



**Water & Wastewater Commission  
Review and Recommendation**

<b>Commission Meeting Date:</b>	November 8, 2017
<b>Council Meeting Date:</b>	December 14, 2017
<b>Department:</b>	Purchasing
<b>Client:</b>	Augie Cancino, Anna Bryan-Borja, and Rick Harland

**Agenda Item**

Authorize negotiation and execution of a multi-term contract with **American Facilities Services, Inc.** and **BHW Operating Company, LP**, or one of the other qualified offerors to Request for Proposals MDD0102, to provide custodial services, for up to five years for a total contract amount not to exceed \$4,700,000. This is a multi-department contract. Austin Water's requested authorization is \$3,500,000.

**Amount and Source of Funding**

Funding in the amount of \$700,000 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Water. Funding for the remaining contract term is contingent upon available funding in future budgets.

<b>Purchasing Language:</b>	The Purchasing Office issued a Request for Proposals (RFP) MDD0102 for these services. The solicitation issued on April 10, 2017 and it closed on May 16, 2017. Of the five offers received, the recommended contractors submitted the best evaluated responsive offer.
<b>Prior Council Action:</b>	N/A
<b>Boards and Commission Action:</b>	November 8, 2017- To be reviewed by the Water and Wastewater Commission.
<b>MBE/WBE:</b>	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9 C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

These contracts will provide custodial services including labor, supervision, supplies and equipment at the following Austin Water locations:

Austin Water:

- Waller Creek Center
- Webberville Service Center
- Water Treatment Plant #4
- South Austin Regional Treatment Plant
- Tim Louviere Service Center
- North Service Center
- Glen Bell Service Center
- Hornsby Bend Bio-Solid Management Plant
- South First Service Center
- Wildland Conservation Reicher Ranch

These departments require custodial services for routine cleaning and disinfection of commercial office space and public space to ensure a clean and safe environment for City employees, contractors, and the public. Services include day and night crews with tasks that are divided on a daytime, evenings, weekly, monthly and quarterly, semi-annual and annual, and as needed basis. The contractors will be responsible for cleaning and light maintenance of restrooms, offices spaces, break areas, conference and meeting rooms, garage areas and computer rooms. The total area to be serviced is 416,551 square feet.

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. Staff also re-examined the approach to hiring versus contracting out for janitorial services and the results of that research are provided in the attached documentation (Exhibit A)

Additionally, the Sustainability Office provided updated requirements for janitorial services which were incorporated into the contract. These requirements addressed cleaning chemicals, paper products, trash can liners, refuse recycling, finishing and stripping floors, carpet and floor care, dusting, and equipment requirements.

These contracts will replace two contracts for custodial services for Austin Water. The last of these contracts will expire March 14, 2018. Therefore, the timely execution of these new contracts is critical to ensure a continuation of custodial services provided at the various City facilities. Adequate time is needed to transition to the new contractors.

An evaluation team with expertise in this area evaluated the offers and scored American Facilities Services, Inc. and BHW Operating Company, LP as the best to provide these services based on business organization, experience and qualifications, work plans, cost, and local business presence. Group A includes Austin Water's requirements and American Facilities Services, Inc. was selected.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

If a contract is not secured then multiple City facilities will not have staff to perform custodial services in order to maintain cleanliness and functionality of facilities and public spaces.

<b>Contract Detail</b>				
	<b>Contract Term</b>	<b>Contract Amount</b>	<b>Contract Amendment</b>	<b>Revised Amount</b>
Initial Term	2	\$1,880,000	n/a	n/a
Extension Option 1	1	\$940,000	n/a	n/a
Extension Option 3	1	\$940,000	n/a	n/a
Extension Option 2	1	\$940,000	n/a	n/a
<b>TOTAL</b>	<b>5</b>	<b>\$4,700,000</b>	<b>\$-</b>	<b>\$-</b>

**EVALUATION MATRIX  
RFP MDD0102  
CUSTODIAL SERVICES - GROUP A**

<b>EVALUATION FACTORS</b>	<b># Possible Points</b>	<b>AMERICAN FACILITIES SERVICES, INC</b>	<b>L5 SERVICES</b>	<b>BHW OPERATING COMPANY LP / UCS</b>	<b>GCA SERVICE GROUP</b>	<b>INTERNATIONAL BUILDING SERVICES</b>
EXPERIENCE AND QUALIFICATIONS	<b>30</b>	<b>28</b>	<b>27</b>	<b>23</b>	<b>20</b>	<b>9</b>
TOTAL PROPOSED COST	<b>20</b>	<b>17</b>	<b>17</b>	<b>20</b>	<b>15</b>	<b>16</b>
BUSINESS ORGANIZATION	<b>20</b>	<b>20</b>	<b>16</b>	<b>16</b>	<b>10</b>	<b>8</b>
WORK PLANS	<b>20</b>	<b>18</b>	<b>17</b>	<b>12</b>	<b>18</b>	<b>5</b>
LOCAL BUSINESS PRESENCE	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Total</b>	<b>100</b>	<b>93</b>	<b>87</b>	<b>81</b>	<b>73</b>	<b>48</b>

NOTE: As per Section 252.049 of the local government code, contents of a proposal shall remain confidential until a contract is awarded. Therefore, the matrix will include points awarded for price but exact pricing will not be disclosed.

**EVALUATION MATRIX  
RFP MDD0102  
CUSTODIAL SERVICES - GROUP B**

<b>EVALUATION FACTORS</b>	<b># Possible Points</b>	<b>BHW OPERATING COMPANY LP / UCS</b>	<b>L5 SERVICES</b>	<b>AMERICAN FACILITIES SERVICES, INC</b>	<b>GCA SERVICE GROUP</b>	<b>INTERNATIONAL BUILDING SERVICES</b>
EXPERIENCE AND QUALIFICATIONS	<b>30</b>	<b>26</b>	<b>25</b>	<b>20</b>	<b>11</b>	<b>2</b>
TOTAL PROPOSED COST	<b>20</b>	<b>11</b>	<b>8</b>	<b>3</b>	<b>8</b>	<b>20</b>
BUSINESS ORGANIZATION	<b>20</b>	<b>18</b>	<b>16</b>	<b>14</b>	<b>9</b>	<b>2</b>
WORK PLANS	<b>20</b>	<b>18</b>	<b>18</b>	<b>13</b>	<b>6</b>	<b>2</b>
LOCAL BUSINESS PRESENCE	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Total</b>	<b>100</b>	<b>83</b>	<b>77</b>	<b>60</b>	<b>44</b>	<b>36</b>

NOTE: As per Section 252.049 of the local government code, contents of a proposal shall remain confidential until a contract is awarded. Therefore, the matrix will include points awarded for price but exact pricing will not be disclosed.

## EXHIBIT A

### CUSTODIAL SERVICES CONTRACT VS IN-HOUSE COMPARISON

The December 14, 2017 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”.

	In House Janitorial			Proposed Contract
Year 1	\$2,102,110.00			\$940,000.00
Year 2	\$2,102,110.00			\$940,000.00
Year 3	\$2,102,110.00			\$940,000.00
Year 4	\$2,102,110.00			\$940,000.00
Year 5	\$2,102,110.00			\$940,000.00
<b>Total</b>	<b>\$10,510,550.00</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.

Job Title	Annual Salary	# of new FTEs	Total Salary	6.2% FICA	1.45% Medicare	18% Retirement	\$14,902 Insurance	Total w/benefits	# of pp's	Required
Building & Grounds Asst.	33,238	26.50	880,807	54,610	12,772	158,545	394,903	1,501,637	26	1,501,637
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>32.50</b>	<b>1,124,499</b>	<b>69,719</b>	<b>16,305</b>	<b>202,410</b>	<b>484,315</b>	<b>1,897,248</b>	<b>26</b>	<b>1,897,248</b>
Overtime										94,862
Custodial Supplies/Equipment										0
Consumables										75,000
Vehicles										32,000
Vehicle maint. and fuel										3,000
<b>Total</b>										<b>\$2,102,110</b>

**Table 2.**

#### RECOMMENDATION

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