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OFFICE OF THE COUNTY AUDITOR INTEROFFICE MEMORANDUM

TO: All Council Members
FROM: Lauren M. Smelkinson, County Auditor *LMS*
DATE: January 26, 2015
SUBJECT: Addendum to Council Meeting Notes

Please find attached an addendum (FM-3) to the Council Meeting Notes issued January 22, 2015.

This item will be discussed at the January 27, 2015 work session for the February 2, 2015 Council meeting.

Attachment

cc: notes distribution list

FM-3 (Contract Amendment)

Council District(s) All

Office of Budget and Finance

Janitorial Services

The Administration is requesting an amendment to a contract with Dazser-Bal Corporation d/b/a Jani-King of Baltimore to provide additional janitorial services at various County buildings. The current 5-year contract expires July 1, 2017. The amendment revises the maximum compensation from \$3,422,315 for the entire 5-year term of the contract to the amount appropriated for these services each fiscal year. The FY 2015 appropriation for these services totals \$2,088,720. The amendment increases the estimated total compensation by \$4,281,433, from \$3,422,315 to an estimated \$7,703,748, for the entire 5-year term.

Fiscal Summary

Funding Source	Estimated Contract Amendment	Current Maximum Compensation	Amended Total Compensation
County ⁽¹⁾	\$ 4,281,433	\$ 3,422,315	\$ 7,703,748
State	--	--	--
Federal	--	--	--
Other	--	--	--
Total	\$ 4,281,433 ⁽²⁾	\$ 3,422,315	\$ 7,703,748 ⁽³⁾

⁽¹⁾ General Fund Operating Budget.

⁽²⁾ Estimated additional compensation for the entire 5-year term.

⁽³⁾ Estimated total compensation for the entire 5-year term. The amendment does not specify a maximum compensation. Compensation may not exceed the amount appropriated for these services.

Analysis

The contractor provides cleaning and custodial services (e.g., vacuuming, maintaining floors and rugs, cleaning restrooms, and removing trash) at various County buildings typically Monday through Friday, excluding County holidays, from 7:30 a.m. to 3:30 p.m. The contractor provides

all supervision, labor, equipment, and custodial supplies. Services performed by the contractor are subject to inspection and approval by County representatives. The County is billed at unit prices that range from \$104.14/month (Woodlawn Community/Senior Center Storage) to \$26,645/month (County Courts Building), depending on the building serviced.

On July 2, 2012, the Council approved the original 5-year contract not to exceed \$3,422,315. The Office had advised that the contract was needed to supplement the workforce, which had been reduced due to recent retirements. It also advised that the County planned to increase its reliance on contractual custodial services as current employees retired or left County service. The bid proposal identified 124 sites for which the County could direct the contractor to proceed with work. The Office had advised that while it had not yet determined which buildings the contractor would service during the initial term, it expected to identify approximately 20 to 30 buildings in the areas of the County that were the farthest from the Towson Core. The Office advised that the contractor is currently providing janitorial services at 75 sites.

The proposed amendment is necessary to increase the total compensation to allow for additional custodial services in terms of days, hours, services, and locations. For example, since the contract commenced, the County has identified additional buildings (from 124 to 141 sites) for custodial service (e.g., Jefferson Building, Cockeysville Community Center). In addition, monthly fees have been increased to include recycling removal. Further, in some cases, the number of days of service has increased (e.g., services at Animal Services has increased to 7 days per week).

The proposed amendment revises the maximum compensation from \$3,422,315 to the amount appropriated for these services each fiscal year. The FY 2015 appropriation for these services totals \$2,088,720. The amendment increases the estimated total compensation by \$4,281,433, from \$3,422,315 to \$7,703,748, for the entire 5-year term. All other terms and conditions remain the same.

Prior to the commencement of each renewal period, the County may entertain a request for an escalation in unit prices in accordance with the Consumer Price Index – All Urban Consumers – United States Average – All Items (CPI-U), as published by the United States Department of Labor, Bureau of Labor Statistics at the time of the request, or up to a maximum 5% increase on the current pricing, whichever is lower. The County may terminate the agreement by providing 30 days prior written notice.

Expenditures under this contract totaled \$1,437,588 for fiscal years 2013 and 2014. The original contract was awarded through a competitive procurement process based on low bid from four responsive bids received.

On July 7, 2014, the Council approved an amendment to a contract between the Board of Library Trustees for Baltimore County and Shamrock Maintenance, Inc. to provide janitorial services for 18 Baltimore County Public Library (BCPL) branch locations and the BCPL administrative office. The amendment assigned the pre-existing contract from BCPL to the County effective July 1, 2014, when it assumed maintenance duties for BCPL. The County exercised its option to renew the contract (first of four 1-year renewal periods). Estimated compensation totals \$416,353 for FY 2015 (the first renewal period) and \$1,915,030 for the entire remaining 4-year and 3-month term (four 1-year renewal periods and one 90-day extension period).

County Charter, Section 715, requires that "any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year...."