costs for future projects," David Luker, RSM risk advisory services consultant, said, "UCF has such an admirable growth strategy. It was important to us, as well, to strengthen their efforts."

"We asked RSM to look outside the box when completing their construction audit, and we got great results from them in potential and real cost savings," Kernek said. "There were some lessons learned, too, in understanding change orders and fees."

"The biggest potential for us through our work with RSM was cost avoidance. We developed best practices based on their findings, which then helped us develop improved contractual language. In addition, we requested that RSM look at 'should

costs,' that is, what should something cost."

The outcome: Helping UCF live their mission

As a result of RSM's work with UCF, the university saw a savings and cost avoidance of 3 to 5 percent on major construction projects, which, for a \$20 million project, could mean as much as \$1 million in overall savings to the university.

"Through all our efforts we've always wanted to do the right things in terms of growth and advancement of the university as a whole, and we also wanted to do those things in the right way," Kernek said. "Getting the best value for UCF is part of that, and RSM helped us with that effort."

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