Facilities Outsourcing Decision Worksheet

This tool guides senior leaders through the first step of a more comprehensive evaluation process to determine the viability of outsourcing a function or sub-function. To use this tool effectively, leaders must possess a basic understanding of the scope, responsibilities, costs, and activity of the function or sub-function in question.

**Directions**: Score each of the 10 qualitative criteria based on the level of agreement with the statement, either zero (disagree), one (somewhat agree), or two (strongly agree). After scoring each criterion, record the answers on the scoring sheet on page 3 and follow the directions to calculate a total weighted score. The final score corresponds to the function’s or sub-function’s outsourcing viability.

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| --- | --- | --- | --- |
| Criteria | Assessment | Agreement Score | Relevance to Outsourcing |
| **Actual Valuation** | The known savings from outsourcing this function (e.g., cost savings, signing bonuses) are anticipated to be larger than the known costs of the arrangement (e.g., vendor fees, administrative costs). |  | Outsourcing is often treated as a cost-savings opportunity, but not all arrangements will actually create savings. Institutions must evaluate whether the initial and ongoing costs  of the contract outweigh the  eventual gains. |
| **Potential Valuation** | The risks of failure for outsourcing this function (e.g., underperformance, rebuilding the function from scratch) are low. |  | Outsourcing generates some risk that the vendor will underperform or fail in the enactment of the function.  This can lead to expensive legal fees and rebuilding costs for the institution. |
| **Amount of Transactional Work[[1]](#footnote-1)** | The majority of the function’s responsibilities are low-skill, low-complexity tasks. |  | The impact of transactional work is often lower than the amount institutions must pay employees to perform it. Vendors, with economies of scales and easier access to talent, can often perform these tasks more  cost effectively. |
| **Complexity of Work1** | The majority of the function’s responsibilities are high-skill, highly complex tasks. |  | High-skill tasks sometimes fall outside the capacity of in-house technicians, require extensive training, and/or involve widespread compliance tracking. Vendors who specialize in these functions frequently can stay abreast of changes and upskill workers more efficiently than in-house teams. |

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| --- | --- | --- |
| **Agreement Score Scale** | | |
| **Disagree = 0** | **Somewhat Agree = 1** | **Strongly Agree = 2** |

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| --- | --- | --- | --- |
| Criteria | Assessment | Agreement Score | Relevance to Outsourcing |
| **Improvement in Customer Satisfaction** | An improvement in the service levels of the function will increase customer satisfaction by an appreciable amount. |  | Vendors frequently drive performance improvements due to their specialization and ability to start with a clean slate. However, performance improvement does not always lead to increased customer satisfaction. Therefore, the greater the improvement to customer satisfaction, the more likely an outsourcing arrangement is viable. |
| **Frequency of Activity** | The function occurs on an infrequent, seasonal, or  irregular basis. |  | Institutions should assess whether having full-time staff responsibility for the function matches the frequency at which their services are rendered  on campus. |
| **Human Resource Requirements** | The workforce responsible for the function has high vacancy, turnover, absenteeism, and/or termination rates. |  | Institutions should assess whether outsourcing the function would offload responsibility for hiring, vetting, retaining, and firing staff that can be troublesome for the institution’s HR division to manage. |
| **Strategic Value** | The function’s performance is unrelated to institutional priorities (e.g., reducing deferred maintenance, increasing  student enrollment). |  | Institutions should determine whether the function directly connects to an institutional priority, such as improving retention or reducing deferred maintenance. (While some institutions will still decide to outsource these strategically important functions, this decision requires deeper evaluation of the capacity of vendors in the area to perform the function more reliably and at a higher quality than in-house staff.) |
| **Operational Impact** | The function’s performance has little impact on the performance of other Facilities functions and/or institutional divisions (e.g., operations and maintenance, faculty instruction). |  | Institutions that outsource a function must trust the chosen vendor to perform the function’s work. Institutions may have concerns about handing over responsibility for functions that significantly impact multiple Facilities functions or campus customers. |
| **Vendor Proximity** | Multiple potential vendors for this function exist and work in the surrounding area. |  | A larger number of potential vendors for a function ensures competitive bidding and service provider options. |

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| --- | --- | --- |
| **Agreement Score Scale** | | |
| **Disagree = 0** | **Somewhat Agree = 1** | **Strongly Agree = 2** |

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**Calculating a Total Outsourcing Viability Score**

This section provides a final weighted score highlighting the potential value of outsourcing an evaluated function or sub-function.

After scoring each criterion, record the answers in the **Score** column below. Each criterion is weighted according to its importance in determining outsourcing viability. For each criterion, multiply the score by the criterion weight to calculate a weighted score. Finally, add the weighted scores in the last column of the table to calculate a total weighted score. The total weighted score corresponds to the level of outsourcing viability: high, medium, or low.

|  |  |  |  |
| --- | --- | --- | --- |
| Criteria | Score | Weight | Weighted Score |
| Actual Valuation |  | 3 |  |
| Potential Valuation |  | 3 |  |
| Amount of Transactional Work |  | 2 |  |
| Complexity of Work |  | 2 |  |
| Improvement in Customer Satisfaction |  | 2 |  |
| Frequency of Activity |  | 2 |  |
| Human Resource Requirements |  | 2 |  |
| Strategic Value |  | 2 |  |
| Operational Impact |  | 1 |  |
| Vendor Proximity |  | 1 |  |
| **Total Weighted Score** | | |  |

|  |  |
| --- | --- |
| **Total Weighted Score** | **Outsourcing Viability** |
| 0 to 12 points | **Low** |
| 13 to 27 points | **Medium** |
| 28 to 40 points | **High** |

**Evaluate the Viability of Bringing a Function in House**

While the Facilities Outsourcing Decision Worksheet is designed primarily for Facilities leaders determining the potential value of outsourcing a function or sub-function, this tool can alternatively be used to evaluate the viability of bringing an outsourced function in house. Calculate the individual criteria scores for the function based on the performance of the current service provider. After calculating the total weighted score, the in-house viability is the opposite of the outsourcing viability. For example, a function scoring between 0 and 12 points would have a “low” score for outsourcing but a “high” score for bringing it in house.

1. As these criteria are inversely proportional to each other, they should obtain reciprocal scores   
   (i.e., rating one as a “2” would naturally lead to rating the other a “0”). [↑](#footnote-ref-1)