

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

DATE: March 28, 2014

TO: Supervisor Marina Dimitrijevic, Chairperson,
Milwaukee County Board of Supervisors

FROM: Don Tyler, Director of Department of Administrative Services

**SUBJECT: HOUSEKEEPING AND JANITORIAL SERVICES FOR MILWAUKEE
COUNTY FACILITIES**

SUMMARY

During the October 2013 County Board cycle, both the Finance, Personnel & Audit Committee, and the Milwaukee County Board, elected not to approve an Agreement with Encore One DBA CleanPower (“CleanPower”) to provide housekeeping and janitorial services in various Milwaukee County (“County”) facilities (File No. 13-581). Feedback from Supervisors to the Department of Administrative Services (“DAS”) indicated that it may not have been approved, in part, due to the discussions related to rehiring former County employees for housekeeping services in the Courthouse Complex. At the March 20, 2014 meeting of the Board of Supervisors, the Board elected not to adopt a resolution (File No. 14-108) related to in-sourcing housekeeping services for the Courthouse Complex. As a result, DAS recommends approval of the originally-proposed agreement with CleanPower. CleanPower has agreed to honor the terms and conditions stated in its original proposal and best and final offer from 2013. This action will result in an approximate savings of \$2 million over the three year term of the contract.

REQUEST

DAS seeks approval to enter into an Agreement with CleanPower for the provision of housekeeping and janitorial services in County facilities. We respectfully request that this report and attached documents be referred to the Finance, Personnel & Audit Committee for consideration.

BACKGROUND

Historically, housekeeping and janitorial vendors have provided services to County facilities pursuant to year-long price agreements with provisions for up to two one-year renewal periods. On October 29, 2012, the Department of Administrative Services-Facilities Management (“DAS-FM”), the Department of Transportation (“DOT”), and the Department of Health and Human Services (“DHHS”) cooperatively issued an RFP (RFP # 928003) in accordance with Chapter 32 of the Milwaukee Code of General Ordinances, soliciting proposals from vendors to provide housekeeping and janitorial services for County facilities. Proposals were due by December 3, 2012.

The RFP outlined such elements as minimum standards and requested services in order for proposers to offer solutions to the objectives, problems, and needs set forth in the RFP. Proposers were encouraged to define how they intended to meet or exceed the RFP requirements. The RFP was developed with direct input from facility stakeholders and operational personnel. The RFP described evaluation criteria (including cost, technical knowledge and experience,

quality of labor/personnel, and references/work history) and the relative weights applied to each criterion.

Broad notification of the RFP was performed via publication, posting on the Milwaukee County procurement website, posting on the Milwaukee County Business Opportunity Portal, use of the County's E-notify System, and direct identification of potential vendors. A pre-bid conference and tours of all facilities covered by the RFP were held. At the conclusion of the bidding period, numerous proposals were received.

The RFP divided specific County facilities into three categories: Group A buildings (those managed by DAS-FM), Group B buildings (those managed by DHHS), and Group C buildings (those managed by DOT). While the RFP reserved the County's right to award different groups of buildings to different vendors, the RFP stated the County's intention to execute a single prime vendor contract for all janitorial services in all buildings covered by the RFP. This approach is in concert with the Comprehensive Facilities Planning effort underway as the result of a facilities study completed by CBRE earlier this year, encouraging a "one County, one landlord" approach to facilities.

At the time the RFP was issued, multiple vendors were providing janitorial services to County facilities pursuant to price agreements. Currently, the three vendors continue to provide janitorial services on a month-to-month basis, on the terms contained in the price agreements. Should approval to enter into an Agreement with CleanPower for housekeeping and janitorial services be denied, we would need to operate under the current price agreement or via an emergency procurement action, if needed, until a new RFP could be issued.

DISCUSSION

Prior to receipt of RFP responses, DAS determined to convene an Evaluation Panel to review the proposals received in response to the RFP in order to help ensure that various internal stakeholders' requirements were met and to perform an individual and independent evaluation of scoring criteria as outlined in the RFP. While not required under Chapter 32, the Evaluation Panel was established to provide additional evaluative expertise.

Upon receipt of RFP responses, each Evaluation Panel member performed an independent and individual evaluation related to both technical and cost elements of the RFP. At the conclusion of the evaluation process, CleanPower's total evaluative score (cost, technical knowledge, experience, quality of labor/personnel, and references/work history) by the Evaluation Panel members was the highest of all proposers and determined a competitive range; as such the Evaluation Panel recommended that DAS enter into negotiations with CleanPower.

After conducting additional in-depth tours of all facilities and extensive negotiations, CleanPower submitted its best and final offer on May 22, 2013. This best and final offer was incorporated into the proposer's original RFP response to create the final terms of the agreement. Corporation Counsel, Risk Management and CBDP have all reviewed and approved the agreement and the underlying documents.

Subsequently, Intent to Award notifications were released to all proposers on June 4, 2013, as required by MCGO 32.50. No protests were received. Therefore, MCGO 32.40(6) (relating to protests and appeals prior to submission for board approval prior to award) has been satisfied.

The proposed agreement is for one year (May 1, 2014 – April 30, 2015), with two optional one-year renewal terms. The County may terminate the agreement at any time for any reason upon 60 days advance written notice to CleanPower. In the event of the expiration or termination of the agreement, CleanPower will be required to continue to provide services for up to 90 days while new service provider(s) are phased in. While the agreement allows for modification of services to reflect current needs of the covered facilities all housekeeping and janitorial services performed under the current terms of the agreement will be provided for \$3,374,645.38 a year.

For the period of May-December, 2014, services under the agreement will be provided for \$2,249,763; this exceeds the budget amount of \$2,134,953 by \$114,800 for the same period. Broken down by department, DAS-Facilities Management's janitorial expenditure budget will decrease by about \$2,100 for the remainder of 2014. DOT-Fleet Management will have a decrease of approximately \$3,500 in its janitorial expenditures and DHHS will have an increase of approximately \$120,400 in its janitorial expenditures for the remainder of 2014. DHHS will absorb this cost increase via surpluses in other budgeted areas. The increase over the budgeted amounts is attributable in part to an increase in services in certain DHHS facilities designed to further the County's goal of infection control.

If the County and CleanPower mutually agree to extend the optional one-year renewals, any contract price adjustments will be negotiated between the County and CleanPower based on documented Consumer Price Index (CPI) and Producer Price Index (PPI) data as published by the US Department of Labor, Bureau of Labor Statistics. In no case shall the contract price for the renewal year(s) exceed 3.0% of either the CPI or PPI.

RECOMMENDATION

DAS recommends approval of the proposed agreement with CleanPower. By approving the contract prior to May 19, 2014, when the Living Wage Ordinance takes effect, Milwaukee County will realize a savings of approximately \$2 million over a three year contract period, as estimated by the Comptroller in a February 5, 2014 report entitled, "Addendum to Fiscal Analysis of the Proposed Minimum Wage (reflecting 01/30/14 amendment)."

Respectfully Submitted:



Don Tyler, Director
Department of Administrative Services

cc: County Executive Chris Abele
Brian Dranzik, Director, Department of Transportation

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Patrick Lee, Director of Procurement, Department of Administrative Services
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