

**FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS**  
**CONSENT / AGENDA ITEM # 7i**

**SUBJECT:** Consideration of Award for Request for Proposals 18-028P to American Janitorial, Inc. for Custodial Services for County Facilities.

**DATE OF MEETING:** February 5, 2018

**OVERVIEW/SUMMARY:** A Request for Proposals (RFP) was advertised in the *Flagler News Tribune* as well as publicly broadcast on [www.publicpurchase.com](http://www.publicpurchase.com). RFP 18-028P requested proposals from qualified firms to provide custodial services for over 50 County facilities.

In-house staff is currently performing the work contained within this proposal. As part of the budget process, staff continuously looks for ways to improve efficiency and effectiveness by evaluating the day-to-day processes relating to the delivery of service. It was identified through this process that outsourcing of custodial services would realize an annual savings of \$115,000 per year in salary savings costs after transition costs of approximately \$130,000. There will be additional savings with vehicles, cellphones, uniforms, insurance, and similar items. Additional softer cost savings will also occur with manager time spent interviewing, background and reference checks, employee reviews and actions. This can be substantial with the amount of turnover in these positions which is almost 50% per year. Refilling positions has grown increasingly difficult with the improvement in the economy and the lower wages we pay for these positions. On the positive side, any displaced employees will be entering a much stronger job market.

Should the Board decide to award this contract, fifteen and a half positions within General Services – Facilities and Parks Divisions will be eliminated and one position added to the Flagler County Airport. Four of those positions are currently vacant. The last day for these employees would be Wednesday February 28<sup>th</sup>, 2018. The employees will be provided a severance package and be eligible for positions with the contractor. The standard severance package includes a minimum of 2 months pay and 4 months health insurance. Employees with the County longer than three years will receive proportionate increases in severance based on the length of service. Of the two custodial supervisors one will accept an airport maintenance position, leaving 10 ½ custodial employees actually laid off. The other supervisor included in 10 ½ positions has hung with us during this custodial shortage and is planning to retire.

On January 17, 2018, the County received one (1) response as detailed on the attached tabulation sheet. One firm delivered a late bid, which was not accepted. Staff reviewed the proposals for conformity to specifications as well as to the terms and conditions outlined in the RFP documents. Staff recommends award to American Janitorial, Inc. who demonstrated through the RFP process to be a responsive and responsible firm.

The County and American Janitorial, Inc. will enter into contract for a period of two (2) years with an option to renew for two (2) additional two (2) year terms. The annual contract costs for the current facility areas is \$484,627.68 and will be the same for year two. The contract will allow additional facilities to be added and other special services as necessary. The Flagler County Airport will continue to utilize one in-house staff member to perform their custodial and light maintenance needs for the Airport Control Tower, Airport Executive Office Elevator and Stairwell, Airport T-Hanger Restrooms, Airport/FBO Office, Corporate Hanger, and the National Guard Hanger, therefore services within these six specific locations will not be included in this contract. This action will eliminate all but one position that will transfer from General Services to the Airport.

**FUNDING INFORMATION:** Personnel service savings will be transferred to contracted services in the General Fund. This contract will be appropriated in the FY 2017-2018 budget in account numbers in the General Fund 001-1413-519-34-10 (Facilities); 001-0250-519.34-10 (General Services Building), 001-1440-572.34-10 (Parks) and in Tourist Development Fund account 110-4700-559-34-10. The Airport Fund will appropriate personal services for a custodian of approximately \$23,500 from reserves.

**DEPT./CONTACT/PHONE #:** General Services, Heidi Petito (386) 313-4185  
Purchasing, Kris Collora (386) 313-4062

**RECOMMENDATIONS:** Request the Board approve the award for Request for Proposals 18-028P to American Janitorial, Inc. for Custodial Services for County Facilities and authorize the Chairman to execute a contract as approved as to form by the County Attorney and approved by the County Administrator, approve the one position transfer from General Services to the Airport and authorize the County Administrator to execute the necessary budget transfers.

**ATTACHMENTS:**

1. Proposal Tabulation
2. General Services Director Memo



\_\_\_\_\_  
Craig M. Coffey, County Administrator



\_\_\_\_\_  
Date



**FLAGLER COUNTY, FLORIDA  
RFP TABULATION SHEET**

ALL PROPOSALS ACCEPTED BY FLAGLER COUNTY ARE SUBJECT TO THE COUNTY'S TERMS AND CONDITIONS. ANY AND ALL ADDITIONAL TERMS AND CONDITIONS SUBMITTED BY THE PROPOSERS ARE REJECTED AND SHALL HAVE NO FORCE AND EFFECT. RESPONSES FROM THE PROPOSERS LISTED HEREIN ARE THE ONLY PROPOSALS RECEIVED TIMELY AS OF THE OPENING DATE AND TIME. ALL OTHER PROPOSALS SUBMITTED IN RESPONSE TO THIS SOLICITATION, IF ANY, ARE HEREBY REJECTED AS LATE.

**RFP NUMBER:** 18-028P  
**RFP TITLE:** Custodial Services for Flagler County Facilities  
**OPENING DATE/TIME:** Wednesday , January 17, 2018 at 3:00p.m.

<b>Response 1</b>
<p>American Janitorial, Inc.            87 North Central Ave            Umatilla, FL 32784</p>

Opened and tabulated by: Kris Collora, CPPB, Purchasing Manager  
 Irene Lopez, Procurement Analyst



## General Services

1769 E. Moody Blvd. Bldg 5  
Bunnell, FL 32110  
Phone: 386-313-4020



**To:** Craig M. Coffey, County Administrator

*HP* **From:** Heidi Petito, General Services Director

**Subject:** Custodial Services

**Date:** May 23, 2017

**Copies:** Joe Mayer, Human Resources Director

As you know, on August 3<sup>rd</sup>, 2015 staff brought forward a request for Proposal Award RFP-P062-0-2015 to American Janitorial, Inc. for Custodial Services for County Facilities. Subsequently this item was not approved by the Board of County Commissioners.

Each year we evaluate the work we do and look for ways to improve quality and efficiency of operation while reducing or having greater control over operating costs. Through our budget preparation for FY18, staff is proposing to outsource custodial services as a means of increased efficiency and improved effectiveness.

Custodial positions in general have one of the highest turnover rates primarily due to the salary and nature of work (turnover rate is approximately 20% per year with some years as high as 40%). We currently have 16 custodial positions within Facilities and Parks & Recreation and of those only four employees have been with the county more than five years, one of which is ready to retire.

Length of Employment	Number of Employees
Vacancy	1
Less than a year	2
1-2 years	6
3-5 years	3
More than 5 years	4

Charles Ericksen, Jr.  
District 1

Greg Hansen  
District 2

David Sullivan  
District 3

Nate McLaughlin  
District 4

Donald O'Brien Jr.  
District 5

Most of the time these positions turnover several times primarily due to performance or the fact that these positions are viewed as entry level and used as a stepping stone making the delivery of custodial services operationally uncontrollable. This turnover can typically leave us down a position for the majority of a year.

Worker's compensation claims are higher among custodial positions, compared to other positions within this department. Some examples of claims are exposure to chemicals, trip and falls, back or hand injuries. Over the past ten years, we have averaged two per year.

2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
1	3	0	2	3	6	0	0	2	3

In-house custodial services creates staffing issues every time an employee misses work due to vacations, sick leave, on the job injuries, FMLA, etc. which equates to at least one full-time position (approximately 2,080 hours a year). This is in addition to the loss of personnel due to turnover, causing the almost continuous loss of 2 working positions.

Because we are down manpower we can't complete certain jobs and are often criticized for them. For example we haven't cleaned carpets in almost nine years, we've never been able to strip, wax and buff our vinyl composition tile floors (VCT), clean and seal grout on ceramic tile finishes, elevators and internal stairwells are often overlooked, the 911 Dispatch Center and Tax Collector has had to outsource some of their deep carpet cleaning at an increased cost and all of these deferments are affecting the longevity of our buildings and increasing our capital costs. Outsourcing is a way to cover this as an outside company would have the resources to back fill positions to ensure the work is completed.

In addition to the salary and benefits associated with each custodial position, there are several additional and hidden costs. Those costs include job vacancy announcements, interviews, background checks, new hire orientation, benefits coordination, uniforms and supply issuances, training and administrative costs upwards of \$10 additional and \$30K in hidden costs each year.

When staff advertised specifications for custodial services, the specs were for a higher level of service than what is currently being provided by in-house staff and is more in line with what existed prior to the downturn in the economy, before we laid off four custodial positions (2007/2008). The scope of work includes polishing/waxing of VCT flooring monthly, cleaning/stripping of VCT floors one to two times per year (as needed) and shampooing of the carpets one to two times per year (as needed) which is not being completed in-house with the current staffing levels. In order to make the comparison between in-house or contracted custodial services, we would have to include the cost of those four positions into the calculation (\$36,250/position, \$145,000 annually).

The chart below demonstrates a breakdown of the cumulative savings with outsourcing custodial services.

<b>Type of Cost</b>	<b>Year 1</b>	<b>Year 2*</b>	<b>Year 3*</b>	<b>Year 4*</b>	<b>Year 5*</b>	<b>Year 6*</b>
Outsourcing Savings	92,439	95,000	97,000	99,000	101,000	103,000
Average Additional and Hidden Costs	10,000/ \$30,000	10,000/ \$30,000	\$10,000/ \$30,000	\$10,000/ \$30,000	\$10,000/ \$30,000	\$10,000/ \$30,000
Additional Staffing Costs (In-House)	145,000	145,000	145,000	145,000	145,000	145,000
Severance Payout	-139,657					
Net	137,782	280,000	282,000	284,000	286,000	288,000
Cumulative Savings	137,782	427,782	719,782	1,013,782	1,309,782	1,607,782

\*Over the term of this contract the county would continue realizing a savings even while paying a cost-of-living adjustment to the contractor. If that same cost-of-living adjustment was provided to the employees, Flagler County would have increased costs above the COLA due to the fact that an increase to ones pay also affects their benefits (WC, FICA, and Retirement).

Staff realizes this is a tough business decision as In-house staff is currently performing the work contained within the bid proposal which would mean if awarded they would be laid off. Affected staff members will receive a severance package in accordance with the County's layoff policy. And they will be afforded an opportunity to interview with the selected contractor. However as part of the budget process, staff continuously looks for ways to improve efficiency and effectiveness by evaluating the day-to-day processes relating to the delivery of service. It was identified through this process that outsourcing of custodial services would realize an annual savings to the County, provide a higher level of service, and would allow us to focus back on the core functions of our department, therefore staff recommends pursuing outsourcing.

The costs provided above are new estimates from the former low bidder. The County will have to readvertise and procure this service, so cost may go up or down accordingly.