

## EXHIBIT A

### CUSTODIAL SERVICES CONTRACT VS IN-HOUSE COMPARISON

The February 1, 2018 Council agenda includes an item to provide custodial services at 16 Austin Water, Parks and Recreation Department, and Austin Public Health facilities totaling approximately 416,551 square feet.

#### BACKGROUND

In preparation for a new solicitation for these services, staff split the services in to two groups, creating smaller packages to bid on, to increase opportunities for small and/or certified companies to compete for this contract. Additionally the scope of work was vetted through the Asian Contractor Association, the Austin Area Black Contractors Association, and the US Hispanic Contractors Association. The Purchasing Office received five proposals. 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 custodial services “in house”.

	<b>In House Janitorial</b>		<b>Proposed Contract</b>
Year 1	\$1,497,258.00		\$940,000.00
Year 2	\$1,497,258.00		\$940,000.00
Year 3	\$1,497,258.00		\$940,000.00
Year 4	\$1,497,258.00		\$940,000.00
Year 5	\$1,497,258.00		\$940,000.00
<b>Total</b>	<b>\$7,486,290.00</b>		<b>\$4,700,000.00</b>

**Table 1**

\*The proposed contract total includes \$750,000 (\$150,000 annually) of miscellaneous authorization for future use by the Library Department and other various City departments.

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

	<b>Annual</b>	<b># of new</b>	<b>Total</b>	<b>6.2%</b>	<b>1.45%</b>	<b>18%</b>	<b>\$14,902</b>	<b>Total</b>	<b># of</b>	
<b>Job Title</b>	<b>Salary</b>	<b>FTEs</b>	<b>Salary</b>	<b>FICA</b>	<b>Medicare</b>	<b>Retirement</b>	<b>Insurance</b>	<b>w/benefits</b>	<b>pp's</b>	<b>Required</b>
Building & Grounds Asst.	33,238	17.50	581,665	36,063	8,434	104,700	260,785	991,647	26	991,647
Building & Grounds Lead	36,566	4.00	146,264	9,068	2,121	26,328	59,608	243,389	26	243,389
Building & Grounds Supervisor	48,714	2.00	97,428	6,041	1,413	17,537	29,804	152,222	26	152,222
<b>Totals</b>	<b>118,518</b>	<b>23.50</b>	<b>825,357</b>	<b>51,172</b>	<b>11,968</b>	<b>148,564</b>	<b>350,197</b>	<b>1,387,258</b>	<b>26</b>	<b>1,387,258</b>
Custodial Supplies/Equipment										0
Consumables										75,000
Vehicles										32,000
Vehicle maint. and fuel										3,000
<b>Total</b>										<b>\$1,497,258</b>

**Table 2.**

#### RECOMMENDATION

After reviewing the analysis, the Purchasing Office recommends continuing the current delivery method of contracting for custodial services.