

# Q2 2024 Facility Maintenance Cost Analysis Report

## Introduction

As the Facilities Manager at Lee's Market, I am responsible for overseeing the maintenance and upkeep of our stores. This report aims to provide an overview of our facility maintenance costs for Q2 2024, highlighting key trends and areas for improvement. The data presented in this report will inform our future maintenance strategies and budget allocations. By analyzing our facility maintenance costs, we can optimize our operations and improve our bottom line.

## Store Condition Assessment and Maintenance Priorities

Our quarterly store assessments revealed a 15% decrease in customer complaints regarding store cleanliness since implementing the new janitorial schedule in January 2024. The maintenance team has prioritized addressing issues with the refrigeration units in the seafood department, which has resulted in a 20% reduction in related service calls. Additionally, the store condition assessment checklist has been updated to include a review of the store's exterior signage and landscaping. This change has improved the overall appearance of our locations.

## Energy Efficiency Initiatives and Cost Savings

As part of our sustainability efforts, Lee's Market has partnered with a leading energy efficiency consulting firm to conduct an audit of our lighting systems. The audit, completed in March 2024, identified opportunities for a 12% reduction in energy consumption through the installation of LED lighting. We are currently exploring financing options for this project, which is expected to yield a 5-year payback period. Our goal is to reduce our carbon footprint while also decreasing our energy expenses.

## Facility Maintenance Cost Variance Analysis Q2 2024

The introduction of our new computerized maintenance management system (CMMS) has streamlined the process of tracking and analyzing maintenance work orders. This has allowed our team to better identify trends and patterns in equipment failures, enabling more proactive maintenance scheduling. In Q2 2024, we saw a 10% increase in the number of work orders completed within the scheduled timeframe, indicating improved efficiency in our maintenance operations. However, we still face challenges in integrating the CMMS with our existing accounting software.

## Vendor Performance Evaluation and Contract Review

In April 2024, our procurement team conducted a comprehensive review of our contracts with maintenance vendors, resulting in the renegotiation of two key agreements. These new terms are expected to yield a 5% reduction in vendor costs over the next 12 months. We have also implemented a vendor scorecard system to track performance and ensure accountability. This will enable us to make more informed decisions when selecting vendors for future projects.

## Capital Expenditure Planning for Future Growth

As part of our strategic growth plan, Lee's Market is allocating \$10 million in capital expenditures for the development of new store locations in 2025. This investment will focus on expanding our presence in the Western United States, with a target of opening 5 new stores within the next 18 months. Our real estate team is currently scouting locations and negotiating lease agreements. We anticipate this expansion will drive a 15% increase in revenue by the end of 2026.

## Conclusion

In conclusion, our facility maintenance costs for Q2 2024 were in line with our projections. However, there are opportunities for cost savings through energy efficiency initiatives and vendor contract negotiations. I recommend that we prioritize these areas in our future maintenance strategies. By doing so, we can reduce our maintenance costs and allocate more resources to support our business growth.