

CUSTODIAL DELIVERY METHOD ANALYSIS

Completed at the request of the City of Commerce City
Department of Public Works



info@carolescommercialcleaning.com

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1. Credentials

Trula Berg

- Owner of Carole's Commercial Cleaning, Inc.
- Over 20 years of experience in the janitorial business, at all levels
- Over 20 years of providing janitorial services to multiple Federal and State facilities, including, the USDA, the VA, and the Colorado Department of Revenue

James Cox III

- Owner of Hometown Financial Services, Accredited Investment Fiduciary
- Co-Owner of Nico Professional Services
- Over 20 years of experience in the janitorial business, at all levels
- Over 20 years of experience in financial planning, budgeting, and strategies

2. Summary of Objectives

Commerce City has requested an independent and unbiased third party to research, analyze, and recommend the best delivery method for its custodial services. To that end, we have gathered current and historical information from a wide variety of sources, toured the facilities, interviewed staff and vendors, and collected data on the regional labor market to calculate the estimated labor costs for multiple scenarios.

3. Historical Review of Custodial Service Delivery Methods

Using the information gathered from City payroll and HR, we have been able to formulate a timeline for the custodian/building attendant position over the past 38 years (the majority since 2011). The table below illustrates the number of Building Attendants hired by the City, from 1984 through 2015, and their length of employment. Data after 2015 is part of the current *Hybrid Delivery Method* of City and vendor staffing.

Building Attendant

<u>EE#</u>	<u>Hire</u>	<u>Terminate</u>	<u>Length of Employment (In Days)</u>
711	7/30/1984	7/6/2018	12394
2727	11/3/2003	10/30/2014	4014
3041	8/23/2005	11/16/2014	3372
3867	10/24/2011	12/5/2013	773
3868	10/31/2011	6/7/2013	585
4143	2/24/2014	3/17/2014	21
4150	3/24/2014	3/26/2014	2
4178	4/16/2014	4/13/2015	362
4299	12/12/2014	1/9/2015	28
4302	1/12/2015	3/30/2015	77
4315	3/6/2015	3/30/2015	24

As you can see, staffing since 2013 has been a challenge. Notably, not a single Building Attendant hired since 2014, (up to the current vendor/in-house hybrid being used today) lasted a full calendar year, from hire date to termination date. This clearly demonstrates how difficult it has been, not only to hire quality candidates, but to retain them for any valuable length of time. When such a critical position becomes inconsistent it creates an extra burden on other employees, who are frequently asked to take on additional duties for which their time and skills were not intended. When that person is pulled out of their dedicated activity to cover for another, it can cause stress and dissatisfaction with their job, potentially causing turnover in a position unrelated to the Building Attendant role. This kind of pattern can easily cause an entire facility to become a highly reactionary and stressful environment. Given this perspective, you can see that the best indicator of a healthy system is a consistent and well managed janitorial staff.

After conducting interviews with some of the managers and staff at the two recreation centers and the Civic Center, we continued to learn about the past attempts at using different custodial service methods. Initially, both recreation centers had tried full in-house cleaning crews, but without adequate supervision on nights, personnel management became an issue. It was decided in 2014 that a night shift supervisor would be hired to remedy the problem. The person hired to supervise had proven ineffective after roughly a year of trying, and the entire staff was terminated in 2015 for multiple misconduct issues. The City then hired a vendor to handle the overnight cleaning duties. Shortly after this contract was in force by the vendor it was decided that in order to maintain a level of cleanliness throughout the day at both recreation centers, two full time Building Attendants would be hired directly by Commerce City for each center. These employees work alternate schedules, Tuesday - Saturday 8am-5pm and Sunday - Thursday 12pm-9pm. This is the current model of janitorial service we see today; a hybridized mix of mostly contracted vendor service, with four City employees for the recreation centers. The Civic Center also has a daytime Building Attendant, M-F 8am-5pm, but that position is currently staffed by the vendor, as are the remaining facilities covered in this report.

Research was conducted to compare current vendor rates, employee wages, and market averages in both the immediate and surrounding areas. We gathered data from the Bureau of Labor and Statistics, the Colorado Department of Labor, BidNet Direct, and several job search platforms, including Indeed, Zip Recruiter, Glassdoor, Craigslist and Joblist. In all queries for “Janitorial,” “Cleaner,” and “Custodial Worker” we observed pay ranges between \$15 and \$18 per hour, with a market average of \$16.07 per hour. The majority of these positions are offered without benefits, other than occasionally offering paid time off, ranging from four days to two weeks per year. Under current market conditions and trends, Commerce City falls into the top of the average salary range for this job category, with an average starting wage of \$18/hr.

4. Hypothetical Scenario: Full In-House Staff

Advantages - One of the primary values brought by in-house staffing is that employees can be recruited and hired from within the community, and possibly be eligible for benefits from the City. There is some flexibility that may be gained by having staff on board that can be trained for very specific roles and special needs, such as operating floor machines, or event staffing, as well as greater control on time spent within certain cleaning activities. Having your own staff can also create a greater sense of teamwork and pride in doing a job well.

Disadvantages - There are many challenges that arise in this approach, including cost, hiring delays, staffing shortages and adaptability to emergent needs. When an entity elects to have a full in-house custodial staff it must compensate for not having a larger pool of on-call employees to cover absences, whether it be for emergencies, illness, turnover, or a myriad of other instances that can disrupt the effectiveness of a cleaning crew. In order to overcome this, in-house crews must be overstaffed in critical areas (where a vendor might have 3 people staffed, in-house would require 4 or 5) to reduce the risk of being short-staffed for any length of time. This scenario would increase labor costs by at least 60% but could easily exceed that number.

The **biggest disadvantage** in fully staffing your own cleaning crew is the **hiring process**. Over the past three years, it has taken the City anywhere from 3-12 months to fill a single vacancy for the daytime Building Attendant position, and would likely take even longer to fill an overnight shift. In our estimation, the City would need to hire and retain **at least 23** full time employees to adequately cover all their custodial needs. The current industry average turnover rate for custodial staff is **200%**. Which means the City could potentially have to recruit, screen, hire and train **46** new employees each year, putting them in a constant state of hiring and training. Meanwhile, the existing staff is overworked and burning out due to being short-staffed all the time... leading to more turnover, which results in lower quality and inconsistent service.

Building	Cleanable SqFt	Cleaning Nts/Wk	2023 Est. Annual Labor Cost for All In-House Svc
<i>Bison Ridge Rec Center</i>	90000	7	\$383,574
<i>Eagle Pointe Rec Center</i>	75000	7	\$264,800
<i>Civic Center</i>	90000	5	\$278,168
<i>MSC - Admin, Parks & Fleet</i>	20000	5	\$107,976
<i>Buffalo Run Golf Course</i>	5000	7	\$53,988
<i>Police Substation</i>	1000	7	\$26,994
<i>Conter Community Center</i>	1520	1	\$13,497
<i>Derby Community Center</i>	2160	2	\$13,497
Extra Services- Floor care, carpet cleaning, etc.			\$107,976
<i>Subtotals:</i>			
Total Labor Cost for this scenario			\$1,250,470

5. Hypothetical Scenario: Full Vendor Staff

Advantages - Vendors bring value not only with lower costs, but also by providing customizable service above and beyond routine daily cleaning (including specialized services, such as but not limited to, carpet and tile cleaning), predictable outcomes, less direct management, the ability to adapt staffing on short notice and the flexibility to increase or decrease the scope without rebidding.

The key advantage to full vendor service is the increased adaptability of staffing. Vendors are able to hire and train much faster than a municipality, which has multiple departments and procedures to go through in the hiring process. Most vendors have multiple contracts and keep several on-call employees available to help in any building. These employees have already been cross trained and screened for security clearance so they can jump in at a moment's notice. In the same manner, vendors often keep employees or subcontractors that have specialized training to provide periodic services, like carpet cleaning or window washing, in multiple buildings and for multiple contracts.

Disadvantages - The challenges that present themselves here are consistency of personnel, the lower sense of teamwork, and the need to maintain excellent communication with the supervision team to ensure that contractual obligations are being met. The turnover rates are notoriously high in this industry, so you can't expect to keep the same people at each building for years at a time, but you can hope for consistency in the level of service itself. Maintaining some sense of teamwork between the City staff and the vendor is important, but often difficult. Contracted employees typically work outside of normal business hours and may rarely see the City staff in the buildings they clean, making it hard to form any kind of rapport or sense of cooperation. Thus, constant communication between the City and the vendor is crucial.

Building	Cleanable SqFt	Cleaning Nts/Wk	2023 Est. Annual Labor Cost for All Contracted Svc.
<i>Bison Ridge Rec Center</i>	90000	7	\$274,456
<i>Eagle Pointe Rec Center</i>	75000	7	\$238,936
<i>Civic Center</i>	90000	5	\$152,082
<i>MSC - Admin, Parks & Fleet</i>	20000	5	\$37,883
<i>Buffalo Run Golf Course</i>	5000	7	\$19,523
<i>Police Substation</i>	1000	7	\$11,812
<i>Conter Community Center</i>	1520	1	\$3,244
<i>Derby Community Center</i>	2160	2	\$4,468
Extra Services- Floor care, carpet cleaning, etc.			\$25,801
<i>Subtotals:</i>			
Total Labor Cost for this scenario			\$768,205

6. Current Scenario: Hybrid Model of Vendor and In-House Staff

Combining in-house and vendor staff to create a hybrid system provides the advantages of both methods, while eliminating most of the disadvantages (*4 Full-time City employees with benefits, each working at the two Recreation Centers 40 hours per week during operating hours and the vendor/contractor performing the remainder of the work after operating hours and on weekends with 25-30 on-call staff*).

Advantages - The City is still in charge of hiring and training four full time employees, allowing them complete control over the daytime staff that will be working closely with other City employees, management and the public. By including the in-house cleaning employees in staff meetings and getting their input on how they can help to accomplish the overall goals for each building, you're increasing the sense of teamwork and appreciation for the job they're doing each day. When employees feel seen, heard and valued, morale is always higher, and turnover is lower.

The vendor is responsible for the rest of the cleaning staff, mostly working in the evenings and over the weekends. Their crews are made up of several part time people working a few hours each night, rather than two full timers working an eight-hour shift and not getting done until 5am. Staffing in this manner creates more flexibility in case of absences. A crew that normally has five members can easily get by with four by just working an extra hour, but a two-person team can't adapt so easily. A private contractor also has the ability to fill vacancies on their crews within a few weeks, and they have on-call staff to cover the vacancy until it's filled. This enables the crews to continue operating at full capacity, which leads to more consistent results.

Disadvantages - This model does come with its own set of challenges; good communication, clearly defined responsibilities for each party, and willing cooperation are all key to a successful partnership. Open communication between the City and the vendor must be maintained. This method only works if each entity is clearly aware of their specific roles and responsibilities, but also willing to work in cooperation with each other for the overall benefit of the building.

Building	Cleanable SqFt	Cleaning Nts/Wk	2023 Est. Annual Labor Cost with Current Hybrid Delivery Method
Bison Ridge Rec Center	90000	7	\$273,645
Eagle Pointe Rec Center	75000	7	\$237,415
Civic Center	90000	5	\$152,082
MSC - Admin, Parks & Fleet	20000	5	\$37,883
Buffalo Run Golf Course	5000	7	\$19,523
Police Substation	1000	7	\$11,812
Conter Community Center	1520	1	\$3,244
Derby Community Center	2160	2	\$4,468
Extra Services- Floor care, carpet cleaning, etc.			\$25,801
Subtotals:			
Total Labor Cost for Each Scenario:			\$765,873

7. Professional Opinion and Recommendation

After completing our research, interviews, market analysis, and cost comparisons, it is our professional opinion that the **Hybrid Model** of vendor and in-house staffing is the most productive and beneficial pathway going forward for Commerce City. While it may be desirable and community minded to employ more in-house employees than the City currently has, this contract is being managed so well by the leadership on both sides that we feel the current mix is already as synergetic and effective as we have seen anywhere. They seem to have found the perfect balance needed to achieve great success. Often, to the public we serve, perception is truth. And after visiting all the City's facilities, the perception we were left with was truly impressive.

It does bear noting, that should management involvement lessen, or if communication breaks down, the best option would be to revert back to a fully contracted staff, until management becomes actively involved once more. The key to the success of this hybrid model lies in the effectiveness of the Commerce City management team and its commitment to having not just good service, but outstanding service.

In our experience, for contracts of this scale, we have most often observed services performed completely and solely by vendors. However, because this contract involves some very high-traffic, high-visibility locations, such as the two recreation centers and the Civic Center, it is reasonable to hold a higher standard at those locations.

We would recommend the continued search for additional in-house staffing, as we have noted that Eagle Point Recreation currently has an opening for a daytime porter and has had difficulties in hiring appropriate staff. From our interviews and data obtained from HR, time to fill these positions have averaged six months, from initial job posting to job offer acceptance. The main issue has been an acute lack of applicants, even though the City offers a higher starting wage than other municipalities in the area. If employee retention for these positions continues to be a challenge, our recommendation would be that the City over-staff by one person in an attempt to get ahead of the issue, rather than remain reactive. Even if overstaffed by one person, this person could easily provide coverage for both recreation centers, reducing the risk of wasteful spending.

It is our understanding the current cleaning contract is held by Key People, who, in turn, brokers out the work to its own roster of subcontractors. So, it is very likely that the company who provides staffing for the recreation centers may not be the same company who staffs the MSC, or any of the other buildings within the City's purview. While it may sound a bit complicated, it's actually a great advantage for the City. For example, if cleaning is not meeting expectations at one particular building, Key People can replace that individual subcontractor, rather than the City being forced to rebid the entire contract with a new vendor. This represents a significant savings to the City, of both time and money.

8. Additional Observations and Advice

In addition to being asked to recommend an unbiased approach to custodial service, we were also asked to seek out procedures, methods, or changes that would be more effective or beneficial than what is currently being used.

Our advice is as follows:

- a. We applaud the consistent and uniform use of chemicals and cleaners used in all buildings (Waxy products, for Commerce City). While the same cleaners are used in all buildings, we did find that the automatic dispensers, called “Command Centers”, are not present in all buildings. These dispensers pull water directly from the plumbing, mix a solution from concentrate, and dispense into buckets and bottles as needed. Notably, the basement level of the Civic Center and the closets in the MSC were lacking these dispensers and would greatly benefit from a more efficient and consistent mix of floor and surface cleaning chemicals, as well as remove some clutter.



- b. The janitorial closets in some locations are extremely well managed and kept free of clutter. Other locations, such as the MSC buildings were not as well organized. In our experience, the level of cleanliness observed in janitorial closets closely aligns with the level of cleanliness in the facilities they are in. These issues can be remedied with the installation of shelving units to organize and store paper products and cleaning solutions.

Exhibit A

Recommended Best Option

Building	Cleanable SqFt	Cleaning Nts/Wk	2023 Est. Annual Labor Cost with Current Hybrid Delivery Method (In-House and Contractor)	2023 Est. Annual Labor Cost for All In-House Svc	2023 Est. Annual Labor Cost for All Contracted Svc.
Bison Ridge Rec Center	90000	7 a	\$273,645	\$383,574	\$274,456
Eagle Pointe Rec Center	75000	7 b	\$237,415	\$264,800	\$238,936
Civic Center	90000	5 c	\$152,082	\$278,168	\$152,082
MSC - Admin, Parks & Fleet	20000	5 d	\$37,883	\$107,976	\$37,883
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Conter Community Center	1520	1 g	\$3,244	\$13,497	\$3,244
Derby Community Center	2160	2 h	\$4,468	\$13,497	\$4,468
Extra Services- Floor care, carpet cleaning, etc.		i	\$25,801	\$107,976	\$25,801
Total Labor Cost for Each Scenario:			\$765,873	\$1,250,470	\$768,205

Current Hybrid Notes

[a] based on the current contracted price +2% annual increase and \$102,836 for 2 full time day porters employed by the City at mid-range salary,.

[b]based on the current contracted price +2% annual increase and \$102,836 for 2 full time day porters employed by the City at mid-range salary

[c] based on the current contracted price +2% annual increase

[d] based on the current contracted price +2% annual increase

[e] based on the current contracted price +2% annual increase

[f] based on the current contracted price +2% annual increase

[g] based on the current contracted price +2% annual increase

[h] based on the current contracted price +2% annual increase

[i] based on the current contracted price +2% annual increase

All In-House Notes

[j] based on 4 full time night employees at mid-range salary, and 1 night supervisor (to cover both rec centers) at upper range salary, and 2 full time day porters at mid-range salary

[k] based on 3 full time night employees at mid-range salary, and 2 full time day porters at mid-range salary

[l] based on 3 full time night employees at mid-range salary, 1 full time day porter at mid-range salary, and 1 supervisor at upper range salary (to cover Civic center and MSC)

[m] based on 2 full-time night employees at mid-range salary, who can also serve as fill-in help

[n] this building is combined with the pd substation, Derby Center and the Conter Comm.Center, to create 2 full time night positions at mid-range salary, and fill-in help

[o] this building would be included in the duties of the employees covering the golf course, pd substation, Derby Center and the Conter Community Center

[p] this building would be included in the duties of the employee covering the golf course and pd substation

[q] this building would be included in the duties of the employee covering the golf course and pd substation

[r] based on 2 full-time night employees, who can also serve as fill-in help when not doing floor maintenance.

Salary Range For In-House Custodial Staff	2022 Annual Salary	2023 Annual Salary (est. +3% from 2022)	2023 Annual Salary +28% Benefits & Taxes	2023 Annual Salary + 5% Shift Differential (night shift)	2023 Annual Salary +5% Shift Diff. +28% Benefits & Taxes
Minimum: \$15/hr	\$31,200	\$32,136	\$41,134	\$33,743	\$43,191
Mid Range: \$18.75/hr	\$39,000	\$40,170	\$51,418	\$42,179	\$53,988
Maximum: \$22.50/hr	\$46,800	\$48,204	\$61,701	\$50,614	\$64,786

All Contracted Services Notes

[s] calculated by adding another 80mhrs to the current vendor's budget worksheet, to coincide with the 2 full time day porters employed by the city

[t] calculated by adding another 80mhrs to the current vendor's budget worksheet, to coincide with the 2 full time day porters employed by the city

[u] based on the current contracted price +2% annual increase

[v] based on the current contracted price +2% annual increase

[w] based on the current contracted price +2% annual increase

[x] based on the current contracted price +2% annual increase

[y] based on the current contracted price +2% annual increase

[z] based on the current contracted price +2% annual increase

[aa] based on the current contracted price +2% annual increase