ISSUE
34

Lodging Engineer

HAPPY NEW YEAR!
WINTER 2020

Featuring: 1st Person Interview with

Amadou Bathily
Area Chief Engineer
B.F. Saul Company Hospitality Group

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LODGING ENGINEER™ reports about people, events, technology, public policy, practices, study and applications relating to hotel and motel engineering, maintenance, human communication and interaction in online environments.

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1st Person

by Robert Elliott

Amadou Bathily
Area Chief Engineer
B.F. Saul Hospitality Group

I recently had the pleasure of visiting with Amadou Bathily, Area Chief Engineer for the B.F. Saul Hospitality Group, headquartered in Bethesda, MD. I was excited to meet Amadou (pronounced 'ah-mah-doo') who was recently promoted to his new role as one of only a handful of BF Saul Chief Engineers with multi-property responsibilities. As such, Amadou oversees the engineering staffs for both the Holiday Inn Washington Dulles and the Best Western Washington Dulles, both of which happen to be within driving distance of my home. It is not often that I can personally travel and meet engineers and their staff members, so this was a special treat for me. And I am always pleased to have the opportunity to work with another hotel management company, especially one like the B.F. Saul Company Hospitality Group, who owns *and* manages all of the hotels in their portfolio. Two things especially impressed me.

I found their work shop the cleanest and most organized shop I've ever been in and I learned that the shortest tenure of anyone on Amadou's staff is three years. The other two Holiday Inn engineers each had over 12 years of continuous employment with B.F. Saul. And, I should mention that driving to Amaduo's hotel also provided me the opportunity to meet and work with an old friend and colleague, Richard Manzolina, now B.F. Saul's corporate director of engineering.

Holiday Inn Washington-Dulles International staff; Vasil, Richard, Henry, Carmen and Amaduo

Amadou, your recognition in *Lodging Engineer* came about as a hard-earned reward for exceptional engineering performance. I understand after a recent internal engineering inspection both of your properties performed among BF Saul's hotel portfolio, 'best in overall improvement' with both hotel's scoring in the top 5. Can you tell our readers a little about yourself and your path to where you are today?

Coming to this country from West Africa, with no engineering background, I had to start from scratch somewhere. I did not know much about hotel work at all. My first Job was at Holiday Inn Tysons; currently Double Tree by Hilton owned and managed by BF Saul. In 1996, I walked in the lobby seeking employment, at this point anything I can get will do. I was hired at entry Level as General Maintenance, learning how to plunge a toilet, fixing vacuums, and meanwhile educating myself about boilers, electrical and HVAC. I wanted to be more than just a light bulb changer. I was so eager to learn, it was fascinating stuff, and wanted to keep learning. For me without a formal college degree, it is a commitment to educating myself and broadening my skills. I enrolled in HVAC classes at CET, BOMI, and NAPE. Working my way through the maintenance ranks to senior mechanic, to Assistant chief engineer, to Chief Engineer and up from there, six month ago I was promoted to Area Chief Engineer for Holiday Inn Dulles and the Best Western Dulles. BF Saul Company is all about your performance. If you perform and you are a contributor on a regular basis, you will be recognized and rewarded for the work.


Holiday Inn

Please tell our readers a little about your current properties.

The Holiday Inn Washington-Dulles International Airport was constructed from an existing motel in 1986 atop 10 acres along the Dulles corridor. Its 298 Guest Rooms and 14,000+ square feet of combined meeting and dining space put the property among some of the largest facilities in the BF Saul Company Hospitality Group's portfolio. The full-service hotel also boasts two restaurants, as well as a large indoor pool and fitness center. The building consists of a west wing, the original motel building, and an east wing added in 1990. The west wing almost exclusively houses guest rooms, while the east wing also contains most of the hotel's public and amenities spaces. The hotel's guest rooms, all renovated within the past year, occupy two stories that surround a central courtyard, a space that has proven to be very popular for social events and gatherings. From a systems perspective, the guest rooms are conditioned by packaged terminal heat pump (PTHP) units. Meeting and public spaces are served by a combination of split-systems and packaged rooftop units. Domestic hot water is generated by three gas-fired hot-water plants.

"After a recent engineering inspection, the Holiday Inn Dulles demonstrated the greatest improvement in engineering scores among our entire portfolio of hotels", ***boasted BF Saul's Corporate Director of Engineering, Richard Manzolina****. "Despite having only been in his new role for a short time, Amadou's team has shown a steadfast commitment to improvement, a testament to Amadou's leadership. From preventive maintenance to team morale, the department is flourishing under Amadou's guidance. It's a pleasure to watch him succeed and enjoy some well-deserved recognition."*

The Best Western Dulles was also first constructed in 1986. The property is comprised of three, two-story buildings which house 122 guest rooms. Like its neighbor, the Holiday Inn Dulles, the guest rooms are also conditioned by individual thru the wall units (PTAC's), and the public areas stay comfortable via a mix of rooftop package units and split systems.

Holiday Inn Washington-Dulles International Airport

Would you talk a little about your staff ?

At the Holiday Inn, I currently have a team of five engineers. Vasil is our senior mechanical person, his task is mainly to maintain and service all of our major equipment, such as roof top units, air handlers, washers and dryers etc. Driss is our night shift Engineer on duty. He has the assignment to take care of all guest requests during the shift. Carmen is our rooms' preventative maintenance tech, in charge of guest room PM. She provides PM (Preventive Maintenance) to at least 98 rooms a month. Henry is the week end guy from Friday to Sunday, taking care of all issues on the weekend and also some projects.

At Best Western, I have an assistant chief. His name is Steve Parker. Steve runs all engineering daily operations at the Best Western with two other engineer on his staff.

What skills do you look for in hiring a new engineer? Is there a special set of skills or characteristics you look for when hiring a new employee? Maybe an 'anatomy' of a hotel engineer so-to-speak such one who "loves to fix things" or take things apart and then put them back together. Is this something you look for?

We usually look for someone with a background in maintenance field, electrical, plumbing, or construction, it depend on what opening we have. Having someone on your staff that loves to paint is a great asset, we always have ceiling damage around ‘due to overflows. I always appreciate the fine work of a dry wall repair.

Hotel engineering is a relatively new term. Do you feel this better represents the profession versus head of maintenance or maintenance mechanic?

I like the new term hotel engineering a lot. It reflects the job we do, it means people are realizing that a hotel engineer has to wear so many different hats to accomplish what we do on a daily basis.

Would you describe your management style?

My management style is simple. I listen a lot. I tried to identify each person's strength and low point. Pay attention when your associates talk. I always let my team know that they are empowered to do whatever is necessary to satisfy a guest request. It is very important to create a positive and pleasant environment around you, where everyone around me can be successful.

I always love to have a BF Saul executive on site, they are our biggest support.

What challenges do you find in today's hospitality industry?

The challenge for the industry and me is finding skilled personnel and then retaining the personnel we have trained so hard.

How do you train your staff?

There is some brand requirement training that our staff has to go through. We also provide in-house training including some e-learning. We do lock-out tag-out training which is also a brand requirement. Life and safety training is conducted regularly. Our staff is trained on most equipment we have in house and in the guest rooms, they are very familiar with it, so it usually is a quick fix for the most part.

Best Western team, left to right, are: Ashish Shrestha (Guest Service Sales Supervisor), Michelle Arenas-Palaming (AGM) , Steve Parker (Asst. Chief Engineer) Amadou Bathily, and General Manager Daniel Gurung.

How do you keep focused on your daily activities?

Starting early has always helped me to get a head start. I am an early bird. I get up early to start my day on the treadmill at the gym, I'm not a gym rat, but a regular.

What advice can you give to building engineers seeking career advancement?

Like what you do, stick to it, and be an active learner. Sometimes you have to get outside of your comfort zone. Keep working hard, people do noticed the hard work you put in and with it comes recognition and reward.

What do you like most about your job or look forward to on a daily basis?

I like to be in the shop with my guys and the entire hotel staff. I always look forward for what we can accomplish!

Best Western Washington Dulles

Amadou and Richard

Your supervisor, Richard Manzolina, is a good friend and colleague who I've known for over a decade. In fact he has helped NAHLE since our initial formative years and continues to contribute. What were your initial thoughts when you heard B.F. Saul was looking to hire a regional director of engineering?

When BF Saul announced they were looking to hire a Regional Director of Engineering I quickly embraced the idea and thought it was a great thing. I give lots of credit to our corporate team for choosing the right person. Then the first day I meet Richard in person and spent a few hours with him I was very impressed with him and I knew this is someone that will make a huge impact. Richard is so passionate about engineering and very knowledgeable about building mechanical systems. During his visit to the property at Courtyard by Marriott Tysons, I felt like he was there to help us improve and grow. He pointed out things we were doing good and things that we can improve on. I like his attention to details and his honesty. Good is not enough for Richard, he want us to be more than good. He has high standards and high expectations. I think that is what it takes to be a hotel engineer. The guest are paying high dollar amounts for their rooms, so that room has to be right, things have to work, the experience overall has to be spot on. That is what Richard is all about.

***

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Where do I Start?

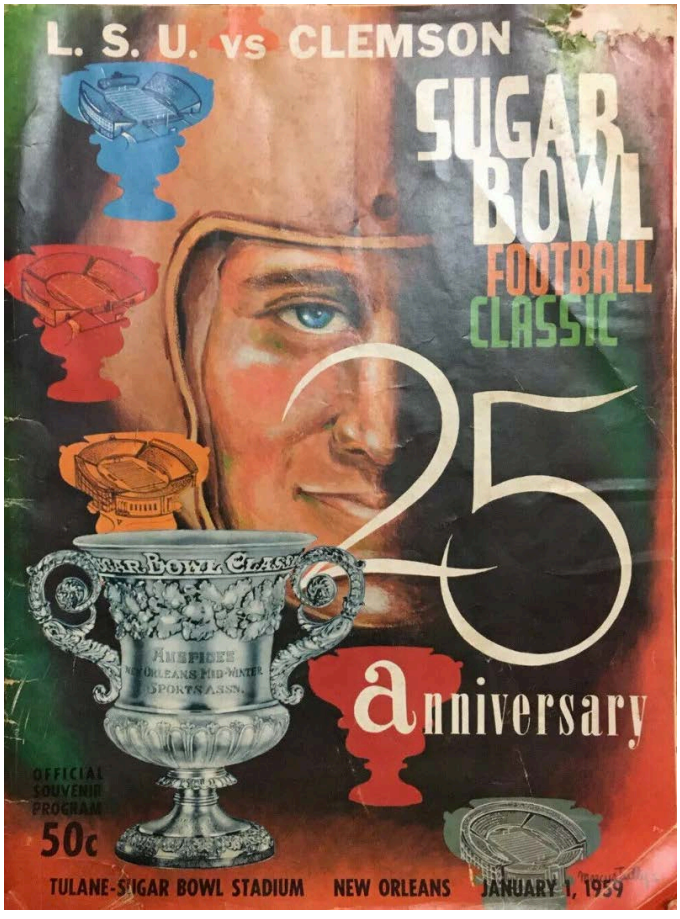
Best practices for taking over a new maintenance department

by
Richard Manzolina
Corporate Director of Engineering
BF Saul Company Hospitality Group

In at least one respect, every engineering leader has one thing in common...we have all had our first day on the job and wondered, "Where do I start?"

If you've inherited an existing operation, especially a neglected one, this initial thought may also be followed by another, more menacing one; "what have I gotten myself into!"

Alas, after three decades in this industry, I have realized that not asking yourself such questions would be a red flag. Instead, feeling a little overwhelmed is normal. It's what we do with that feeling that separates successful leaders from those that tap out after a week or two on the job. So how do we channel those initial feelings of discomfort? By following a tried and true adage: plan your work and work the plan.



This isn't the NFL

The first step in the plan is to assess your team.

If you are like me and appreciate the old school mantras of some of football's iconic head coaches, you might be tempted to mimic their omnipresent ways of taking over a new team. That is, to clean house and start from scratch, building a championship team from the ground up. But while this strategy may have proven effective for the Parcels and Lombardi's of the world, this isn't the NFL. We don't have a team of talent scouts to find us new engineers, multi-million dollar salaries to woo the industry's best talent, or a pressure free off-season to take our time rebuilding. Instead, we need to succeed with the hand we were dealt, at least in the short run.

However, playing this hand may not be that bad after all. Often, when I would take over a new maintenance team, there would be no shortage of unsolicited opinions pointing out the "problem children" on my team, and fellow managers would share which of my staff should be "promoted to customer". Nevertheless, I learned early in my career to not only take these opinions with a grain of salt, but to ignore them outright. Truth be told, most of the staff who were relegated to the we're-better-off-without-them category turned out just fine. In fact, many flourished. The difference was leadership. Once they worked in an environment where they felt appreciated, empowered, and were given the tangible and intangible tools they needed to succeed, many did just that…even those who seemed destined to be put on waivers. So the message here is, don't be tempted to make changes for the sake of change, and don't be too quick to recruit new staff. Not only will you likely lose some good, untapped talent, but the message you will send to the rest of your team will be unsettling, as they are left to wonder "am I next?"

It's inevitable your environment will influence what you do. – *Duncan Sheik, songwriter*

Page two of my takeover playbook focuses on the locker room, or in your case, the maintenance shop. The heart of every engineering department, the condition of the shop can help or hinder your team's success. So investing in it makes a lot of sense, and the corollaries are easy to see. How can your team be expected to maintain the front of house to an appropriate standard suitable for your guests when they work in an environment that's dirty, unkempt, and at best, uninspiring? The simple answer is, they cannot. More importantly, this irony is not lost on your staff and it will show in the quality of work they do…if it hasn't already. So my playbook always includes a healthy investment in my team and their work spaces right from day one, and it always pays back in spades. Some tried and true opportunities include:

The shop itself. Get rid of all the old attic stock of useless materials and broken equipment. Paint the walls and ceilings. Wax and polish the floors. Make sure the shop is bright and cheerful, and pick warm colors. If the "shop" is really a glorified mechanical room, embrace it. Paint and label the pipes. Name and label the equipment after your team members. Make the space look not just presentable, but special. This is your team's home…it should look like it. Also, make sure your renovation efforts are all done by you and your team…not contractors. Once the space is done and looking sharp, everyone's sweat equity will motivate them to keep it that way.

Capture the moment. Take pictures of your progress and team members in action. Then frame them and post them in the shop as a constant reminder of what things used to look like. The sense of pride amongst your team will be palpable.

20+ years after the author's first shop renovation, photos of the engineering team still overlook the maintenance shop.

Look the part. Now that you have invested in the look of your team's space, invest in the look of your team. Uniforms need to be sharp. Lose those paint-covered pants, tattered shirts, and ball caps denoting your staff's favorite sports teams. Name tags aside, this is not the time for individuality. Clean, pressed, comfortable uniforms create solidarity, and when you look good, it effects everything you do. Ask any man who has ever put on a tuxedo. You cannot help but have a little extra spring in your step when you know you look sharp.

Locker rooms. In this case, locker rooms is a literal consideration. Stock your employees' locker rooms with the amenities that support your appearance standards. You do not have to create a grooming lounge, but like the shop, if you create an environment that supports your standards, your team will have no excuse not to comply. So stock the locker room with a few amenities like razors, hairbrushes, mouthwash, and cologne. Inevitably, there always seems to be at least one member of the team whose hygiene practices could use some attention, and these little extras can make all the difference.

Establishing a Priority Plan

Now that you are in your new role, there is likely to be a lot of pent up demand for your services amongst the hotel's other operating departments. But trying to make everyone happy right away, with a brand new team in a building that you are unfamiliar with, is not a reasonable or sustainable goal. Instead, meet with your GM, or whomever you report to, and ask, "What's the top three things on *your* list that need immediate attention in Engineering?" Then put all your weight and effort behind those three things. This doesn't preclude you from adding as many things to your list as you want, or heightening the priority of stuff that only *you or your team* are aware of, but it does put a cap on how much extra "stuff" gets thrown your way…at least in the short run.

Once you have established these priorities, be relentless in their execution and communication of progress. Set a standing meeting with your boss for 1-on-1 time to discuss updates. When you attend stand-up meetings in the morning, share with the other departments your plan for the day, and the goals you are working toward. You will inevitably impress your peers and leaders, but more importantly, your regular and transparent communication will quickly establish you as a *communicator*, if nothing else. And no one has ever been accused of communicating *too much*.

Now Adjust the Game Plan

Like any good coach will tell you, the road to victory starts scripted. So hopefully, the above tools and ideas will help you and your team get off to a great start. Inevitably however, circumstances will arise that will demand your team's attention, and cause you to change direction. Just remember, just because your changing direction does not mean you can't still be moving forward. It just means you are headed to a new goal.

In the end, unless you are a department of one, your job as the department leader is not just to be responsible for operating the building, but also to create a culture where your team can operate your building. Creating an environment where you are giving your team members the tools they need to succeed, and openly and actively communicating with your peers and superiors, must be among your first priorities. This will get you into the post-season, and give you something to build on.

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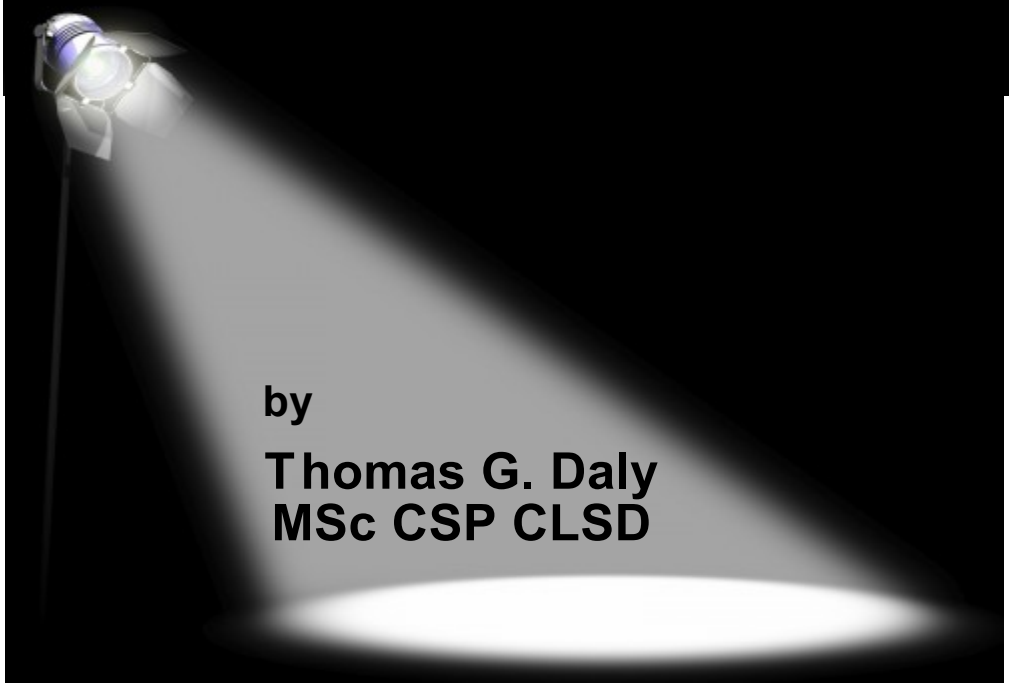
WHEN THE LIGHTS GO OUT



by

Thomas G. Daly
MSc CSP CLSD

Thomas Daly is the President of the Hospitality Security Consulting Group, LLC and the retired Vice President Loss Prevention for Hilton Hotels Corporation, now Hilton Worldwide.

Why hotels need to prepare for power outages

Power outages for any individual hotel are a rare event. In the United States, where the electrical power system is considered 'reliable', in most cases such events are short duration outages causing some inconvenience but not a serious challenge. That said, longer outages due to catastrophic events, including local issues or major natural disasters (hurricanes, tsunamis, earthquakes, tornadoes and wildfires) can produce major failures of power for days, if not weeks, as the power system infrastructure suffers serious disruption.

In October 2019 more than two million people in northern California experienced intentional power blackouts for several consecutive days by Pacific Gas & Electric (PG&E) in their attempt to preclude wildfires started by their infrastructure. Hotels and other lodging facilities in Napa and Sonoma Counties were not immune. Even for hotels there with 'emergency' generators, those typically will not support normal hotel operations.

What has happened

Historically, there have been three power failure modes impacting hotels:

First, a local event such as a truck hitting a power pole or lightning striking a power company's local electrical transformer. Those failures typically cause one or more hours of loss of power, but each affected hotel should be able to handle with that short duration event with proper planning.

Second, the catastrophic failure (fire, explosion, etc) of a hotel's own electrical switchgear as happened to the Westin Boston in 1984 and to the 1,000 room Hilton Washington in 1986, closing that hotel for 6 weeks.

Third, disasters including man-made ones such at the 2003 Northeast power outage which affected hotels in at least five states, including New York City, and natural disasters, such as Hurricane Katrina in New Orleans in 2004 that impacted dozens of hotels for weeks, with both events requiring extraordinary steps to return those impacted hotels to operation.

The intentional power blackout described above is a new phenomenon and one that has to be planned for as well, if your hotel is in a high or very high wildfire hazard zone.

Preparations

All hotels should have, as a part of their 'emergency procedures', a plan for power outages. Those plans typically include provisions for short term emergency lighting including the stocking in-house of inexpensive disposable flashlights for guests, glow sticks to mark exits and pathways thereto and re-chargeable lanterns for staff which will operate for 24 hours or so. Spare batteries for in-house two-way radios are another must. Uninterruptible power supplies (UPSs) for critical systems will also provide short-term continuation of operations, allowing for a planned transition to manual backup systems and procedures.

Where hotels have an 'emergency generator' those should be ready for extended operation, including spare fuel, oil and parts (oil, air and fuel filters & batteries) but recall that those generators typically only supply 'emergency' equipment and systems, such as the fire alarm system, the fire pump, one elevator and some emergency lighting (typically about 20% of non-guest room lighting). Knowing your generator's fuel consumption in gallons-per-hour when under full load, is a key metric to determine how much spare fuel you likely will need.

Routine transactions including check-in/check-out, guest reservations, F&B purchases and payment of invoices will need a back-up 'Plan B' to be handled manually.

Few hotels have a 'standby' generator to supply other equipment and systems a hotel thinks essential, such as reservation and property management systems, exhaust systems for kitchen cooking appliances, water pumps and refrigerators/freezers for foodstuffs.

Returning to operation

When an extended power outage occurs, plans should include sourcing, often from out of state, suppliers of large truck-mounted standby generators and fuel supplies, which can, with advance planning, be hooked into a hotel's electrical switchgear to temporarily power the hotel. The size of the hotel will determine the capacity of the generator needed with some needing as much as a 1,000KW generator with a large (>500 gallon) fuel tank for extended operation.

That 'advance planning' includes installing a transfer switch to allow a generator to be quickly hooked up to the hotel's electrical switchgear and identifying well-qualified 'high voltage' electricians familiar with the hotel's power system. This is not a project for your local electrician.

Identifying out-of-state resources, costs, time to deliver and installation time should be a part of your pre-planning. Local resources will likely be overwhelmed with demands and hotels will be a low priority.

Communications

Power outage events often are accompanied by communications interruptions, as occurred during Hurricane Katrina (300 cell phone towers destroyed). The only reliable communications post-storm in New Orleans in that event were satellite phones. Those are inexpensive and can be rented for short durations, allowing for necessary calls for help to be made. More than one should be acquired.

As with most adverse events, those who plan well and in advance, will recover first with the least inconvenience to guests and staff.

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Thomas Daly is the President of the Hospitality Security Consulting Group, LLC and the retired Vice President Loss Prevention for Hilton Hotels Corporation, now Hilton Worldwide.

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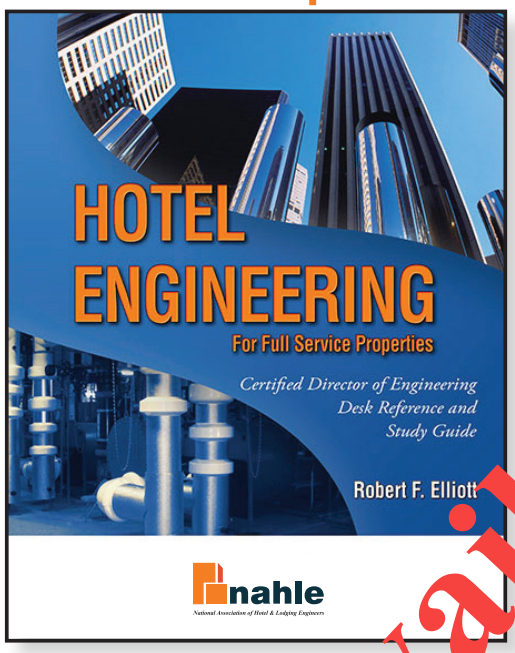
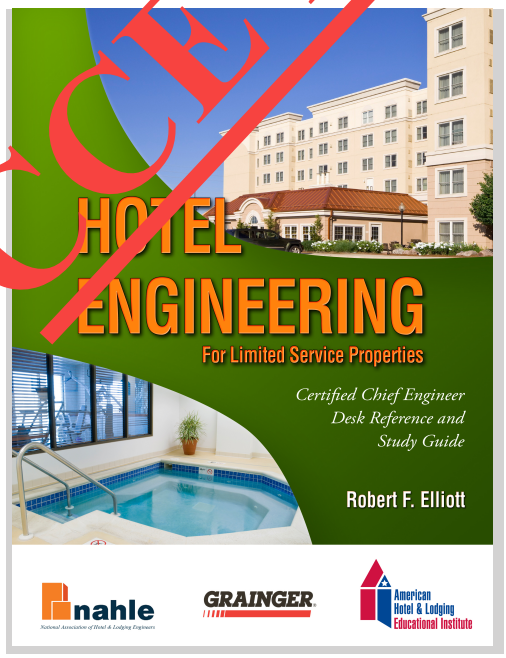


This 31-chapter study guide provides preparation for the Certified Director of Engineering (CDOE) professional designation offered by NAHLE for hotel engineers. The Guide includes information related to the planning and organizing of tasks, overviews of hotel engineering systems, and the financial and ethical skills required to operate effectively within a hotel organization. NAHLE's CDOE curriculum is comprehensive and covers most all hotel building engineering subjects including: HVAC, plumbing, electrical, lighting, landscaping, swimming pools, vertical transport systems, and many other areas. NAHLE's certification tests are provided online so that the engineer never has to leave the property.

Limited Service Properties



The Certified Chief Engineer (CCE) was developed for building and hotel engineers at limited service properties in cooperation with American Hotel & Lodging Association's Educational Institute, and Apple Real Estate Investment Trusts (R.E.I.T.). The Study Guide has 19 chapters that focus on low-rise wood-frame construction properties with a comprehensive review of subjects including PTAC units, moisture infiltration, building systems, time management, and maintenance. NAHLE's online exams are administered by the internationally recognized LMS company, SAP-LITMOS. Building Owners, REITs, and Management Companies are encouraged to support your building engineer's knowledge and professional development. Revised 2020 including water management plan and new DOE regulations.

HIGHEST AND BEST USE

HOSPITALITY CAPEX

by Thomas Riegelman

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PART I:
WHAT'S A CAPEX, AND WHY SHOULD I CARE?

What's a CapEx?

It depends……

BusinessDictionary.com offers the following definition:

> *"An amount spent to acquire or upgrade productive assets (such as buildings, machinery and equipment, vehicles) in order to increase the capacity or efficiency of a company for more than one accounting period."*

Hotel owners, operators, brands, and accountants all tend to have different perspectives on the definition of capital expenditures (CapEx), but most definitions of hospitality CapEx are based on the tax law/accounting treatment of fixed assets.

The accounting perspective is the most straightforward. Accountants are interested in compliance with GAAP (Generally Accepted Accounting Principles), and the easiest fixed asset and tax accounting process.

The operator's perspective is slightly more complex. Typical management contracts include incentives for increasing revenues and operating profit. Any CapEx that raises revenue or reduces expense is likely to be a financial benefit to the operator; regardless of the cost of the CapEx.

For example, when an operator replaces (CapEx) a broken piece of equipment, rather than repairing it (operating expense), the "savings" go right to the profit line and potentially earn incentive compensation. In similar fashion, an operator increases "profit" if they reduce maintenance cost (OpEx), even if that lack of maintenance reduces the useful life of the hotel's equipment (CapEx).

The brands are also in an interesting position regarding CapEx. Brands have a strong financial incentive to increase hotel revenue (they collect more franchise fee), but they do not participate in hotel capital costs. Brand required renovations and improvements increase fee revenue at no cost to the brand. It is easy to require something if you don't have to pay the bill!

However, the hotel owner's perspective is probably the least ambiguous, since they are the ones paying the CapEx bill.

Here is the definition of a capital asset from a prominent Mid-Atlantic hospitality REIT:

"A new physical asset with a normal service life of at least one year, a minimum unit cost of $500 (including taxes, freight, installation, and fees), and an aggregate cost of at least $1,000."

Owners are typically concerned with four major types of cash flow over the life of their hotel investment;

- Purchase price,
- Operating profit or loss,
- CapEx, and
- Sales price.

Owner's want to minimize cash outflows, and maximize cash inflows. Purchase price and CapEx are the only flows directly controlled by the owner, and it is almost always the owner's practice to spend the least amount of money on CapEx possible. It is critically important to Owners that they get the "highest and best use" out of each CapEx dollar.

The owner's definition is the only one that really matters, and for long term success, operators, brands, and accountants should understand the owner's definition of CapEx, and align their CapEx planning and execution with the owner's objectives.

Does CapEx matter?

Of course CapEx matters, particularly to hotel owners.

Capital expenses are a material ongoing cost to all owners of hotel properties. According to the **ISHC CapEx 2014** Study, capital expenses average over 7% of a hotel's gross revenue, every year. There is variation in these percentages by property type, age, location, and ownership, but in every case, CapEx is a material expense to hotel owners.

It is also a fact that most Hotel owners are perennially short of capital funds. Optimal use of capital is crucial to the long term financial success of any hotel real estate investment.

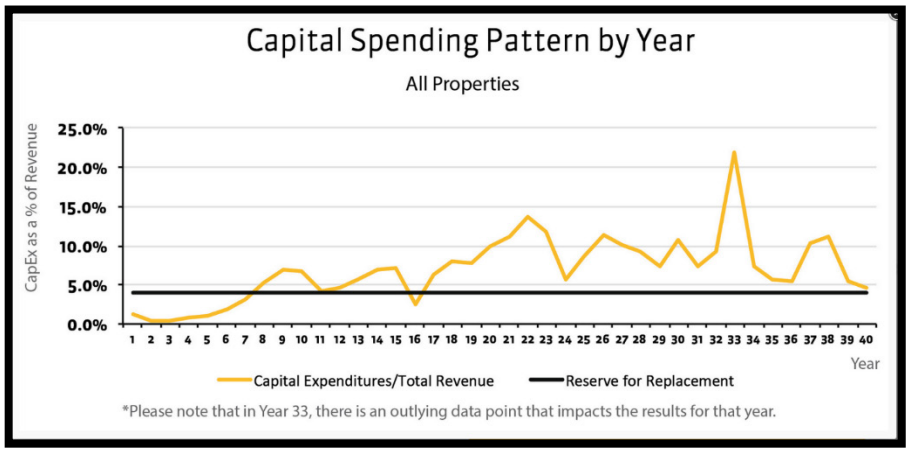

Figure 1: ISHC CapEx2014

What's important?

"Highest and best use of owner's capital"

Highest and best use of owner's capital is the most important objective of hospitality Capital Expenditure planning.

However, this high level objective doesn't always help in developing specific strategy and tactics for capital investments. It is more useful to focus on some of the more specific planning objectives when building a good capital plan.

Here is a short list of important CapEx planning objectives (in priority order) that will help achieve "*highest and best use of owner's capital"*:

- Provide advance notice of property/portfolio capital funding needs.
- Plan both property level and portfolio level investment cycle, acquisitions, and sales.
- Optimize property market position and revenue potential.
- Optimize property operational efficiency.
- Lower property risk (service disruption, equipment failure, life safety).
- Harmonize property stakeholder's interests; owner, asset manager, operator.
- Optimize CapEx project execution.
    - fiscal control
    - Low overhead costs: management time, administration, accounting
    - Best value/pricing for purchases, contractors, project management
    - Minimal disruption of service and operations,
- Maximize the return and minimize the cost of CapEx.

Any CapEx planning process that does not satisfy these objectives will fail to meet the overall objective of "*highest and best use of owner's capital"*.

What should Owners and Operators do?

Take action!

Hospitality asset owners and operators should take the following three steps to improve the CapEx planning for their properties.

1. **Communicate investment objectives**
   Hotel owners need to understand their own portfolio and property objectives, clearly articulate those objectives, and communicate those objectives to their asset managers and operators.

   Core assets have very different CapEx planning objectives than assets that may be held for only two or three years. Successful properties in strong markets will have different CapEx priorities than failing properties that are about to be sold. It doesn't make sense to replace individual pieces of FF&E in a property that is being scheduled for a complete renovation, while it does make sense to replace FF&E in properties where renovations will be delayed.

   Communicate well, and asset managers and operators will be able to deliver CapEx plans that reflect the owner's investment objectives.

2. **Require a high standard of CapEx planning**
   Asset managers and operators charge a substantial fee for their services. Owners should demand that they earn their fee when it comes to CapEx planning.

   Good CapEx planning requires three important elements:

   - **Systematic process**
     CapEx planning should be supported by computer software systems integrated with accounting, purchasing, maintenance, and asset management systems. A systems supported approach makes it less expensive to maintain good data about the past, present, and future capital needs of the property, and provides continuity through management and personnel changes.

   - **Long term perspective**
     A ten year forward looking CapEx plan will provide adequate advance notice of all of the property's CapEx requirements. At minimum, CapEx plans should include the owner's remaining "hold" period for the asset if less than ten years.

     Long term planning contributes significantly to both the completeness and the accuracy of the planning effort as scope and budget detail is added to projects as they become closer in time.[4]

- **Completeness**
  The CapEx plan should include everything that the property will need to continue operating the business efficiently and effectively: PIP's, renovations, building exterior projects, building systems, major overhauls or upgrades to equipment or systems, Brand required upgrades, etc.

  The more inclusive the plan, the easier it is for ownership to make the larger property and portfolio investment decisions, and the less likely that ownership will be surprised by an unexpected funding need.

Set a high standard, and don't accept incomplete or poorly done CapEx plans.

3. Make it a conversation

Operators and asset managers are closest to the guest, most aware of their competitive set, and have the most specific knowledge of property condition. They are also most aware of how guest satisfaction, market position, and property condition change during the year. Take advantage of this knowledge to inform CapEx planning.

The planning effort will be more effective if it is part of daily operations rather than an annual "exercise". Make CapEx a specific part of property operations reporting, even if major projects are being executed by third party project managers. Discuss CapEx project status and planning during every owner and asset manager meeting.

Let these conversations drive adjustments to the CapEx plan during the year, and support better investment decisions at both the property and portfolio level.

Summary

1. **What's a CapEx?**
   Whatever the property owner defines as CapEx.

2. **Does CapEx matter?**
   Yes, a lot. Particularly to hotel owners.

3. **What's important?**
   Squeezing the most value out of every capital dollar;

   "Highest and best use of owner's capital"

4. **What should Owners and Operators do?**
   Know their investment objectives, communicate, demand a high standard of management and planning, and keep a lively conversation going throughout the year. ***

R-A Associates provides management consulting services focused on creating and sustaining the long term value of hospitality real estate assets.

- Property Planning and Design,
- Facilities Operations, and
- CAPEX.

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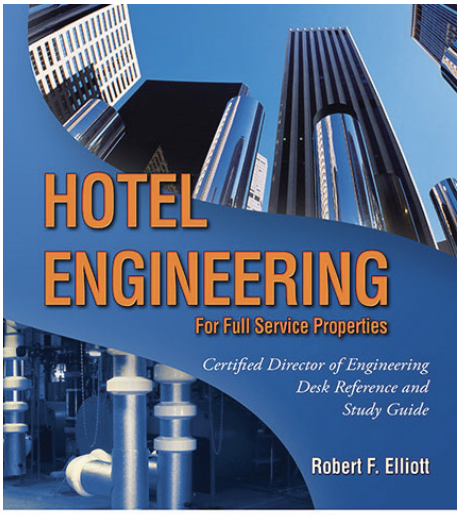
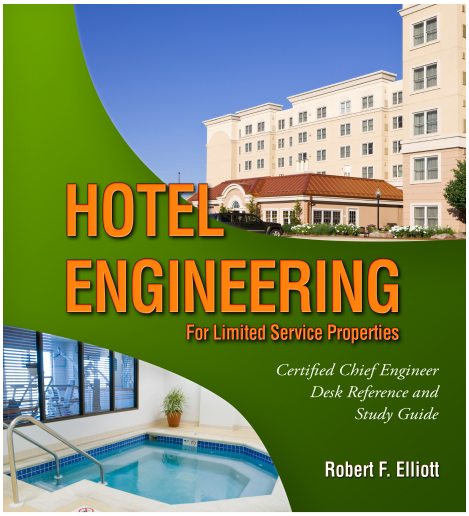
Ask Yourself Two Questions...

"What happens if I train my people and they leave?"

"What happens if I don't train them and they stay?"





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Drive Savings with Customized Utility Vehicles

by
Richard Whitfield
Custom Solutions Manager
Club Car

Your utility vehicle fleet is the backbone of your facilities maintenance department. You rely on it for virtually everything you do. Factory customized vehicles will help you keep that spine strong and flexible. These experts have solutions you have never even imagined ... solutions that solve problems, make your work vehicles work harder and improve the guest experience.

The hospitality industry is uniquely poised to benefit from customized vehicles. That's because the industry has a wide range of applications for which standard vehicles can be *user-unfriendly*.

Do-it-yourself customization can also be troublesome. It is generally less efficient than OEM customization. It may create safety hazards, increase your risks, and even impact the vehicle's warranty.

"the industry has a wide range of applications for which standard vehicles can be user-unfriendly."

The best way to avoid these problems is to partner with a vehicle manufacturer with an active, established custom solutions department, a large portfolio of commercial accessories and years of resort-industry experience.

These experts have solutions you have never even imagined ... solutions that solve problems, make your work vehicles work harder and improve the guest experience.

Five-Star Bell Service

Five-star service begins with the first step guests take on arrival. Customized service vehicles make a great first impression. They are easy to enter and exit, snake through narrow paths and say, "Hey, you're on vacation."

People movers seat six to eight passengers and accommodate luggage beds, stake side kits, hand-truck holders, extended canopies, garment racks and other accessories that streamline bell service. Commonly used vans, on the other hand, are expensive and cannot maneuver narrow paths. Guests have to step up and climb in and out of stuffy back seats. This can be difficult for older, heavier and less fit guests.

Meals on Wheels

Fine dining is synonymous with resorts. Guests expect it even when ordering room service or attending catered events or conventions. Using makeshift vans or golf cars for food and room service may lead to poor presentation, broken china and glassware, slow service, dissatisfied customers and fewer return visits. Customized food and beverage cars prevent these problems.

For catered events, look for food service vehicles designed around lockable van boxes with sufficient tray and shelf racks, drip edges and insulated compartments. Room service vehicles should also be built around lockable van boxes and equipped with tray shelves, a food warmer box and other accessories.

Customized vehicles can also mobilize food and beverage service and capture additional revenue at beaches, pools and other areas where guests gather. You can tailor these cars to your needs, whether you want to serve a buffet-on-wheels, draft beer, frozen drinks, full bar service, light food and snacks or a combination.

Clean House!

With standard golf cars or utility vehicles, your housekeepers may waste hours driving back and forth to staging areas, searching for the items they need, and wrangling bulky vacuum cleaners into vehicles. This can lead to lost time, slow service and disgruntled guests.

Customized housekeeping vehicles put everything your crews need right at their fingertips. The best of these cars feature L-shaped van boxes with locking doors. The boxes make it easy to remove and replace vacuum cleaners, mops and brooms. They should also be configured with shelves for organizing linens and supplies and drawers for small items.

Hide Your Dirty Laundry

Many resorts have their housekeepers take dirty laundry to the laundry room and pick up clean linens and towels at the same time. This is unsightly, wastes time, and makes it difficult to keep soiled and clean laundry separate.

The solution? Customized laundry vehicles with large plastic hoppers that hide rumpled laundry. Add a bed lift that dumps soiled laundry on a sorting table, rather than a floor, and your crews will avoid stooping and ergonomic problems. The vehicles also keep clean and soiled laundry separate. Dirty laundry is moved in the laundry vehicle. Clean laundry is transported in housekeeping vehicles.

Talking Trash

Your guests don't want to see trash falling out of dumpsters, blowing out of pickup trucks or peeking through the slates of bed boxes. Customized refuse removal vehicles prevent that. They can be equipped with large capacity bins that hide refuse, electric bed lifts, safety gear and a powered dump for emptying trash into dumpsters. They do the work of a small truck at a fraction of the costs.

Keep Your Facilities Maintenance Crews Rolling

Standard utility vehicles may be inexpensive in the short run, but your skilled and highly paid craftspeople can waste hours loading, stabilizing and protecting tools and equipment, and making needless round trips to staging areas in them. Or, they may use expensive trucks. Either way, they are wasting time and money.

Customized facilities engineering vehicles smooth workflow and spike productivity.

These vehicles are designed to slash drive time and boost organization and efficiency. They are available on mid-size, long-bed, street-legal LSV (low-speed vehicle) or 4x4 platforms. Add locking van or toolbox systems, top-mounted ladder racks, bed-based tool and equipment holders and other items and your crews will move seamlessly from task to task.

Cover More Ground

Grounds maintenance is another time-consuming application that customized vehicles will streamline. The vehicles can be configured for your individual needs, on a variety of platforms, including 4x4s and long-bed vehicles with power steering and a high cargo capacity for hauling.

Others feature hose reels and electric rewind, stake side kits and bed-based tool and equipment holders that carry gear outside and inside the bed, freeing bed space and reducing round trips.

Multi-Taskers

Other customized vehicles are built to perform multiple tasks. For example, you may a scissor lift for hanging decorations, painting or installing lights, but you don't need a dedicated car for those jobs. That calls for a vehicle with a lift that can be replaced with a dumping cargo box in minutes. Look for lifts that work in tight, sloping spaces like parking garages and can be leveled on rough terrain and slopes.

You may occasionally need to transport guests in wheel chairs. Look for an ADA-compliant vehicle that carries a passenger in a wheel chair when needed but transforms to a standard four-passenger vehicles or a flat bed for stewarding.

The Take Away

Customized vehicles offer endless possibilities for hotels and resorts to power productivity and transform transportation. If you need a car for a unique application, call a custom solutions expert. Ask if they will prepare a design and quotation for your review at no charge and if they cover their custom vehicles with the same warranty as others in that class. Some manufacturers even offer vehicles preconfigured for specific tasks to speed the customization process.

Benefits of Customized Vehicles

- Replace full size trucks and vans, which are more expensive to purchase, operate and maintain
- Speed a particular application
- Boost fleet versatility
- Solve unique problems
- Carry more passengers
- Decrease your overall fleet size

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SAFETY TIP: How to dispose of gasoline

As gas ages it loses some of its combustibility to start up an engine. Leaving unused remnants of the fuel stored too long, risks it degrading or becoming contaminated during that time. However, it will still be combustible to a point and difficult to dispose of.

At this point, you need to deal with it through legal disposal or through reuse after dilution. Improperly and illegally disposed of gasoline—pouring it onto land, into storm drains, or down toilets—can incur fines, damage the landscape, kill animals, contaminate water sources, and even pose a serious fire risk.

We share some tips below on how to safely dispose of your old gasoline.

1. Check the appearance and smell of the gasoline to determine its usability.

To see if gas is old or contaminated, pour some in a glass container. In another container, pour some fresh gasoline for comparison.

If the older, questionable gas is darker or smells more "sour" than the fresh gas, it has likely aged to the point of losing efficacy. The addition of ethanol, which is a preservative, has made today's gasoline more shelf-stable than fuel of years past. Still, gasoline that is stored more than a couple months (and an unknown length of time in the gas station's tank before that) degrades and loses combustibility, which can ultimately inhibit its ability to fire your engine. While old gasoline will not hurt an engine, it will make it run inefficiently or fail to fire at all. You can dispose of old gas, but you can also reuse it by diluting it with fresh gas (see Step 2).

However, if the leftover gasoline shows particles of rust, dirt, or discoloration, it may be contaminated. Do not reuse this fuel. Instead, skip to Step 3 for disposal, since those particles can clog fuel lines and carburetors.

2. If the older gas is not contaminated, you may dilute it with fresh fuel for reuse.

Old gas may have lost some of its combustibility, but it may be safe to use up by diluting with newer gas in the tank of an outdoor power tool. Follow the right proportions, and the old gas will lower an entire gas tank's combustion ability by so little that it could be less of a concern.

If there is only a half tank or less of old gasoline in your outdoor power tool, filling the rest up with fresh gasoline might dilute it enough to get the engine firing. You can also choose to top the tank up with more

fresh gas midway through use to get a little more power from the fuel.

Of course, you can choose to dispose of old gasoline. In fact, it would be a good idea if the fuel is an especially dark color, such as rust-brown or "milk chocolate" compared to fresh gas, so that you do not risk gumming up your engine with deposits or impurities.

3. Locate the nearest hazardous waste disposal in your area.

   - Search online for "hazardous waste disposal center" in your county, city, or state.
   - Call your county or city waste management agency and ask where old gasoline goes.
   - Check with your local fire department. Given the flammability of gasoline, they frequently can suggest how to handle the gasoline and where it should go.
   - Ask your auto repair shop if they would take the gasoline off your hands. Many will not, as it can be an expense.

4. Transfer gasoline to a government-certified container.

   Using a funnel, carefully transfer the old gasoline from its existing container into a container that is government-certified to hold gasoline, like a jerry can or plastic gas jug. Many fire codes require each container store less than five gallons each. (You can pick up either at home and automotive centers or gas stations.)

   Pour slowly to avoid splashing or spilling, and fill no more than 95 percent of the way to leave room for the fumes. Keep your face as far away from the spout as possible to minimize the amount you inhale. Immediately after pouring, tightly seal the container with its lid to prevent spills or leaks.

   Place the container upright in a second receptacle, such as a rubber cooler or bin, in case it should topple over as you are driving. Then wash your hands thoroughly, in case any has splashed on you.

5. Quickly and thoroughly clean up any gasoline spills.

   Change your clothes if any gasoline splashed onto you. First, blot the excess gasoline off your clothes with a white cloth. Cover the affected area with baking soda to absorb whatever your cloth cannot; let it sit for a few minutes, then brush it clean. Finally, rub liquid dish soap into the stain to treat it five minutes before laundering the clothing by itself in the hottest water its fabric can take. Line dry only until you are sure all traces of gasoline have completely been removed.

   If you spilled gasoline outside, soak up as much of the fuel as possible with an absorbent product, such as kitty litter. It may take a few hours to absorb the spill, then sweep up the litter to dispose of with your liquid gasoline.

6. Transport gasoline to disposal center.

Drive carefully and do not smoke in the vehicle while transporting gas. There may be fumes or gas could have splashed on you, and it takes very little gasoline to be combustible with open flames in a small space.

Once you reach the disposal center, you should be able to empty your gasoline into their storage vessel and

take the empty container back for the next time you have to dispose of gasoline responsibly.

Safety Tips When Dealing with Gasoline

Gasoline is highly toxic and flammable, so take precautions when transferring and disposing of the substance. According to the US Government's Medline Plus:

- It is dangerous to inhale gasoline in large quantities, so work outdoors if you can. If you cannot, get to fresh air quickly if you notice it burning in your lungs.
- If you accidentally swallow gasoline, drink milk immediately and call the Poison Helpline at 1-800-222-1222.
- If you get gasoline on your skin or in your eyes, flush it out with lots of cool water for at least 15 minutes. See a medical professional if it continues to burn or affect you after the 15 minutes has lapsed.

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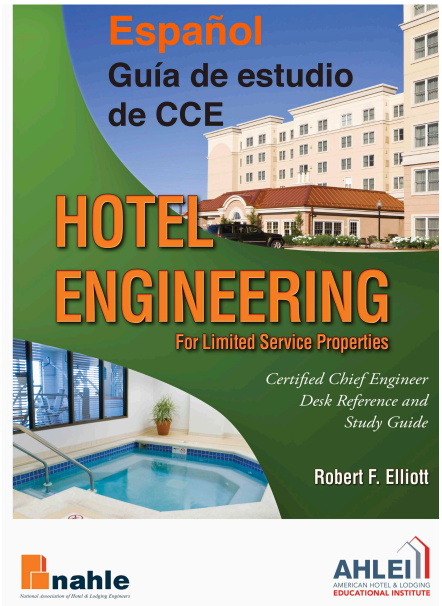

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