

A Lean, Mean Outsourcing Routine

Best-value approaches to better janitorial services

By Robin Suttell

When Mark Armstrong, facilities maintenance coordinator for the City of Santa Rosa, CA, joined the city's facility team in 1992, the lowest bid process was a way of life when it came to selecting janitorial services providers.

"We went through two or three different contractors through 1999," he says. "We were not quite satisfied with the service. It was always marginal or below, and we were continually spending time calling and writing letters to get the contractor back to document problems. It was a lot of administrative time spent."

The phrase "you get what you pay for" might be more than a bit cliché. But, perhaps no other combination of words more aptly describes the fate of many lowest-bid janitorial service contracts in the commercial buildings industry.

Too often, facilities managers who use the lowest bid process find themselves repeatedly re-evaluating contracts and sending out new requests for proposals (RFP) within a short timeframe. The lowest bid doesn't necessarily mean the best value for cleaning budget dollars. There's more than price when it comes to securing a good cleaning services contract.

"You've already created a process where you are setting yourself up for

disappointment," says Gary Bauer, vice president of business services at Service-Master Clean, Memphis, TN.

Why? As Bauer notes, too often the price and the task schedule that a facilities manager will lay out as part of an RFP don't connect well. "To do a particular task schedule, it might take 10 to 12 hours a night, but the current budget says 8 hours," he explains. "There's a disconnect there. Many facilities managers don't always understand the time it takes for tasks in a building."

Similarly, many service providers deliver proposals without ever seeing the facilities slated for cleaning. Quotes are based on the task schedule provided by the facilities department in the RFP rather than an up-close examination of what will be cleaned.

"I'd assume you would want your cleaning contractor to be part of your team and help you build on an integrated facilities approach," says John Kennedy, director of technical support at UNICCO Service Co. in Newton, MA. "Why

not treat the facilities service provider as you would a valued department head? Give them an outline of what the strategic objectives are and establish and define some budget parameters to work with in developing a program. When you send out an RFP, are you really looking for a request for proposal or a request for price?"

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The Best-Value Approach

In 1999, the City of Santa Rosa adopted a new approach to procuring janitorial services contracts. The "best-value approach," as proposed by Santa Rosa's purchasing department, required city officials to evaluate bidders more thoroughly than merely sending out a request for a low-bid contract. And, it required bidders to actively seek the contract beyond submitting the lowest bid.

"We used the exact same cleaning spec, but we evaluated the bidders differently," explains Armstrong, who oversaw the evaluation program. "We weighed the con-

tract bid with other factors.”

The contract award, which would last 5 years, was based on four key evaluation criteria.

First, Armstrong and other city officials looked at the responsiveness to the RFP, for which they asked not only a price estimate but also information on the contractor’s qualifications and references. “They needed to put together a package telling us how good they are,” Armstrong says.

The city’s selection team included not only facilities department staff but also staff from other departments, including the recreation departments and individuals from some of the city’s office buildings.

“They have an interest in who we hire,” Armstrong notes.

The city included a questionnaire along with the RFP. Questions included such things as asking about the team supervisor and his or her experience. Would the supervisor be full-time on the city’s account or would that person be shared with other accounts? Another important question: “What’s your experience with our problem buildings?”

“We have swim centers in addition to office buildings. And we have 24/7 police stations with showers and lockers,” Armstrong points out. “In these heavier-use areas, you have wet floors, slippery floors, and mold and mildew. A lot more problems can and do come up.”

The next criterion was whether or not the contenders understood the city’s needs and cleaning specifications. Interested bidders were required to walk through the 12 facilities that they would be cleaning: two recreation centers, two swimming pools, a police station, and the remainder – office buildings.

Bidders then were requested to fill out a worksheet on each building, listing how many people would be working there, what equipment would be stocked, and what the minimum number of cleaning hours would be for each building.

“We wanted to know they would have people up and running every night doing the minimum amount of hours we think we need,” Armstrong says.

Next on the list of criteria came references. The city went beyond merely calling the references each bidder provided. Teams conducted on-site visits to

the other buildings each qualified bidder cleans. Armstrong says the selection team tries to locate references that are cities or counties or “something comparable” that the bidders clean on contract. “This has been the most influential factor in the two times we have done this,” Armstrong says. “It’s important to actually go and see what they do for other cities and counties and also other commercial building owners.”

The final criterion is cost. This figure needed to be based upon the minimum number of cleaning hours in each building. If the [contractors] wanted to bid more, they could, Armstrong notes, but they couldn’t go under.

The system worked, and the city hired a contractor who remained on-board until the contract expired at the end of 2004, when the best-value selection process started again.

“We had to put it back on the street,” Armstrong says.

The contractor who worked with the city between 1999 and 2004 took part in the city’s facilities tour, along with 11 other companies. Eight of those companies submitted proposals, including the company whose contract had just expired. While the former cleaning company was part of the final four, Armstrong notes that they are “not perfect.”

“The folks we added to our evaluation panel were the first to say they were a little unhappy with the service over the years,” he says. “But, the service was still better than in the past with the low bid.”

It was the site inspections that sealed the deal. The five members of the Santa Rosa selection team, including Armstrong, traveled throughout Northern California to check references. They visited sites in Sacramento, Fairfield, and the South Bay area, setting aside a full day for travel.

“We were unanimous with the company we chose. They had the best cleaning out of the final four firms. From what we could see in our site inspections, they were clearly better in their cleaning. They were not the lowest bidder. They were the highest.”

The new company, which started cleaning on January 1, received a 1-year contract with the option to renew for

Clean with Green

You’ve probably heard the phrase bandied about, but are you sure you really understand what “green cleaning” means?

Is it using special “green” products and equipment? Is it changing your cleaning methods to become more environmentally friendly?

It’s a bit of all of the above, says Stephen P. Ashkin, president of The Ashkin Group LLC, Bloomington, IN.

Ashkin, one of the leading experts in the green cleaning field, provides this definition: “Cleaning to protect health without harming the environment.”

“We are beginning to understand the connection between creating healthier indoor environments and worker productivity and the quality of the work product,” he says. “People perform better in healthier spaces. You can [save] millions of dollars in enhanced technology to improve worker productivity, but you can achieve similar results by improving cleaning methods.”

Ashkin says that the cleaning industry uses about 6 billion pounds of chemicals a year to clean and maintain commercial and institutional buildings in the United States, many of which are “extremely hazardous to both health and the environment. The same folks consume about 4 billion pounds of janitorial paper, toilet paper, and paper towels made from virgin tree pulp that involves cutting down between 25 and 50 million trees a year,” Ashkin says.

“Hundreds of millions of pounds of equipment are ultimately ending up in the landfill every year, to the tune of some 10,000 tons of garbage truck loads full,” he adds. “We buy crummy equipment that doesn’t work well in the first place. It isn’t durable, and we’re just disposing of it.”

The good news, Ashkin says, is that the cleaning industry has made enormous advances by starting

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four additional 1-year periods.

"This allows us to evaluate the program every year," Armstrong says. "We can say, 'You guys are doing well. Let's renegotiate.'"

Keeping Communication Lines Open

The biggest difference between Santa Rosa's best-value approach and the low-bid process, beyond price, is that the clients and the prospective contractors were forced to communicate with one another and provide an active dialogue about the buildings to be cleaned and the process in which to clean them. Those on both sides of the desk say a two-way line of communication is essential. Price is important, but it shouldn't be the deciding factor.

"There are still some out there shopping price. What you're faced with is the prospect of trying to force someone into your organization and into your operating program. It's a gamble," UNICCO's Kennedy says.

Kennedy uses this example:

"Would you just go and grab a part for your car that's the best price but might not fit exactly? You might be able to force it in there and have to manage it more closely, and it will require additional maintenance. You might have to modify processes to make it work. You might have [received] the lowest price, but you didn't get the best value or best service for your clients," he says. "Sure, you can make it fit, but it doesn't necessarily mean that cost makes a basis or a gauge to determine success."

Too often, notes ServiceMaster Clean's Bauer, facilities departments issue task schedules that cleaning services firms bid on, knowing price is the predominant factor. There's no give and take between the prospective client and prospective contractor.

Bauer stresses the importance of a dialogue on how to get the best value of the cleaning budget that's on the books. "Maybe you need to cut costs by 10 percent and have only \$5,000 to spend," he says. "You need to ask your provider where [they] would spend those hours to give you the most bang for your buck."

It is a subjective thing that varies from facility to facility. It is dependent on the

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to replace older technologies and products in every category with green alternatives. He credits work by the Center for the New American Dream, Green Seal standards, and the U.S. Green Building Council's (USGBC) LEED for Existing Buildings rating system for bolstering increased awareness of green cleaning methodology in the commercial cleaning industry. And the bigger companies are listening.

Consider the strides made by UNICCO Service Co. The Newton, MA-based cleaning giant has moved toward "environmentally preferable" cleaning practices and products.

"We are engineering all of our processes to support green cleaning," says John Kennedy, director of technical support.

The company has joined the USGBC to pursue LEED certification for client buildings and UNICCO practices. "We have clients who have no idea what LEED is. They just say they want LEED-EB certification and ask, 'How do we get there?'" Kennedy says. "You have to go in and educate them and help them shape their processes and programs."

Other UNICCO initiatives include:

- Recognition and implementation of relevant Green Seal guidelines within both UNICCO and client organizations.
- Participation in green cleaning information and training sessions by The Ashkin Group.
- Collaboration with companies offering environmentally preferable product lines.
- Introduction of 3-step filter vacuums that adhere to HEPA filter standards.
- Investment in employee training, including training by vendors to ensure proper procedures are communicated to UNICCO employees.
- Establishment of client facility recycling programs for paper, paperboard, plastics, and metals.

Green cleaning proponents note that the transition to environmentally friendly cleaning practices can be difficult, thanks to the lack of recognized environmental impact standards for the janitorial supply industry. But the industry is making the transition to more responsible practices and is being led by the large cleaning companies.

"The big dogs have gotten into the race," Ashkin notes. "When they do that, their suppliers seriously pay attention. When companies like UNICCO get into the game, the manufacturers recognize the business opportunities in making greener, safer, healthier, more sustainable products."

type of work being done at the location, the type of employees, occupancy by square foot, and more.

"It creates a real problem for everybody," he says. "Sooner or later, there's going to be a 'You said, I said' problem. It's better to have a thorough understanding where the hours are being spent and what tasks are taking the time within a facility."

As a cleaning service provider, he says he understands the need for this kind of communication.

"My approach is to sit down and establish a cleaning budget. I can give you a range of what similar companies are spending," he says. "I can give you a detailed labor plan, where the staff is being used, and how long it takes to clean a toilet. I also can show you my profit. I'm not ashamed of that."

Armstrong says since Santa Rosa

switched to the best-value selection process, the city has had a much better relationship with its cleaning service contractors.

"It's not adversarial anymore," he says. "It's all in writing. Not having to chase down problems and write letters and being able to make a phone call or send an e-mail for the occasional problem saves us staff time and reduces problems for our customers."

But, getting there takes work, he notes: "If you put the time in upfront to make sure you're on-board with a decent contractor and paying them what you need to so that they do a decent job, you're going to save work." **B**

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