

**COUNTY OF MILWAUKEE**  
INTER-OFFICE COMMUNICATION

**DATE:** June 24, 2013

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

**FROM:** Patrick Lee, Director of Procurement, Department of Administrative Services

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

**REQUEST**

The Department of Administrative Services (“DAS”) seeks approval to enter into an Agreement with Encore One DBA CleanPower LLC (“CleanPower”) for the provision of housekeeping and janitorial services in Milwaukee County (“County”) facilities. Under the provisions of Act 14 we respectfully request this report and attached documents be referred to the Finance and Audit Committee for consideration. If appropriate, we also would be pleased to provide an informational presentation to the Transportation and Public Works Committee.

**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) pursuant to Chapter 32 of the Milwaukee Code of General Ordinances, soliciting proposals from vendors for provision of 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 criteria.

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 that were set to expire on or around December 31, 2012. Currently, these three vendors continue to provide these janitorial services on a month-to-month basis, on the terms contained in the expired price agreements.

This report has been prepared with all information about the RFP responses that can be released at this time. Pursuant to Chapter 32 of MCGO, because the contract has not yet been awarded, the RFP process is still open and we are prohibited from disclosing certain details about the proposals received in response to the RFP.

## **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 the Department of Administrative Services ("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 (August 1, 2013 – July 31, 2014), 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.

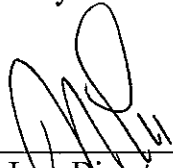
For the period of August-December, 2013, services under the agreement will be provided for \$1,406,103; this exceeds the budget amount of \$1,300,103 by \$106,000. Of this difference, approximately \$18,565 is attributable to DAS-Facilities Management, and \$89,181 is attributable to DHHS (DOT's costs will be \$1,746 under its budgeted amount). 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. DAS-Facilities Management will absorb its cost increases in other budget areas. DHHS is negotiating with CleanPower to adjust various services so that DHHS's costs fall within budgeted amounts; however, in the event DHHS's costs exceed budgeted amounts, DHHS will absorb its cost increases in other budget areas.

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.

Respectfully Submitted:



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Patrick Lee, Director of Procurement  
Department of Administrative Services

- cc: County Executive Chris Abele
- Don Tyler, Director of Administrative Services
- Brian Dranzik, Director, Department of Transportation
- Hector Colon, Director, Department of Health and Human Services
- Gary Waszak, Interim Director of Facilities
- Amber Moreen, Chief of Staff, County Executive's Office
- Kelly Bablitch, Chief of Staff, County Board of Supervisors
- Stephen Cady, Fiscal and Budget Analyst, County Board of Supervisors