

# **Proposal: Outsourcing Custodial Services and Shifting Managerial Oversight Structure**

By:

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# Summary/ Recommendation

- The LCPS Operations Department is proposing a restructuring of the operations staffing model that would include partially outsourcing our custodial work and making changes to the remaining managerial roles to maximize efficiencies in cost and quality and to address underlying challenges we have faced with our current in-house staffing model.
- By doing this, we expect to save 20-25% (~\$200-225K) in operational staffing costs each year. We also strongly believe these changes will lead to notable improvement in quality.
- After completing a rigorous and competitive bidding process and an analysis of current roles and structure, we are recommending the LCPS Board approve a contract with the winning vendor (Rojas Janitorial Services) for the 24-25 SY.



# Current Issues/ Challenges & Opportunities

- While LCPS has done a good job with the upkeep of its facilities and grounds, the pandemic lifted the necessity for reevaluating our cleaning and sanitization practices. This presented both challenges and opportunities, prompting adjustments to internal schedules to accommodate these new requirements, yet also leaving lingering obstacles to address.
- Our current staffing schedule does not permit for deep sanitization and cleaning because staff currently work around the school calendar and work shifts being part-day/evening has led to possible inefficiencies.
- We lack supervision/guidance during evening work shifts. Last year this resulted in fraud and overpayment of staff requiring disciplinary action.
- We lack cleaning machinery and techniques to increase efficiency in our cleaning and disinfection practices. This requires outsourcing of special projects during off season.
- We have faced challenges filling recent vacant roles, resulting in outsourcing janitorial services for 2 FTE roles. The services have excelled in quality and has resulted in a cost reduction to our direct staffing budget.

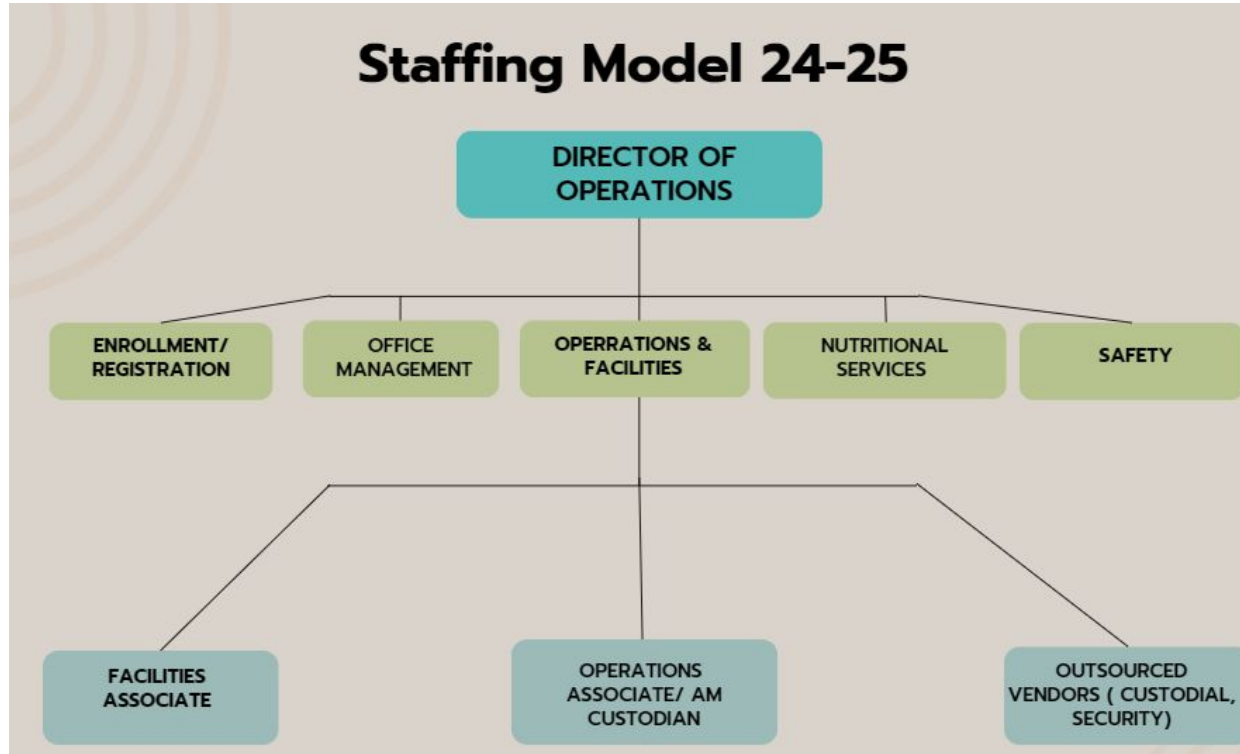


# Looking Ahead- Opportunity

- **Enhance Facility Maintenance and Quality-** maximize outside expertise to deliver higher quality maintenance and training development opportunities for custodial staff
- **Cost Optimization-** reduce inhouse staffing costs ( salary, benefits, equipment, training, etc) and risks related to worker injury costs in roles with greater likelihood for injury
- **Flexibility and Scalability-** Scale facilities operations as needed and have the flexibility to adjust service levels during high and low seasons. Allowing us to pro-rate costs during off-season. Vendor guarantees coverage for absences and vacancies that previously resulted in house gaps and or over-time.
- **Bundle Services-** reduce costs of specialized services by paying for it upfront and implementing as part of the scope of work for seasonal work
- **Access to network of expertise outside janitorial services-** Vendors have a wide range of network and providers to access for various facilities needs



# Proposed Staffing Restructure & Partially Outsourced Model



# Partial-Outsourced Model ROI

**Summary: By eliminating a managerial position and outsourcing all evening custodians, we will significantly reduce the annual costs for operations staffing.**

***Reduces overall cost by 20-25%; ~\$200-225k savings per year***

- 1) Improve facilities cleanliness and maintenance with a focus on deeper disinfection occurring after hours
- 2) Reduce indirect costs; long-term investment costs of growing a team and machinery to services facilities and costs related to worker's compensation and inefficiencies.
- 3) Reduce workers compensation and liability risks for a high risks occupations
- 4) Allows for easier scalability as LCPS continues to grow its facilities and grounds offerings

***LCPS Conclusion: Overall savings generated from a partial outsource model will contribute to a higher return on investment and overall lowered costs of ~\$200-250K for the organization.***



# Vendor Cost Analysis & Selection Process & Ratings



# Cost Analysis & Vendor Selection Process



1. Analyzed current in-house cost model and built out a tool to model potential cost savings in a partially outsourced new model
2. Researched local providers serving the Bay Area with relevant experience and set criteria for responsive & responsible bids
3. Received competitive bids from 3 companies
  - a. ***United Services***
  - b. ***All Green Services***
  - c. ***Rojas Services***
4. Reviewed and rated bids on selection criteria, including, visiting schools being serviced by vendors and spoke with references
5. Based on selection criteria, we have identified a vendor that is both the lowest bid and met all criteria with the highest rating—we recommend entering into a contract with the vendor for the 24-25SY





# Vendor Bid/ Quote Comparison

Criteria	1 - Unsatisfactory	2 - Satisfactory:	3 - Excellent:
<b>Vendor Bid and Quote Comparison</b>			
	<b>Rojas Janitorial Services</b>	<b>All Green Services</b>	<b>United Services</b>
Annual/Per Month Quote	\$322,920/\$26,910	\$417,960/\$34,830	\$485,640/\$40,470
Price Savings with No Pro-ratio	Estimated 21% savings	Estimated 10.7.3% savings	Estimated 3.4% savings
Price Savings with Pro-ratio	Estimated 24% savings (\$222K)	Estimated 14.7% savings	N/A-Pro-ratio not an option
<b>Criterion 1: Understanding of Requirements</b>	3	3	3
<b>Criterion 2: Experience and Expertise</b>	2	2	3
<b>Criterion 3: Proposed Approach and Methodology</b>	3	2	3
Overall Price Ranking	3	2	1
Quote includes Deep Cleaning	3	2	2
Quality of Services	3	2	3
Experience in Education Sector	3	3	3
Strengths of Proposal	3	2	2
Concerns	N/A	N/A	N/A
Overall Ranking	3	1	3
<b>Total Ranking</b>	26	19	23



# Other Considerations

- Ability to prorate services during months when schools are not fully operational for students (summer, winter, fall, and spring breaks)
- Ability to include deep cleaning services already outsourced as part of base or add-on quote (e.g. carpet cleaning, floor buffing, painting, minor repair work, furniture assembly)
- Hiring of LCPS personnel by the vendor (e.g. Vendors ready to interview and move forward with hiring LCPS staff recommended by LCPS)
- Experience and reputation working in school settings
- Assurance of ability to manage their staffing to ensure all cleaning is completed regardless of whether regular staff are available



# Staff Recommendation: Award Contract to - Rojas Janitorial

	<b>Rojas Janitorial Services</b>
Annual/Per Month Quote	\$322920/\$26,910
Price Savings with No Pro-ratio	Estimated 21% savings
Price Savings with Pro-ratio	Estimated 24% savings (\$222K)

LCPS Staff recommends the LCPS Board approve Rich Harrison to enter into a contract with Rojas Janitorial for 24-25SY for up to \$26,901/mo and not to exceed \$322,920 annually after final review of contract by legal counsel.

