

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Policy Session Worksheet

**Presentation Date:** June 16, 2015 **Approx Start Time:** 10:00am **Approx Length:** 30 min

**Presentation Title:** Tualatin Valley Workshop Inc. Contract for Janitorial Services

**Department:** Finance / Facilities Management

**Presenters:** Laurel Butman, Marc Gonzales and Jeff Jorgensen

**Other Invitees:** Cory Johnson

### **WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

Guidance on how/whether to charge out increased costs due to changing the janitorial services contractor for some buildings to Tualatin Valley Workshop Inc. (TVW).

### **EXECUTIVE SUMMARY:**

Since 1977, the Oregon Revised Statutes have required state and local governments to use Qualified Rehabilitation Facilities (QRFs) to perform various services without the ability for a wide-ranging competitive solicitation process. Tualatin Valley Workshop Inc. (TVW) has been providing janitorial services to Clackamas County since 2008. TVW is currently providing janitorial services to 20 buildings.

On May 6, 2015, Clackamas County notified Diversified Abilities, the QRF providing janitorial services to 23 other County buildings that the County would terminate their contract as a result of persistent failure to meet established cleaning standards. These service shortcomings had resulted in multiple and repeated customer complaints to Facilities Management from building occupants. This action was discussed with the Board during the Administrator's Issues/Updates on May 12, 2015.

Facilities Management requested that TVW deliver a proposal for placing these additional buildings in their portfolio. The completion of contract negotiations with TVW to add the 23 additional buildings took place the first week of June 2015. This will bring the total count of County buildings TVW will be servicing to 43 with a total of 615,310 square feet.

Concurrently with negotiations for the expanded contract scope, the cleaning requirements and schedule for the janitorial services have been updated to establish a more explicitly defined description and frequency of the janitorial services TVW will be providing, along with clarifying to the building occupants the janitorial services they will receive.

Finally, a new contract (including the above changes) will be needed to align payments with the new Finance Strategic Business Plan so they are coming from the correct Line of Business (Facilities Management) and Program (Facilities Support Services). The new contract for the July 1, 2015 to June 30, 2016 fiscal year, with the ability for multiple one (1) year renewals will be on the June 18, 2015 consent agenda

There is a net cost increase of \$140,403 associated with terminating the prior contractor and starting the new contract. The purpose of this Policy Session is to receive guidance from the Board on whether/how to charge out those increased costs. The final amount of these cost increases was unknown until after the budget committee meetings took place; thus, they have not yet been incorporated into the 2015-16 budget.

**FINANCIAL IMPLICATIONS (current year and ongoing):**

The Fiscal Year 2015-2016 Facilities Management Janitorial Service Account previously divided between two major contractors was budgeted at \$965,173.00; that is collected from departmental allocations based on the customer’s square footage of space. The negotiated contract with TVW for all 43 building is in the amount of \$1,105,576.00. The difference in currently budgeted versus negotiated cost is \$140,403.

**LEGAL/POLICY REQUIREMENTS:**

Compliance with ORS 279.835 - 279.855 and OAR 125-055-000 through 125-055-0045 is required.

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

N/A

**OPTIONS:**

There are three options to cover the \$140,403 cost increase.

1. Spread the increase the janitorial services cost allocation across those departments housed in the added 23 buildings to be served by TVW starting July 1, per the current allocation method.
2. For FY 2015-16, increase the janitorial services cost allocation of those departments in all 43 buildings to be served by TVW starting July 1 to smooth the transition to the current allocation method in FY 2016-17.
3. Use budget appropriations transferred from County General Fund Contingency funds to offset the costs for the FY 2015-16 fiscal year and postpone cost allocation increases until FY 2016-17. This would lower the balance in the General Fund Contingency account from \$7,926,678 to \$7,786,275 for the fiscal year.

**RECOMMENDATION:**

Staff respectfully recommends a transfer from the General Fund to cover the cost increase for the first year of the new janitorial contract.

**ATTACHMENTS:**

1. Attachment A: Cost Allocation Summary for New Tenant Departments Served by TVW
2. Attachment B: Cost Allocation Summary for All Tenant Departments Served by TVW

**SUBMITTED BY:**

Division Director/Head Approval:         JJ        

Department Director/Head Approval:         MG        

County Administrator Approval:         LSB        

For information on this issue or copies of attachments, please contact Jeff Jorgensen @ 503- 557-6414.

## Fiscal Impact Form

**RESOURCES:**

Is this item in your current work plan and budget?

- YES (*but not in the budgets of the departments that will transition to TVW service*)  
 NO

**START-UP EXPENSES AND STAFFING (if applicable):**

Increased janitorial services costs of \$140,403.

Current budgeted allocation costs for janitorial services of \$956,173.

**ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):**

Ongoing expenses will be a minimum of 3% annual contractual increase.

**ANTICIPATED RESULTS:**

Continuation of janitorial services to established standards.

**COSTS & BENEFITS:**

Costs: Increased square footage, service levels and attendant charges for janitorial services							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	Janitorial Services			\$140,403	\$965,173		\$1,105,576
<b>Total Start-up Costs</b>							
<b>Ongoing Annual Costs</b>							
Benefits/Savings: Increased cleanliness and healthful buildings for County staff							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
<b>Total Start-up Benefit/Savings</b>							
<b>Ongoing Annual Benefit/Savings</b>							

**ATTACHMENT A**  
**Cost Allocation Summary for New Tenant Departments Served by TVW**

Department	Original Janitorial Budget	Revised TVW Janitorial Charges	Janitorial Difference for FY 2015-16
FIDO	\$0.00	\$0.00	\$0.00
OSU Extension Service	\$6,542.10	\$11,651.36	\$5,109.26
Children Services (Parrot Creek)	\$0.00	\$0.00	\$0.00
Vector Control	\$0.00	\$0.00	\$0.00
State Courts	\$83,036.77	\$89,414.17	\$6,377.40
Water Env Svcs	\$16,580.99	\$23,449.41	\$6,868.42
DTD - Dev. Agency	\$2,558.66	\$3,618.54	\$1,059.88
PSB Area	\$0.00	\$0.00	\$0.00
Coffee Stand	\$315.93	\$446.79	\$130.87
All County	\$0.00	\$0.00	\$0.00
Utility Plant	\$0.00	\$0.00	\$0.00
WES Treatment Plants	\$22,354.59	\$41,616.00	\$19,261.41
TS - Technology Services MDF Room	\$0.00	\$0.00	\$0.00
County Commissioners	\$5,991.59	\$8,758.90	\$2,767.31
County Administration	\$4,901.78	\$7,165.73	\$2,263.96
County Counsel	\$3,453.15	\$5,048.05	\$1,594.89
DES / Wellness Exercise RM	\$12,641.20	\$18,434.71	\$5,793.51
Assessor	\$16,997.47	\$24,038.41	\$7,040.94
Clerk - County Clerk/Recording	\$0.00	\$0.00	\$0.00
DTD - County Surveyor	\$3,495.56	\$4,943.55	\$1,447.98
Finance	\$7,600.96	\$11,111.57	\$3,510.62
County Treasurer	\$1,233.34	\$1,802.97	\$569.64
Public & Government Affairs	\$1,817.95	\$2,657.60	\$839.65
DTD - Public Land Corner	\$2,104.81	\$2,976.70	\$871.88
Emergency Management	\$4,050.44	\$5,560.33	\$1,509.89
County Cable	\$1,707.92	\$2,496.75	\$788.83
Purchasing	\$1,516.56	\$2,217.00	\$700.44
Clerk - Records Management	\$3,256.00	\$4,944.00	\$1,688.00
Facilities Mgmt.	\$0.00	\$0.00	\$0.00
TS - Technology Services	\$16,171.20	\$24,277.38	\$8,106.18
Purchasing - Mail Operations	\$2,052.24	\$2,952.99	\$900.74
District Attorney	\$28,070.89	\$31,521.91	\$3,451.03
District Attorney	\$6,151.63	\$8,891.82	\$2,740.18
District Attorney	\$3,631.28	\$5,248.79	\$1,617.51
Emerg. Mgmt. - Medical Examiner	\$0.00	\$0.00	\$0.00
H3S - Children, Youth & Families	\$9,832.35	\$21,010.89	\$11,178.54
Resolution Services	\$5,518.92	\$8,067.92	\$2,549.00
Juvenile	\$22,774.44	\$38,424.87	\$15,650.43

**ATTACHMENT A, continued**  
**Cost Allocation Summary for New Tenant Departments Served by TVW**

Department	Original Janitorial Budget	Revised TVW Janitorial Charges	Janitorial Difference for FY 2015-16
Justice Court	\$6,926.72	\$15,384.00	\$8,457.28
Law Library	\$6,009.85	\$6,161.78	\$151.93
CCOM	\$10,757.56	\$14,767.67	\$4,010.11
TS - Telecom Services	\$1,966.81	\$3,118.55	\$1,151.74
SO - Community Corrections	\$28,632.00	\$29,040.00	\$408.00
SO - Admin / Museum	\$30,975.54	\$30,975.54	\$0.00
SO - Information Technology	\$6,935.15	\$6,935.15	\$0.00
SO - Support Services	\$5,174.26	\$5,174.26	\$0.00
SO - Patrol	\$31,170.01	\$31,494.01	\$324.00
SO - Detectives	\$25,800.47	\$27,294.45	\$1,493.98
SO - Records / Evidence	\$8,927.99	\$8,927.99	\$0.00
SO - Civil Sheriff	\$8,406.91	\$8,794.33	\$387.43
SO - Jail	\$0.00	\$0.00	\$0.00
SO - Marine	\$0.00	\$0.00	\$0.00
SO - PSTC	\$25,284.00	\$25,800.00	\$516.00
Fleet Services	\$8,129.55	\$9,220.03	\$1,090.49
DTD - Roads	\$18,100.16	\$21,838.07	\$3,737.91
DTD - Admin	\$3,173.52	\$4,488.10	\$1,314.58
DTD - Engineering	\$14,825.40	\$20,966.59	\$6,141.19
DTD - Code Enforcement	\$1,819.46	\$2,573.14	\$753.68
DTD - Office of Sustainability	\$4,289.79	\$6,066.77	\$1,776.98
H3S - FQHC	\$5,975.33	\$8,735.12	\$2,759.79
H3S - Public Health	\$6,755.13	\$9,875.09	\$3,119.96
H3S - WIC Centers	\$10,032.00	\$13,104.00	\$3,072.00
H3S - Health Clinic	\$68,430.00	\$100,512.00	\$32,082.00
H3S - Behavioral Health	\$37,380.00	\$61,116.00	\$23,736.00
H3S - Admin	\$2,552.79	\$3,731.83	\$1,179.04
DTD - Dog Services	\$7,044.00	\$10,416.00	\$3,372.00
H3S - Social Services	\$22,278.71	\$32,564.36	\$10,285.64
H3S - Behavioral Health	\$17,616.00	\$18,108.00	\$492.00
H3S - Behavioral Health	\$6,353.27	\$9,287.62	\$2,934.35
Fair Board	\$0.00	\$0.00	\$0.00
BCS - Parks	\$1,393.47	\$1,970.69	\$577.22
BCS - Property Resource	\$190.91	\$270.00	\$79.08
BCS - NCPRD	\$3,019.98	\$4,270.95	\$1,250.98
Library Network	\$3,096.00	\$4,404.00	\$1,308.00
Library	\$14,759.00	\$19,764.00	\$5,005.00
H3S - Community Development	\$3,289.54	\$4,808.86	\$1,519.32
H3S - CSCC - Mediation	\$19,566.00	\$20,592.00	\$1,026.00

**ATTACHMENT A, continued**  
**Cost Allocation Summary for New Tenant Departments Served by TVW**

Department	Original Janitorial Budget	Revised TVW Janitorial Charges	Janitorial Difference for FY 2015-16
H3S - Weatherization	\$0.00	\$0.00	\$0.00
DTD - Planning	\$5,821.18	\$8,232.52	\$2,411.33
BCS - Economic Development	\$2,281.46	\$3,226.52	\$945.06
BCS - Forest & Agriculture Econ Dev.	\$245.95	\$347.83	\$101.88
BCS - Forest Program	\$1,074.83	\$1,520.06	\$445.23
DTD - Building Code	\$12,480.08	\$17,649.75	\$5,169.68
BCS - Admin	\$2,059.97	\$2,913.28	\$853.31
Non-Departmental / Unassigned	\$165,675.49	\$53,365.10	(\$112,310.39)
Tourism & Cultural Affairs	\$2,136.06	\$3,020.90	\$884.83
<b>Totals</b>	\$965,173.00	\$1,105,576.00	\$140,403.00

## ATTACHMENT B

### Cost Allocation Summary for All Tenant Departments Served by TVW

Department	Original Janitorial Budget	Revised TVW Janitorial Charges	Janitorial Difference Shared by All Tenants
FIDO	\$0.00	\$0.00	\$0.00
OSU Extension Service	\$6,542.10	\$7,570.66	\$1,028.56
Children Services (Parrot Creek)	\$0.00	\$0.00	\$0.00
Vector Control	\$0.00	\$0.00	\$0.00
State Courts	\$83,036.77	\$93,458.99	\$10,422.22
Water Env Svcs	\$16,580.99	\$21,074.73	\$4,493.73
DTD - Dev. Agency	\$2,558.66	\$3,252.10	\$693.44
PSB Area	\$0.00	\$0.00	\$0.00
Coffee Stand	\$315.93	\$401.55	\$85.62
All County	\$0.00	\$0.00	\$0.00
Utility Plant	\$0.00	\$0.00	\$0.00
WES Treatment Plants	\$22,354.59	\$27,101.51	\$4,746.92
TS - Technology Services MDF Room	\$0.00	\$0.00	\$0.00
County Commissioners	\$5,991.59	\$7,144.62	\$1,153.03
County Administration	\$4,901.78	\$5,845.08	\$943.31
County Counsel	\$3,453.15	\$4,117.69	\$664.53
DES / Wellness Exercise RM	\$12,641.20	\$15,148.15	\$2,506.95
Assessor	\$16,997.47	\$21,604.08	\$4,606.61
Clerk - County Clerk/Recording	\$0.00	\$0.00	\$0.00
DTD - County Surveyor	\$3,495.56	\$4,442.92	\$947.36
Finance	\$7,600.96	\$9,063.70	\$1,462.74
County Treasurer	\$1,233.34	\$1,470.68	\$237.35
Public & Government Affairs	\$1,817.95	\$2,167.80	\$349.85
DTD - Public Land Corner	\$2,104.81	\$2,675.25	\$570.44
Emergency Management	\$4,050.44	\$4,591.97	\$541.53
County Cable	\$1,707.92	\$2,036.59	\$328.68
Purchasing	\$1,516.56	\$1,808.40	\$291.85
Clerk - Records Management	\$3,256.00	\$5,957.58	\$2,701.58
Facilities Mgmt.	\$0.00	\$0.00	\$0.00
TS - Technology Services	\$16,171.20	\$18,878.67	\$2,707.47
Purchasing - Mail Operations	\$2,052.24	\$2,524.91	\$472.67
District Attorney	\$28,070.89	\$31,147.73	\$3,076.84
District Attorney	\$6,151.63	\$6,914.31	\$762.67
District Attorney	\$3,631.28	\$4,081.48	\$450.20
Emergency Mgmnt - Medical Examiner	\$0.00	\$0.00	\$0.00
H3S - Children, Youth & Families	\$9,832.35	\$12,085.01	\$2,252.67
Resolution Services	\$5,518.92	\$6,581.00	\$1,062.07
Juvenile	\$22,774.44	\$26,068.92	\$3,294.48

**ATTACHMENT B, continued**  
**Cost Allocation Summary for All Tenant Departments Served by TVW**

Department	Original Janitorial Budget	Revised TVW Janitorial Charges	Janitorial Difference Shared by All Tenants
Justice Court	\$6,926.72	\$8,333.49	\$1,406.77
Law Library	\$6,009.85	\$6,668.86	\$659.01
CCOM	\$10,757.56	\$12,195.81	\$1,438.25
TS - Telecom Services	\$1,966.81	\$2,314.45	\$347.64
SO - Community Corrections	\$28,632.00	\$32,168.43	\$3,536.43
SO - Admin / Museum	\$30,975.54	\$35,131.21	\$4,155.67
SO - Information Technology	\$6,935.15	\$7,865.57	\$930.42
SO - Support Services	\$5,174.26	\$5,868.43	\$694.18
SO - Patrol	\$31,170.01	\$35,283.88	\$4,113.87
SO - Detectives	\$25,800.47	\$29,373.36	\$3,572.89
SO - Records / Evidence	\$8,927.99	\$10,125.77	\$1,197.78
SO - Civil Sheriff	\$8,406.91	\$9,468.06	\$1,061.15
SO - Jail	\$0.00	\$0.00	\$0.00
SO - Marine	\$0.00	\$0.00	\$0.00
SO - PSTC	\$25,284.00	\$29,264.93	\$3,980.93
Fleet Services	\$8,129.55	\$10,464.52	\$2,334.97
DTD - Roads	\$18,100.16	\$24,501.50	\$6,401.34
DTD - Admin	\$3,173.52	\$4,033.60	\$860.08
DTD - Engineering	\$14,825.40	\$18,843.34	\$4,017.94
DTD - Code Enforcement	\$1,819.46	\$2,312.56	\$493.10
DTD - Office of Sustainability	\$4,289.79	\$5,452.40	\$1,162.61
H3S - FQHC	\$5,975.33	\$7,125.23	\$1,149.90
H3S - Public Health	\$6,755.13	\$8,055.10	\$1,299.97
H3S - WIC Centers	\$10,032.00	\$11,135.69	\$1,103.69
H3S - Health Clinic	\$68,430.00	\$74,229.04	\$5,799.04
H3S - Behavioral Health	\$37,380.00	\$41,060.61	\$3,680.61
H3S - Admin	\$2,552.79	\$3,044.05	\$491.26
DTD - Dog Services	\$7,044.00	\$10,266.30	\$3,222.30
H3S - Social Services	\$22,278.71	\$26,572.85	\$4,294.14
H3S - Behavioral Health	\$17,616.00	\$18,887.80	\$1,271.80
H3S - Behavioral Health	\$6,353.27	\$7,575.90	\$1,222.63
Fair Board	\$0.00	\$0.00	\$0.00
BCS - Parks	\$1,393.47	\$1,771.12	\$377.65
BCS - Property Resource	\$190.91	\$242.66	\$51.74
BCS - NCPRD	\$3,019.98	\$3,838.44	\$818.47
Library Network	\$3,096.00	\$3,813.56	\$717.56
Library	\$14,759.00	\$16,365.00	\$1,606.00
H3S - Community Development	\$3,289.54	\$3,922.58	\$633.04
H3S - CSCC - Mediation	\$19,566.00	\$21,740.60	\$2,174.60



**ATTACHMENT B, continued**  
**Cost Allocation Summary for All Tenant Departments Served by TVW**

Department	Original Janitorial Budget	Revised TVW Janitorial Charges	Janitorial Difference Shared by All Tenants
H3S - Weatherization	\$0.00	\$0.00	\$0.00
DTD - Planning	\$5,821.18	\$7,398.82	\$1,577.64
BCS - Economic Development	\$2,281.46	\$2,899.77	\$618.31
BCS - Forest & Agriculture Econ Dev.	\$245.95	\$312.60	\$66.66
BCS - Forest Program	\$1,074.83	\$1,366.12	\$291.30
DTD - Building Code	\$12,480.08	\$15,862.39	\$3,382.32
BCS - Admin	\$2,059.97	\$2,618.26	\$558.29
Non-Departmental / Unassigned	\$165,675.49	\$173,870.27	\$8,194.78
Tourism & Cultural Affairs	\$2,136.06	\$2,714.97	\$578.91
<b>Totals</b>	\$965,173.00	\$1,105,576.00	\$140,403.00