

BOARD OF EDUCATION
The School District of South Orange and Maplewood
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TO: Members, Board of Education
Peter P. Horoschak, Superintendent

FROM: Karla Milanette, Business Administrator
Peter Daquila, Assistant Business Administrator
Tom Cunningham, Director Transportation and Custodial Services
John VanTeekelenburgh, Director Property Services

SUBJECT: BUDGET DEVELOPMENT REPORT: CUSTODIAL AND
MAINTENANCE SERVICES

The Board of Education requested an analysis of the efficiency of the district's delivery of custodial and maintenance services in preparation for upcoming budget discussions. The following report was prepared by a committee comprised of Tom Cunningham, Director of Transportation and Custodial Services, John Van Teekelenburgh, Director of Property Services, Peter Daquila, Assistant Business Administrator and Karla Milanette, Business Administrator. The report is divided into four sections: A description and analysis of how current custodial and maintenance services are delivered, a discussion of three alternative approaches to delivering the services, a discussion of previous experience in contracting services and a summary.

It is intended to be an informational report for decision-makers and the general public to better understand the district's custodial and maintenance operations. The purpose of this report is informed decision-making only. No recommendations for any changes to the current operations are provided at this time.

INTRODUCTION

The district has beautiful, historic buildings that are a source of pride for the school community as well as Village of South Orange and Township of Maplewood. A goal was adopted for 2002-03 to develop a comprehensive, long-range master plan for facilities that identified and scheduled major capital projects over the next 7-10 years. The Facilities Master Plan provides for refurbishing the buildings and improving health and safety conditions for students and staff. The Facilities Master Plan is a long-term approach and a major investment in the district's capital plant.

A plan for maintaining the buildings and preserving the investment is equally important. The district is committed to providing students and staff with an environment that is clean, safe and secure and conducive to learning. One way to accomplish this is by

providing the most efficient custodial and maintenance operations possible. The remarks that follow explore the alternatives.

CUSTODIAL SERVICES

There are currently 55 FTE custodial positions that are responsible for cleaning the district's 13 buildings. The gross building area (GSF) is approximately 1,122,233 square feet. The average GSF per total number of custodians is 20,404 and appears to be consistent with the industry average of approximately 20,000 sq. ft. per custodian. However, the number of custodians actually assigned during hours when cleaning can occur results in a GSF per custodian of 34,007, far exceeding the industry average.

Current Custodial Staff Deployment

BUILDING (total # custodians)	Gross Building Area (GSF)	Head Custodian/ Support	Custodians Assigned Cleaning	GSF per Custodian
Columbia High School (16)	341,209	7	9	37,912
Maplewood Middle School (7)	144,980	3	4	36,245
South Orange Middle School (7)	157,112	3	4	39,278
Clinton Elementary (3)	63,071	1	2	31,536
Jefferson Elementary (3)	71,293	1	2	35,647
Marshall Elementary (3)	53,297	1	2	26,649
Seth Boyden Elementary (3)	80,116	1	2	40,058
South Mountain Elementary (3)	56,414	1	2	28,207
South Mountain Annex (1.5)	19,930		1.5	13,287
Tuscan Elementary (3)	67,235	1	2	33,618
Montrose (1)	32,117		1	32,117
Underhill Field House & Fields (1.5)	7,470	1	0.5	14,940
Board of Education Office (1)	27,989		1	27,989
District Floater (2)		2		
	1,122,233	22	33	34,007

The district's Director of Transportation and Custodial Services, manages custodial operations in addition to the transportation program. The director shares a secretary with the Property Services Department. The purchase of custodial supplies is competitively bid on an annual basis. Custodial staff evaluations are performed by building administrators with input from the Director of Transportation and Custodial Services.

The current deployment of custodial staff is depicted in chart-form on EXHIBIT I. The chart indicates the custodians on duty in each building throughout the school day. The total number of custodians assigned to each building is indicated in parentheses. The shaded area indicates the hours that school is in session. An "H" indicates the time that the Head Custodian is available. The number indicates the other custodians that are

available in the building at any given time. Two custodians are district-wide floaters who are available to provide services as needed throughout the district including making deliveries and distributing the internal mail service between buildings.

The projected costs of custodial operation for 2004-05 are as follows:

Staff of 55 Custodians (salary & benefits)	\$3,115,823
Custodial Supplies	125,000
Carpet Cleaning (contracted)	40,000
Uniforms	7,000
Custodian Overtime	305,640
Custodian Replacement Pay Overtime	193,295
Custodian Building Use Overtime	<u>123,119</u>
	<u>\$3,909,876</u>

ANALYSIS OF CUSTODIAL SERVICE DELIVERY

A number of concerns and issues have been raised recently by administrators, teachers, staff, parents and others about the appearance and cleanliness of many of the buildings. An analysis of the delivery of custodial services throughout the district is provided to guide decisions for improving them.

A review of the current deployment of custodial staff (EXHIBIT I) helps to identify a number of areas that should be addressed that may result in improved efficiency and, therefore, the cleanliness of the buildings. The following observations about the delivery of services were made:

1. The most efficient cleaning is done in the evenings when the buildings are empty.
2. In most buildings, the Head custodian is on duty primarily before and during school hours. In some cases, the Head custodian's day ends before the school day is over because it begins so early. This does not provide time for briefing before the night crew begins to clean without incurring overtime expenses.
3. At several schools, the night cleaning crew's shift begins long before school ends. This is necessary because mid-day custodial assistance is needed at the middle and elementary schools for cafeteria clean-up. Other than the cafeteria, it is difficult to provide efficient cleaning while the building is fully occupied.
4. While the average square footage per total number of custodians is in line with industry average, the number of custodians available to clean during the hours when the building is not occupied is limited by school usage and far exceeds the industry average.
5. Most cleaning shifts do not extend beyond 9:00 p.m.

6. There is no evening supervision. The Director occasionally visits buildings after hours but he is also responsible for Transportation. It makes a very long day for him to observe both early morning bus runs and evening custodial shifts.
7. School administrators prepare evaluations with input from the Director. School administrative support is limited.
8. Support services (1 FTE secretary) are shared among custodial services, transportation services, and maintenance services.
9. Supplies and equipment are purchased through competitive bids on the open market.
10. The current custodial program is understaffed, under-trained and under-supervised.
11. Increased training, supervision, supplies and equipment are necessary to increase productivity.

ALTERNATIVE APPROACHES

Four alternative approaches for addressing the observations identified and improving custodial services were developed for consideration.

Alternative A – Redeploy District Staff with Additional Supervision and Support

Alternative A is illustrated in chart-form on the attachment [EXHIBIT II]. This approach would retain current staff but shift the hours at some schools to provide head custodian coverage before and after school without incurring overtime costs. A night supervisor is added who would be available during hours when the director is not available to respond to problems and supervise the overall cleaning throughout the district. In addition, the Director assumes the primary responsibility for custodian evaluations with input from principals. This will provide some relief for principals who currently are the primary evaluators. Secretarial support, currently shared with Property Services, is increased 1.0 FTE to have a dedicated secretary to field calls, coordinate custodial services, oversee purchasing and produce evaluations in both departments. This should increase the response to staff and parent concerns. Finally, membership in a purchasing cooperative will be considered for supplies and equipment in order to reduce costs.

It is anticipated that this alternative would increase custodial costs approximately \$114,400.

1 FTE custodian supervisor (inc. benefits)	\$ 63,000
1 FTE secretary (inc. benefits)	50,400
Annual membership purchasing cooperative	<u>1,000</u>

Est. Additional cost	\$114,400
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PROS:

1. More efficient use of Head Custodian time
2. Increased supervision
3. Relief from time consuming non-educational duties for building administrators
4. Increased response to staff and parent concerns
5. Reduced costs of supplies and equipment.
6. Improved cleanliness of buildings
7. Known employees present in the buildings

CONS:

1. Does not address all concerns identified.
2. Increased operating costs

Alternative B – Combination of District Custodians and Contracted Services

Alternative B is illustrated in chart-form in the attachment [EXHIBIT III]. As in Alternative A, Head Custodian work hours in the elementary and middle schools would be shifted to provide coverage before and after school hours without incurring overtime costs. Clerical support, currently shared with Property Services, would also be increased 1.0 FTE to have a dedicated secretary to field calls, coordinate custodial services, oversee purchasing and produce evaluations in both departments. This is expected to increase the response to staff and parent concerns.

This approach would retain approximately 34 of the 55 current district custodians. These would be assigned as head custodians at each building and two district floaters. The remainder would be assigned to Columbia High School including one to serve as a dedicated grounds-keeper. Facility usage of Columbia High School is very heavy. Student activities and community groups use the buildings most evenings and weekends. An 11:00 p.m. to 7:00 a.m. shift would be added to extend the hours at Columbia High School in order to provide 24-hour coverage using district employees.

Contracted cleaning hours could be extended after school hours until 11:00 (3:00 to 11:00 shift) in all schools (except Annex and Montrose) when the most efficient cleaning can occur. At the elementary schools, the district would contract for 4-hour mid-day cafeteria assistance for the head custodian. This would make it possible to increase the after-school cleaning schedule.

Contracted services provided would be detailed in bid specifications. Among the services that would be provided include:

- Cleaning chemicals and equipment
- Computer hardware and management software
- Start-up labor and support
- Wages, taxes and benefits for contracted hourly custodial staff
- Worker's compensation cost management
- Custodial overtime management
- Custodial substitute management

- Cleaning supplies, toilet paper, tissues, and can liners
- Vehicles for management team
- Mop head laundering
- Communication systems for contracted custodial staff
- Training and development of contracted custodial and management staff
- Responsibility for recruiting, hiring, training, disciplining and terminating of contracted employees
- All training, including state and federal laws and regulations
- Manage escalating cost of equipment and supplies through national vendor partnerships
- Safety Training and Disaster Response Plans and training
- Access to professional engineers with expertise in areas of custodial, maintenance, grounds/landscaping/athletic field maintenance

The management structure is key to the success of this approach. The Director of Transportation and Custodial Services oversees all district employees and contracted services. Two night supervisors, one a district employee and one contracted will both report daily to the Director. This approach is patterned after the highly successful food service management model already in use in the district. The district contracts for Food Service Management Services overseen by the Food Service Director, a district employee, who is wholly responsible for the program. The contracted management firm takes over the responsibility for recruiting, hiring, training and disciplining contracted employees. In addition, they manage overtime, substitutes, supplies and equipment purchases, all major escalating costs to the district. The district's director serves as the liaison between the building administrators and the contractor, monitoring contract compliance, dealing with complaints in a timely manner, and maintaining open communication. The district's director remains responsible for all custodial services provided by district employees at Columbia High School and Head Custodians in other schools.

State law requires that an individual with a certified black seal boiler operator license must be on duty whenever a school building is open. The SOMEA agreement includes a provision that "All custodial personnel employed must obtain, as a condition of their employment and prior to the conclusion of the first calendar year of employment, a Black Seal boiler operator's license." The Board reimburses the cost of courses for custodians to prepare for the licensing examination, all initial and renewal license fees and an annual extra pay stipend of \$410 for holding the license.

Approximately 21 current custodians have not obtained a black seal license, as required as a condition of their employment per the SOMEA contract, despite repeated incentives and warnings. These custodians are the ones that would be released from the district payroll. Bid specifications for management services would require the successful contractor to give hiring priority at competitive wages and benefits to these individuals.

In addition, 2-4 new maintenance positions are being considered to provide some of the services such as painting, landscaping, and preventive maintenance that are currently provided by vendors. These positions would not require a special license and may be

filled by some of the custodians being released because they have not obtained a black seal boiler operator license.

The average wage for district custodians is around \$22.00 per hour. A wage study done of the surrounding counties found that the average wage today for a custodian with no experience is \$10.73 per hour and around \$11.50 per hour with five years experience. A lead custodian averages \$0.50 to \$0.75 per hour more. These wages were used as the amount that a contractor would pay the staff on their payroll and used to calculate savings.

It is anticipated this alternative would reduce custodial costs \$500,000-\$725,000.

Current Custodial Expenses	\$3,909,876
[see above for breakdown of the projected costs for 2004-05]	

Projected (Cost) Savings of Alternative B

34 FTE custodians (salary & benefits)	\$1,991,715	
1 FTE custodian supervisor (inc. benefits)	63,000	
1 FTE secretary (inc. benefits)	50,400	
Contracted services	715,000	
Custodial supplies	50,000	
Annual membership purchasing cooperative	1,000	
Carpet cleaning	15,000	
Uniforms	3,000	
Custodian overtime	106,974	
Custodian replacement pay overtime	67,653	
Custodian building use overtime	<u>122,119</u>	
		<u>(\$3,185,861)</u>
Est. Savings:		\$ 724,016
Less new maintenance positions (2-4 FTEs)		<u>(\$220,000)</u>
Est. Savings:		\$504,016

PROS:

1. Anticipated significant reduced operating costs
2. Improved productivity resulting in cleaner buildings
3. Increased supervision and more efficient use of Head Custodian time
4. Relief from time consuming non-educational duties for building administrators
5. Strong, proven management model
6. Increased communication and response to staff and parent concerns
7. Ability for more flexible scheduling
8. Addresses concerns identified

CONS:

1. Approximately 17-21 custodians would lose their jobs in the district
2. A previous attempt to outsource custodial services was not successful

This model, combining district employees with contracted services overseen by a district director, was developed as a result of substantial research. A similar model has operated successfully in the East Brunswick School District for the past seven years. The school district has the same number of buildings and approximate square footage as South Orange and Maplewood.

Alternative C – All Contracted Services

A number of variations on this contracted services model were reviewed and considered. Another variation, Alternative C, illustrated in chart-form in the attachment [EXHIBIT IV], is the same as Alternative B except that all custodians would be released from the district payroll and all services would be contracted. The district's Director of Transportation and Custodial Services would remain responsible for all custodial services and serve as the liaison between the building administrators and the contractor, monitor contract compliance, deal with complaints in a timely manner, and maintain open communication.

The estimated annual cost savings to the District for this option is estimated to be \$1,444,876. The saving factors in Alternative C are primarily costs of salaries and benefits.

Projected cost of current custodial operation [see above for breakdown of the projected costs for 2004-05]	\$3,909,876
Estimated cost of contracted services [based on quotation from SODEXHO]	(\$2,465,000)
Est. Savings:	\$1,444,876

PROS:

1. Anticipated significant reduced operating costs
2. Improved productivity resulting in cleaner buildings
3. Relief from time consuming non-educational duties for building administrators
4. Increased communication and response to staff and parent concerns
5. Ability for more flexible scheduling
6. Addresses concerns identified

CONS:

1. All custodians would lose their jobs in the district
2. A previous attempt to outsource custodial services was not successful

Alternative D – Contracted Management Services Only

Another variation that was considered was to retain all custodians on the district payroll and contract only for management services. The contractor would provide all components of the operation with the exception of the wages, taxes and benefits of the custodians and the custodial uniforms. The district's Director of Transportation and

Custodial Services would remain responsible for all custodial services and serve as the liaison between the building administrators and the contractor, monitor contract compliance, deal with complaints in a timely manner, and maintain open communication.

There would obviously be a cost to the District for this approach that is estimated to be \$500,000 per year.

PROS:

1. Contractor takes over the responsibility of recruiting, hiring, training and disciplining employees.
2. Contractor is responsible for all training, including state and national laws and regulations.
3. Contractor manages escalating cost of equipment and supplies through national vendor partnerships
4. State-of-the-art operational and quality assurance software program
5. Safety Training and Disaster Response Plans are a priority.
6. Access to Professional Engineers with expertise in areas of custodial maintenance.

CONS:

1. Increased operational costs

PREVIOUS CONTRACTING EXPERIENCE

In 1996, the Board of Education found itself in a similar position searching for a solution to reduce the rapidly escalating cost of custodial services and to improve the cleanliness and appearance of its aging facilities. A plan was developed and implemented to contract for custodial services initially at Columbia High School, the largest building with the most need. The lowest responsible bidder was selected to provide the services through the competitive bidding process. Ten custodians with the lowest seniority were terminated to underwrite the cost of the contracted services. The contractor hired the former CHS Head Custodian to supervise the contracted custodians at CHS as required by the District. The differences in methods and approaches to building cleaning between the contractor and the supervisor resulted in a relationship that ended after only 30 days.

Columbia opened with floors shined, classrooms cleaned and metal polished. However, faculty and staff were not receptive to the change in service delivery. There was not a management structure in place to field complaints and serve as a liaison between the contractor and the building administration. CHS vice principals bore the brunt of the problems and found them overwhelming. The contract was not renewed. The night shift custodians were transferred from Maplewood Middle School and South Orange Middle School to Columbia High School. Bids were issued for a new contractor to be responsible for maintaining both middle schools with services coordinated by a District head custodian. This approach also proved unsuccessful and ended after 18 months and two contracting services.

The cost savings related to contracted custodial services appear to be significant and worthy of another attempt if sufficient savings can be generated to allow more emphasis

on the academic program and result in cleaner buildings. The previous unsuccessful attempt at contracting for custodial services has been analyzed to learn from the experience and attempt to avoid many of the problems of the past. Three areas have been identified that, when implemented, may increase the chances for success this time.

- 1) **Involvement of Collective Bargaining Groups.** The acceptance of SOMEA and ASCA management and membership is clearly key to successful implementation. With the support of SOMEA and ASCA, however, it is hoped that a partnership effort can be joined that will work to improve the working conditions for everyone and the learning environment for students. The role of the Health and Safety Committee of SOMEA would be expanded. It is envisioned that the Committee would meet on a regular basis with the district Director to provide input on the status of the buildings.
- 2) **Management Structure.** A management structure modeled after the successful food service management program is envisioned. The district director serves as the liaison between the building administrators and the contracted services, monitoring contract compliance, dealing with complaints in a timely manner, and maintaining open communication. This is a key administrative level that was missing in the previous attempt which relied upon building administrators to ensure success without a “go-between” contracted management and building services for support. This structure gives the building administrators time to focus on education and students.
- 3) **Bid Specifications.** The bid specifications define the services to be provided by the contractor. The tighter and more detailed that the specifications are, the better will be the ability to ensure that the services are delivered effectively. The district has the benefit of bid specifications developed over 7 years by East Brunswick school district to use as a starting point.

The specifications will also determine the amount of savings to be realized. For example, use of contracted services typically makes it possible to manage overtime to 2% of payroll. The district currently runs approximately 15% of payroll for overtime. The specifications would commit the contractor to be responsible for opening and closing of buildings, reducing the district's amount of overtime. The district currently pays a minimum 4-hour, time-and-half, overtime for emergency evening call-backs (e.g., to close a window).

MAINTENANCE SERVICES

The district also employs 7 FTE maintenance workers dedicated to buildings and grounds. These positions have various specialties including plumber, electrician, HVAC, carpenter, locksmith, and grounds-keeping. The primary responsibility of the Property Services department is trouble-shooting and small maintenance jobs in and around district facilities. Vendors are contracted to perform larger jobs because the district does not own state-of-the-art equipment, expertise crews for large-scale jobs. Painting and landscaping are two areas, currently performed by vendors that are significant costs to the district. Additional work in these areas would improve the appearance of district

facilities. The addition of 2-4 FTEs in the maintenance department is worth considering. The East Brunswick school district is similar in size and number of buildings and has twelve positions dedicated to buildings and grounds.

It is anticipated that the cost of 4 additional FTEs, estimated to be \$220,000, would be partially, but not totally, offset by savings in payments to vendors in areas such as painting and landscaping.

SUMMARY

Current custodial and maintenance operations were analyzed and four alternative approaches presented that are intended to increase productivity and reduce operating costs.

OPERATION	DESCRIPTION	EST INC. COST / (SAVINGS)	BUDGET
Current			\$3,909,876
Alternative A	Redeploy Current Staff w/ add'l Supervision and Support	\$114,400	\$4,024,276
Alternative B	Combination of District Staff and Contracted Services	(\$504,016) to (\$724,016)	\$3,405,860 to \$3,185,860
Alternative C	All Contracted Services	(\$1,444,876)	\$2,465,000
Alternative D	Contract Management Services only	\$500,000	\$4,409,876

