

EXHIBIT A: JANITORIAL SERVICES CONTRACTS

The June 15, 2017 Council agenda includes two items to provide janitorial services at 17 Austin Energy facilities totaling approximately 510,000 square feet.

BACKGROUND

In preparation for a new solicitation for these services, staff divided these services into smaller packages to increase opportunities for small and/or certified companies to compete for the contracts. The Purchasing Office received 18 proposals, an increase of five over the last solicitation. Staff also re-examined costs associated with hiring versus contracting for these services. This document includes results of that research.

COST COMPARISON

Table 1 below is a summary of the analysis that shows a significant cost increase for hiring or bringing janitorial services “in house”. The Year 1 in-house total includes one-time costs of vehicles, equipment and consumables. The totals for Years 2-5 do not include those costs.

	In House Janitorial		Proposed Contracts
Year 1	\$2,240,428.28		\$1,110,621.00
Year 2	\$1,997,428.28		\$1,110,621.00
Year 3	\$1,997,428.28		\$1,110,621.00
Year 4	\$1,997,428.28		\$1,110,621.00
Year 5	\$1,997,428.28		\$1,110,621.00
Total	\$10,230,141.40		\$5,553,105.00

Table 1.

Table 2 below includes annual costs associated with hiring Full-Time Equivalents (FTEs) to provide the janitorial services.

Job Title	Annual Salary	# of new FTEs	Total Salary	6.2% FICA	1.45% Medicare	18% Retirement	\$14,902 Insurance	Total w/benefits	# of pp's	Required
Building & Grounds Asst.	33,238	27.25	905,736	56,156	13,133	163,032	406,080	1,544,136	26	1,544,136
Building & Grounds Lead	36,566	3.00	109,698	6,801	1,591	19,746	44,706	182,542	26	182,542
Building & Grounds Supervisor	48,714	1.00	48,714	3,020	706	8,769	14,902	76,111	26	76,111
Totals	118,518	31.25	1,064,148	65,977	15,430	191,547	465,688	1,802,789	26	1,802,789
Overtime										90,139
Custodial Supplies/Equipment										200,000
Consumables										75,000
Vehicles										68,000
Vehicle maint. and fuel										4,500
Total										\$2,240,428
Notes:										
Labor rate calculated at the mid labor rate per job title										
Mid rate for B&G Asst. - \$15.98										
Mid rate for B&G Lead. - \$17.58										
Mid rate for B&G Supv. - \$23.42										
Equipment includes vacuum cleaners and Buffers, janitors carts, and equipment to service buildings.										

Table 2.

RECOMMENDATION

After reviewing the analysis, Austin Energy and the Purchasing Office recommend continuing the current delivery method of contracting for janitorial services.