

APPROVAL OF AUTHORIZATION FOR CUSTODIAL SERVICES CONTRACT
A Recommendation

1. **Division and Department:** Finance and Administration Division, Facilities Management Department
2. **Introduction:** For Oakland University (University) buildings built prior to 1997, custodial services are provided by University employees, represented by the Michigan Education Association Oakland University Campus Maintenance and Trades (MEA-OUCMT). Buildings built since 1997 have the potential of having outsourced custodial services, as was negotiated in the MEA-OUCMT collective bargaining agreement (CBA)

Custodial services, both routine cleaning and special projects, are based on performance standards that include specific tasks and frequencies at each location and are scheduled to be least disruptive to faculty, students and staff. Custodians are required to clear criminal background checks. Supervisor staffing on all shifts, a comprehensive training program for staff, and periodic quality-assurance reviews are required.

The current outsourced custodial services contract, as approved by the Board of Trustees (Board) in 2009, expires June 30, 2014. Via a Request for Proposals (RFP) process, competitive bids were solicited for custodial services in the following buildings: Pawley Hall, Elliott Hall, Biomedical Research Support Facility, Lowry Child Care, Science and Engineering Building, Engineering Center, Outdoor Complex Support Building, Recreation and Athletic Center (RAC), and Golf Course buildings.

A proposal was solicited from the MEA-OUCMT as required by the CBA. Three proposals were received; ARAMARK, Kristel Group, and the MEA-OUCMT.

A four-person committee from Purchasing and Facilities Management reviewed the proposals and interviewed the three entities. The comparable proposals are summarized in Attachment A, reflecting labor/equipment/supplies/supervision costs, contingency, and staffing levels. Adjustments were made to each proposal to ensure they properly reflect the entire required scope of service. The ARAMARK and Kristel Group proposals include annual employee pay increases, and therefore, would not be subject to cost increases during the term of the agreement. The MEA-OUCMT proposal would be subject to increases as the result of collective bargaining. Based on cost, quality, flexibility, staff coverage and availability, ARAMARK has submitted the lowest cost responsible proposal to provide custodial services.

**Approval of Authorization for
Custodial Services Contract
Oakland University
Board of Trustees Formal Session
May 21, 2014
Page 2**

It is requested that the Board authorize the Vice President for Finance and Administration to negotiate and execute a custodial services contract with the vendor selected by the Board.

3. **Previous Board Action:** Based on the results of competitive bid processes, the Board approved five-year agreements with ARAMARK for custodial services on August 4, 2004 and April 1, 2009, with an amendment on March 28, 2012. At the May 7, 2014 Board meeting, additional information was requested by the Board. The information has been provided to the Board.
4. **Budget Implications:** The five-year cost of custodial services will not exceed the cost of the Board selected vendor as reflected in Attachment A, if either ARAMARK or Kristel Group is selected. If the MEA-OUCMT is selected, the five year cost of custodial services will not exceed the amount reflected in Attachment A plus future increases approved by the Board in future collective bargaining agreements. Future changes in minimum wage rates will be negotiated by the Vice President of Finance and Administration and the Board selected vendor. The annual cost of custodial services is built into the General Fund and Auxiliary Operations budgets.
5. **Educational Implications:** None.
6. **Personnel Implications:** There are no personnel implications with the selection of ARAMARK or Kristel Group. If the MEA-OUCMT proposal is selected, approximately 51.5 additional University employees will be hired.
7. **University Reviews/Approvals:** This agenda was formulated by the Manager of Custodial and Grounds, and reviewed by the Associate Vice President for Facilities Management, Vice President for Finance and Administration, and Interim President.
8. **Recommendation:**
RESOLVED, that the Vice President for Finance and Administration be authorized to negotiate and execute a custodial services agreement with the vendor selected by the Board of Trustees; and, be it further

RESOLVED, that the agreement be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations, and conform to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

Approval of Authorization for
Custodial Services Contract
Oakland University
Board of Trustees Formal Session
May 21, 2014
Page 3

9. Attachments:

Attachment A: OU Custodial Services RFP 2014 Bid Comparisons, May 2014

Submitted to the President
on 5/16, 2014 by



John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on _____, 2014
to the Board of Trustees for Approval by



Betty J. Youngblood
Interim President

OU Custodial Services RFP 2014 Bid Comparisons

Main Campus

Category	OUCMT *	ARAMARK	Kristel Group
Labor	\$4,877,490	\$4,176,021	\$4,221,730
Equipment	\$80,451	\$112,572	\$96,230
Supplies	\$416,502	\$422,612	\$345,825
Sub total - As submitted	\$5,374,443	\$4,711,205	\$4,663,785
Adjustments			
Natatorium	\$35,160	\$0	\$180,750
Special Events (34 events)	\$0	\$17,000	\$8,874
Uniform/ Training / Physicals	\$54,350	\$0	\$0
Benefit Rate adjustment FY15	\$31,130	\$0	\$0
Additional Supv CT (1)	\$371,800	\$0	\$0
Differential in existing buildings new hires	-\$360,000	\$0	\$0
Contingency	\$150,000	\$150,000	\$150,000
Sub total - Adjustments	\$282,440	\$167,000	\$339,624
TOTAL MAIN CAMPUS - 5 years	\$5,656,883	\$4,878,205	\$5,003,409
Staffing - Full-time Custodians	11	25	4
Staffing - Part-time Custodians	31.5	4	24
Staffing - Shift Leader	5	3	6
Staffing - Manager	0	1	2
Staffing Total	47.5	33	36
Total staff hours - Annually	64,402	64,480	60,060

East Campus (Golf Course)

Category	OUCMT	ARAMARK	Kristel Group
Labor	\$233,480	\$102,259	\$165,360
Equipment	\$1,200	\$3,450	\$15,400
Supplies	\$45,128	\$13,205	\$54,200
Sub total - As submitted	\$279,808	\$118,914	\$234,960
Contingency	\$10,000	\$10,000	\$10,000
TOTAL EAST CAMPUS - 5 years	\$289,808	\$128,914	\$244,960
Staffing - Full-time Custodians	0	1	2
Staffing - Part-time Custodians	4	0	0
Staffing - Supervision	0	0	1
Staffing Total	4	1	3
Total staff hours - Annually	3952	2080	6240

MAIN & EAST CAMPUS GR-TOTAL	\$5,946,691	\$5,007,119	\$5,248,369
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* OUCMT proposal excludes potential collective bargaining increases throughout the life of the agreement.