



CITY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES

FACILITY MAINTENANCE DIVISION
FLEET MANAGEMENT DIVISION
RISK MANAGEMENT & INS. DIVISION
SUPPORT SERVICES DIVISION

OFFICE OF THE DIRECTOR

June 10, 1986

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

Subject: Custodial Services Quality Assurance Program

SUMMARY

On May 20, 1986, the Budget and Finance Committee directed staff to proceed with a revised janitorial service program, which incorporated an improved quality assurance aspect. This report recommends that the budgetary changes necessary to provide in-house management resources be incorporated into the 1986-87 Approved Budget for the Department of General Services.

BACKGROUND

In May, the Budget and Finance Committee directed staff to utilize more than one custodial vendor to clean various municipal buildings. However, the Committee recognized that an adequate quality assurance program needed to be implemented in order to assure that the City received all services due under the janitorial contract. Staff indicated that a quality assurance program could be handled in one of two ways: in-house staff could be hired to perform required monitoring duties or the City could contract for an outside third party to provide this service. Based upon the need for internal control and quick turnaround in the event of performance defaults, it was recommended that an in-house quality assurance program be established. The Committee asked that a follow-up report be provided on this subject.

ANALYSIS

The proposed custodial service contract contains a number of specific quality assurance monitoring tasks. The initial workload connected with this program would be extensive and would include:

- o Random daily visits to all of the City's facilities.
- o Regular meetings with the various vendors to discuss concerns as outlined in the service contract. Regular reviews of the Performance Requirement Summary (PRS) to ensure that it adequately reflects current standards.
- o Coordination of staff complaints and vendor repeat visits.
- o Recommending withholding of vendor payments based upon contract required calculations and/or vendor termination for performance non-compliance along with the preparation of all required documentation related to either of these actions.
- o Assisting in the bid process for new vendors if required.

With an in-house program, these types of activities would be assigned to a custodial supervisor. The current job description for this classification already incorporates these duties. While there are higher financial costs associated with the use of in-house resources (due to the need to pay City employee benefits and purchase a vehicle), use of an in-house program permits the City to have the added flexibility of reorienting this position once the various vendors become familiar with the services required under the janitorial contracts. At that point, it would not be necessary to have a full-time staff person devoted strictly to this program and other city-wide service projects such as pest control, elevator maintenance, and window washing monitoring could be incorporated into the projected workload.

If the Committee wished to utilize a third party vendor to perform custodial monitoring services, staff can develop an appropriate agreement outlining required duties. The cost of an external, janitorial-limited quality assurance program is less than a similar in-house project. However, any modifications to the work specifications (to include pest control monitoring, etc.) would require a renegotiation of the contract and/or a new agreement, which might ultimately result in higher costs.

FINANCIAL

The estimated costs associated with either of the two monitoring programs is indicated below:

<u>Service Alternatives</u>	<u>Estimated Cost</u>	
	<u>1986-87</u>	<u>1987-88</u>
1. Multiple Vendors w/ In-House Monitoring		
Vendor Price	\$ 111,700	\$ 117,300
Monitoring staff costs		
Employee Costs	22,300	23,400
Vehicle Rental	2,500	3,000
Vehicle Purchase	7,500	-0-
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	\$ 144,000	\$ 143,700
	=====	=====
2. Multiple Vendors w/ External Monitoring		
Vendor Price	\$ 111,700	\$ 117,300
Monitoring Contract	24,000	25,200
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	\$ 135,700	\$ 142,500
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The City Council is scheduled to approve beginning the bid process for this program on June 17, 1986. Staff has included \$111,700 in the Facility Management Division's 1986-87 Proposed Budget for this program; if the bid

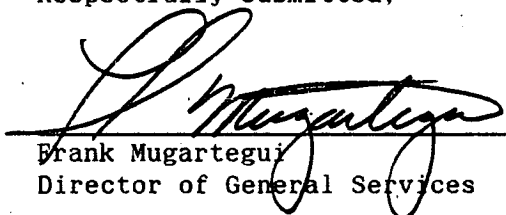
returns exceed this estimate, it will be necessary to augment the division's budget in order to award the bid. Since it is difficult to predict what the vendor response will be, no augmentation request is being submitted at this time. Instead, an appropriation transfer request will accompany the recommendation to award, should one be necessary.

RECOMMENDATION

Considering the City's responsibility to provide a sanitary environment for those who must use its facilities, it is requested that the Budget and Finance Committee recommend that:

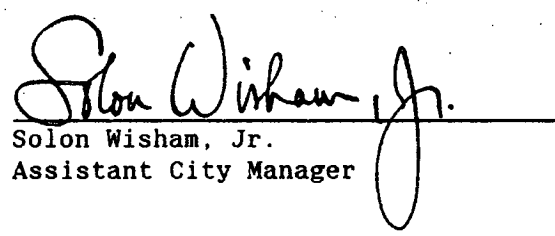
1. The City utilize an in-house quality assurance program to monitor janitorial performance within all City facilities.
2. One full-time position (equivalent to a custodial supervisor) be added to the Facility Management Division's personnel complement for 1986-87 along with appropriate personnel and equipment funds. The total estimated cost of this change is \$33,304 and both the position and the funding changes will be incorporated into the 1986-87 Approved Budget.

Respectfully submitted,



Frank Mugartegui
Director of General Services

RECOMMENDATION APPROVED:



Solon Wisham, Jr.
Assistant City Manager