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Maintenance and Operations Administrative Guidelines for School Districts and Community Colleges

Contracted Services

Contracted services, or outsourcing, is a common practice among maintenance and operations departments in Florida's school districts and community colleges. Contracts for outside services can vary from small technical service agreements to those that rely more fully on custodial, maintenance, or grounds-related services. Outsourcing contracts can be project-based and of short duration, or they may be "continuing-services" agreements that are in effect for longer periods of time.

Throughout the state, maintenance and operations administrators at educational facilities use one or a combination of the following outsourcing approaches:

- Approach #1: Plant managers will use an in-house workforce to perform all maintenance, operations, and grounds functions. This includes all regular, overtime, and emergency work/service activities. Only work associated with a small number of specialized trades/crafts is contracted to outside vendors.
- Approach #2: Plant managers will use an in-house workforce to perform all maintenance, operations, and grounds functions. Emergency repairs, complex service activities, and all specialized trades/crafts are contracted to outside vendors.
- Approach #3: Plant managers will use an in-house workforce to perform most of the maintenance, operations, and grounds functions. Major portions of each may be contracted to outside vendors, in addition to complex service activities and specialized trades/crafts.
- Approach #4: Plant managers will use an in-house workforce for only one or two major services (e.g., maintenance and custodial), while providing services for the third area (e.g., grounds) completely on a contract basis.

The following list indicates the range of services that are outsourced on a routine basis at school districts and community colleges throughout the state:

Maintenance

Fire alarm testing, inspection, and certification
Fire sprinkler testing, inspection, and certification
Elevator service, repairs, and certification
Chiller plant maintenance

Generator maintenance and repair
Kitchen equipment maintenance and repair
HVAC systems maintenance and repair
Training

Custodial

Janitorial services
Complete custodial services

Grounds

Mowing
Landscaping
Bleacher repair
Athletic field maintenance/preparation
Light-bulb replacement in parking lots and athletic fields
Paving and drainage installation
Fencing installation
Irrigation systems installation repair
Complete grounds maintenance

Construction-related Services

General contracting (for building modifications)
Concrete placement and finishing
Relocatable/portable classrooms
Wood floor installation, finishing, and repair
Carpet and tile installation
Roof repairs and installations
Painting
Job order contracts

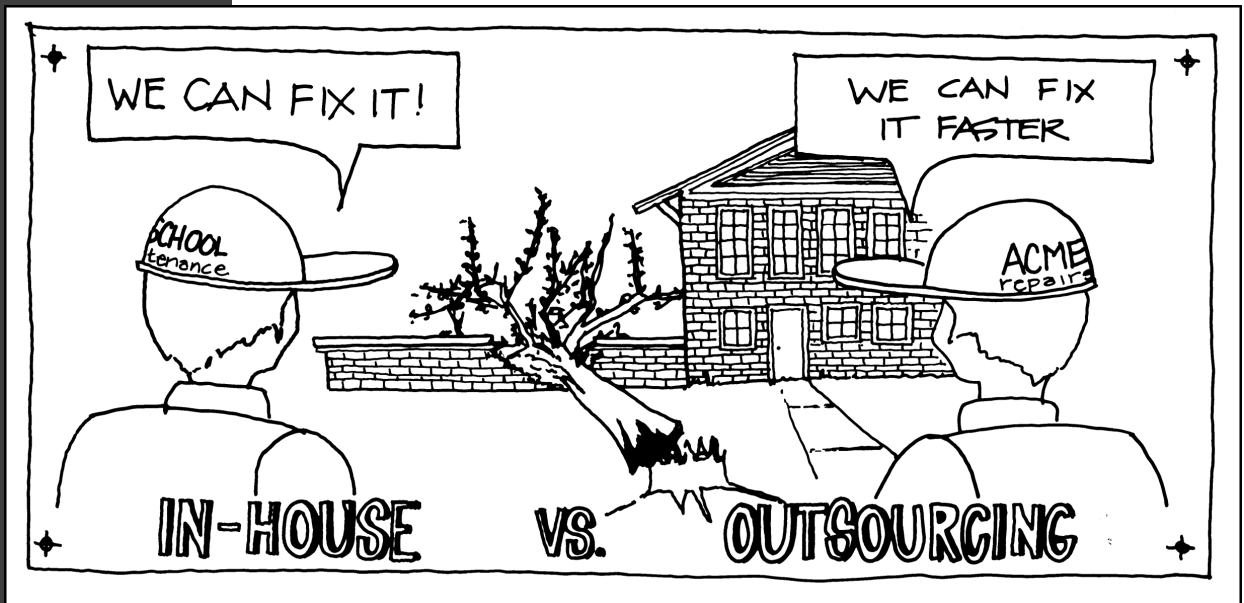
Other Specialized Services

Termite and pest control
Water treatment
Sewage treatment and septic systems
Security

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Outsourcing versus In-House Services: Reason for Considering Contracted Services



Every maintenance and operations organization eventually considers the advantages and disadvantages of contracting with private-sector entities for certain supplies and services. Depending on the nature of the service being considered for outsourcing, this can be a complicated management decision. Administrators have to weigh a number of issues and ultimately conclude that it is in the best interest of the institution and facility to enter into a contract with an outside vendor for maintenance, operations, or grounds services. Viewpoints expressed by several administrators at schools and community colleges suggest that the primary reasons for contracting out certain services are as follows:

- To save money and management time and to reduce/control operating costs.
- The job requires specialized skills/training that is not available in-house.
- A shortage of available labor and limitations of "in-house" staff.
- To improve the overall quality of maintenance and operations functions.

Along with these, several other factors should be considered when determining if outsourcing is a viable alternative. Administrators should also take into account the following issues:

- How will contracted services affect/interface with existing maintenance, operations, or grounds functions and in-house staff?
- How will contracted services affect educational functions?
- What level of quality/performance standards can be expected from the service provider(s)?
- What is the track record/reputation/experience of companies being considered?
- What procedures and methods will be used to complete the service, and are they acceptable industry practices?
- What specific conditions/clauses should be included in the outsource agreement that defines contract duration, conditions for termination, work-related warranties, guarantees for cost savings, etc.?
- What level of oversight is required for the service?
- Are background checks or other information needed on individuals employed by the service provider?

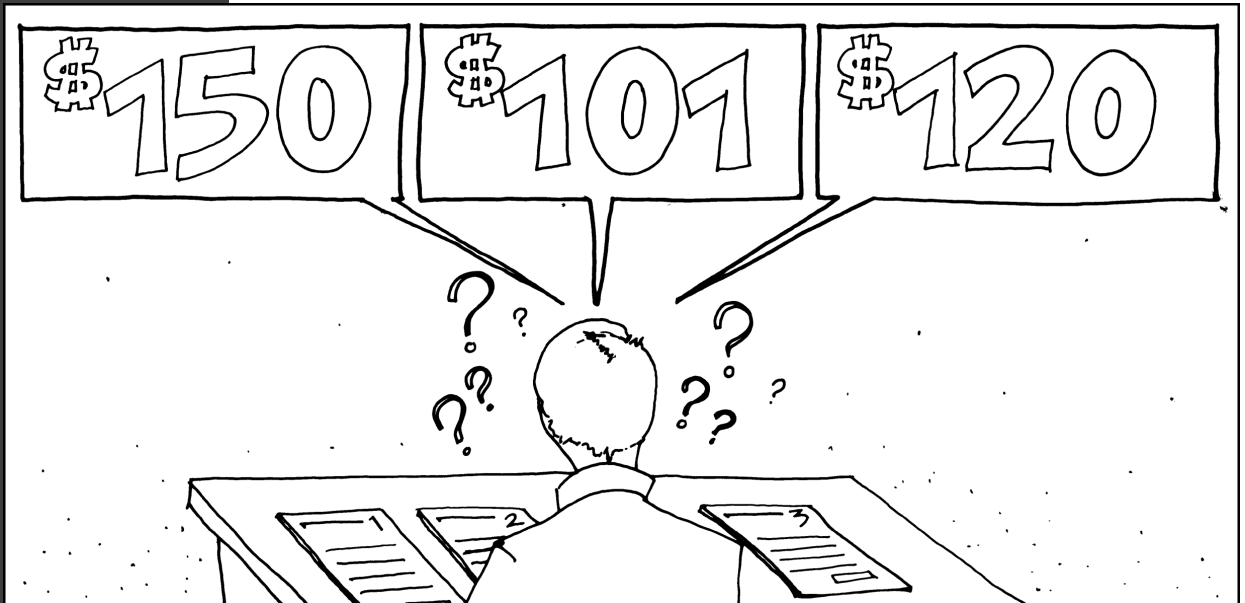
Some of the advantages of outsourcing include the following:

- Outsourcing may provide better, more efficient, and cost-effective services than in-house staff for certain functions.
- Outsourcing can provide solutions to labor shortages for certain maintenance and operations functions.
- Outsourcing provides administrators with the flexibility of using specialized labor on an “as-needed” basis, as opposed to investing in the development of in-house capabilities that can’t be used on a continuous basis.

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Estimating Project Costs



As indicated earlier, maintenance and operations departments at educational institutions administer a variety of service contracts on a frequent and ongoing basis. Given the diverse range of services associated with outsourcing contracts, administrators should only implement these agreements when they have a cost basis for doing so. Two of the major problems with developing cost projections that are realistic and useful are: (1) not fully understanding the initial scope of work, and (2) what the cost implications are likely to be if the scope changes once the job is under way. Estimating project costs for different services can prove challenging; however, fully articulated service needs combined with a good understanding of labor and material rates and other cost-related issues, would provide these benefits:

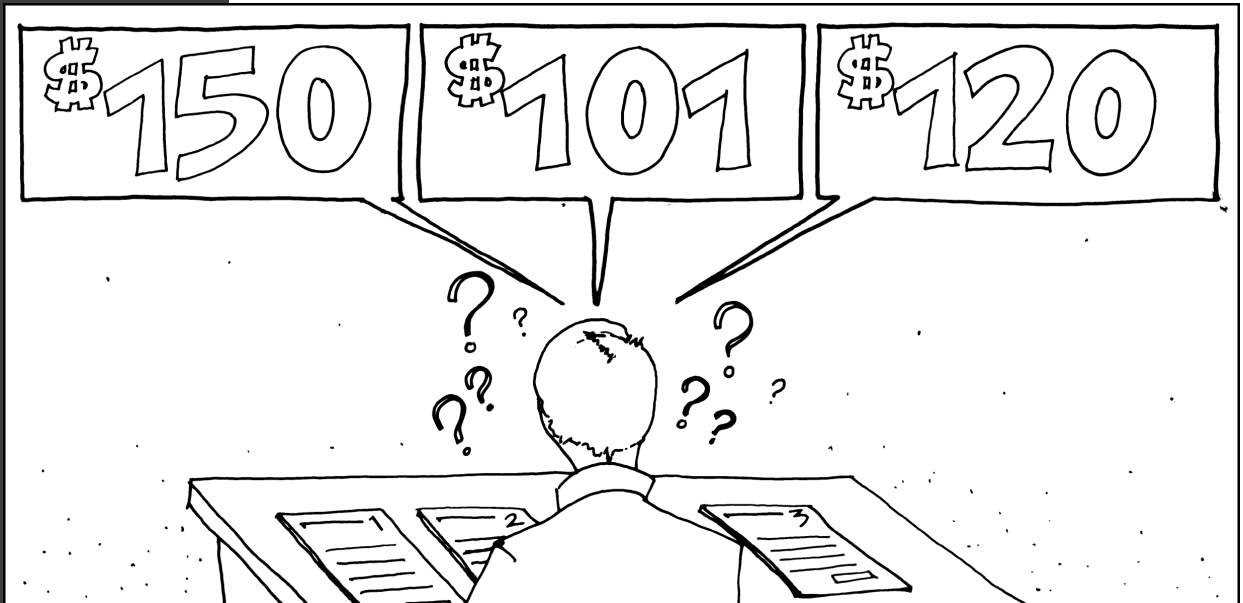
- Confidence in implementing outsource agreements and the assurance of good value for the money spent.
- A basis for determining annual budget allocations for recurring work.
- Clarification of scopes of work for different projects or services.
- A reference for determining cost savings and reductions in capital expenditures.

When establishing budgets for contracted services or making cost estimates, administrators should use methods that properly reflect the nature of the task. For example, in estimating costs for specialized equipment maintenance, the method should take into account labor rates for mechanical engineers or other certified personnel – which, in many instances may be higher than rates for similar in-house staff. Estimates should also reflect the full scope of required services, including preventive and scheduled maintenance, equipment overhaul, parts and supplies, distance to the job, as well as any other extenuating circumstances that will affect the total cost of the outsource agreement.

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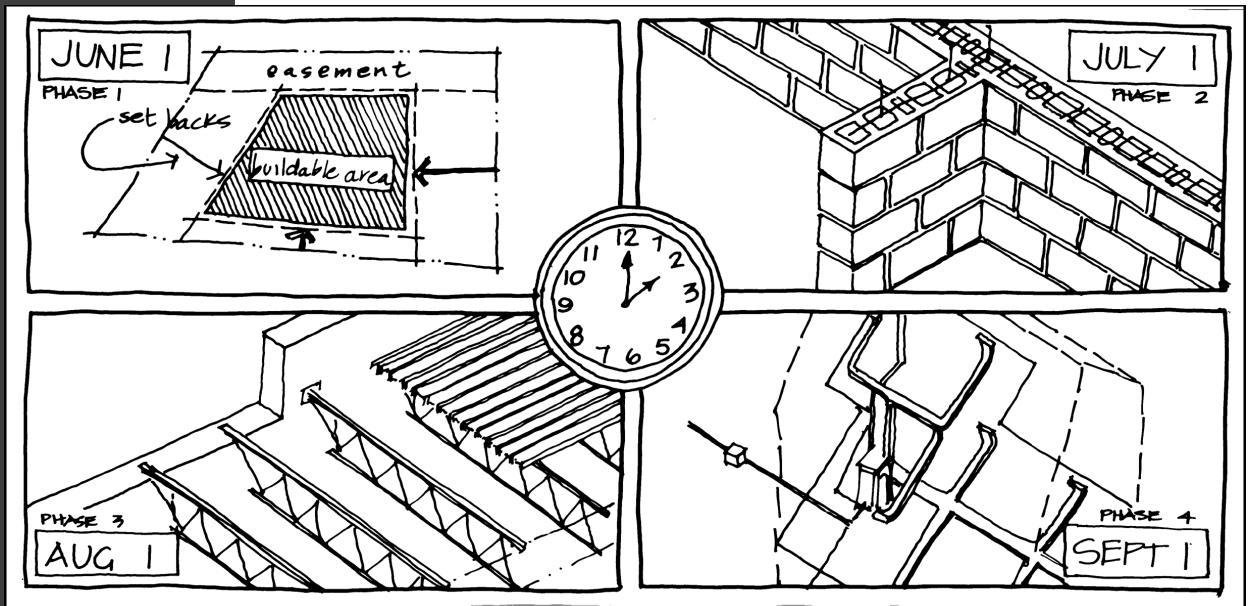
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Scheduling

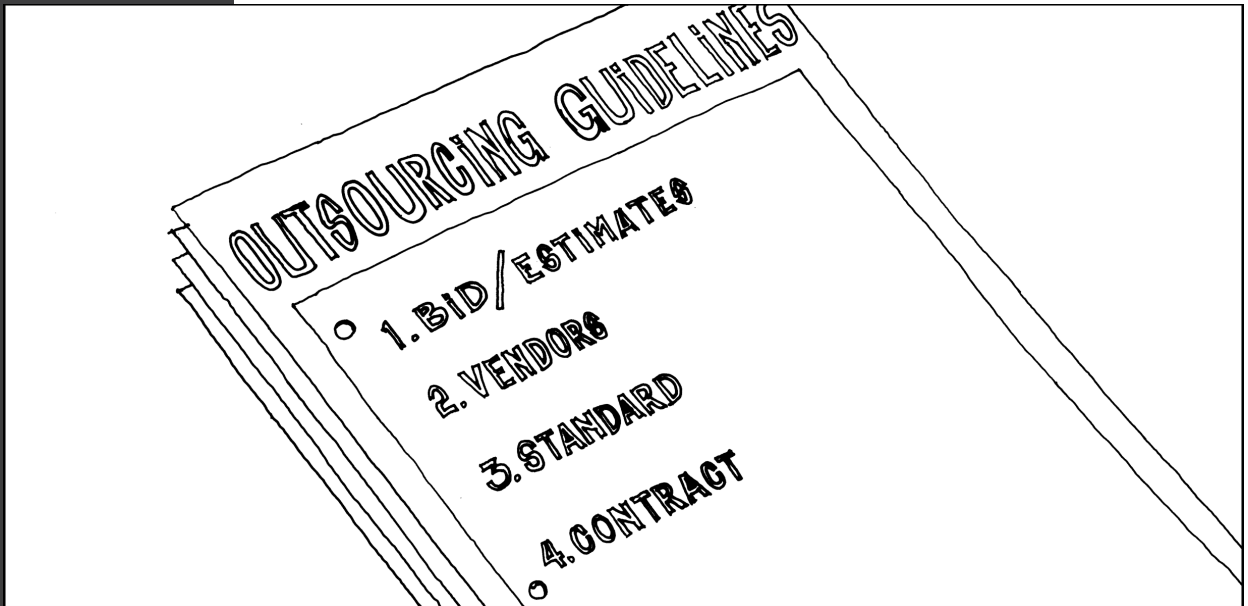


All outsourcing agreements or contracts for regular or routine services should contain explicit language pertaining to the times when work will be performed. With the established schedules of schools and community colleges, scheduling certain services from outside vendors may be problematic. Unless the work to be performed is critical to keeping the facility functioning, contracted services should be scheduled before or after class sessions, or on weekends. As emergency repairs or other extenuating circumstances arise, they may affect normal school operations. However, when these situations occur, maintenance administrators should meet with their department supervisors, school administration, and the outside contractor to develop a schedule for completing the work that minimizes the extent to which classroom and other school activities will be disrupted. After a time frame for work completion has been agreed upon, all projects to be completed under outsourcing contracts should be coordinated with the maintenance and operations department master work schedule (see section 9.5 Computerized Facility Data Bases – Project Scheduling).

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Procurement Process for Products and Services



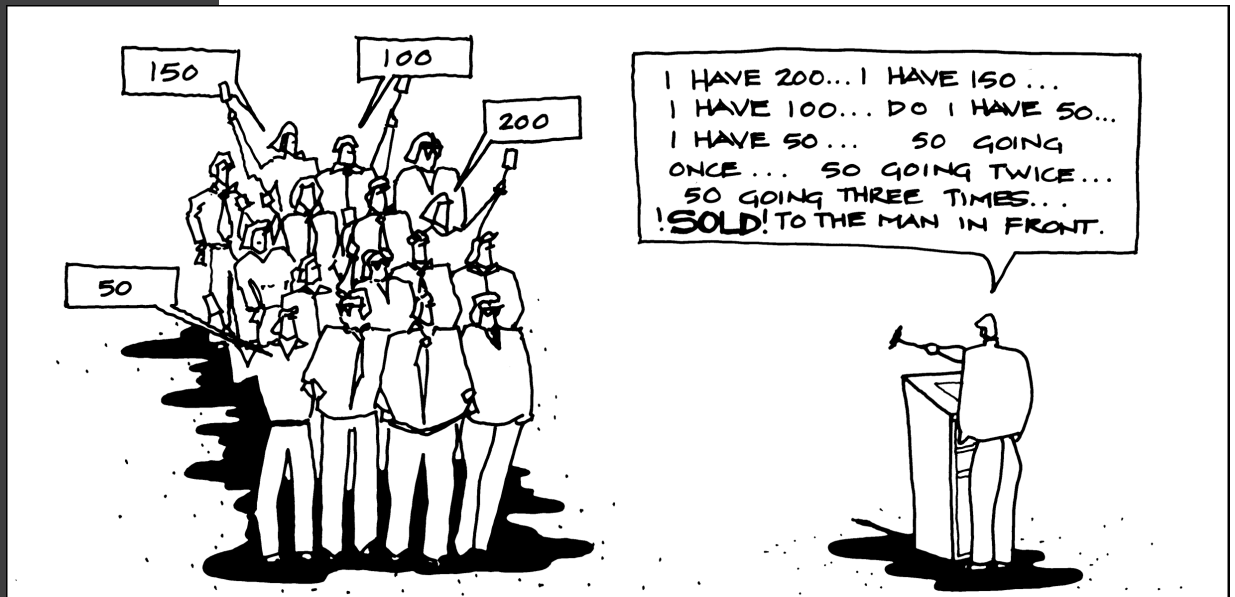
Throughout the process of considering outside contractors to perform work at educational facilities, administrators must follow guidelines established by their respective Boards or central administrative offices. Among others, these guidelines should include procedures for competitive bids, no bid contracts, sole-source vendor contracts, emergency contract procedures, approved vendors for various types of specialty work, use of certified minority/women business enterprise (MBE/WBE) vendors, adherence to specifications and standards, cost accounting, and quality control standards among others.

In addition to following established procedures, administrators may also find it necessary to use other methods for identifying qualified outside contractors. One approach may include obtaining recommendations or referrals from other entities. Although school districts and community colleges are sometimes distant from each other, administrators are encouraged to share information on outsource service providers in instances where it could be mutually beneficial to do so. Another approach may include contacting equipment manufacturers to see if they provide the type of service required, or to obtain lists of approved service providers.

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Competitive Bids



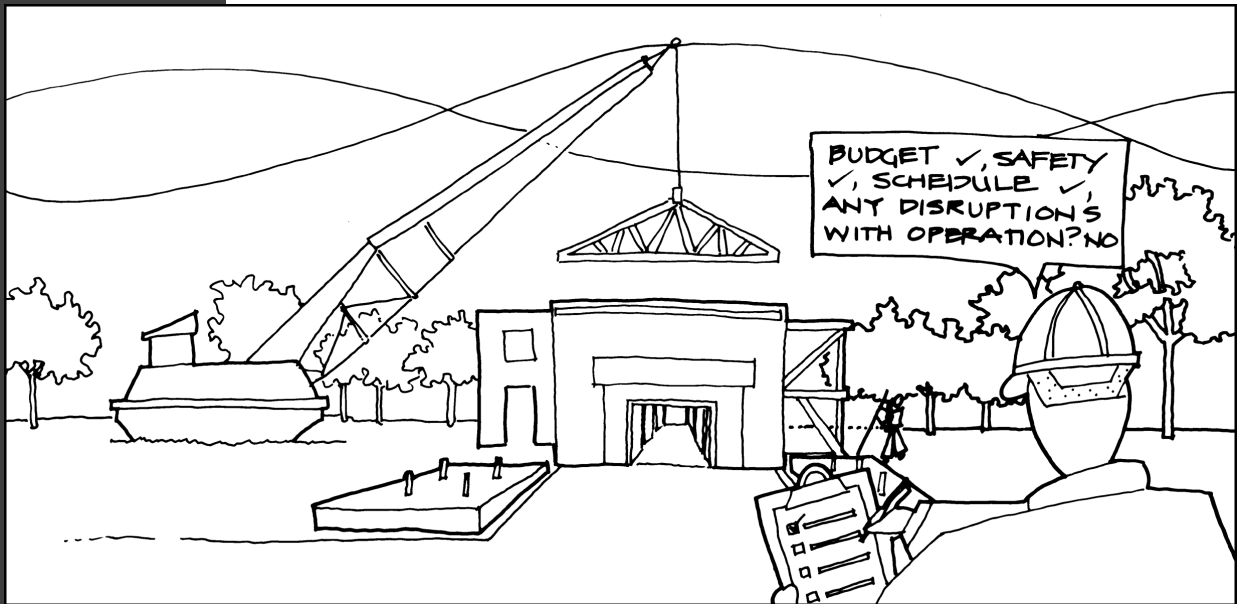
Most contracts for capital improvements, or where the value of the work exceeds a stipulated dollar amount of \$200,000, will require the submission of competitive bids. Once legal notices and invitations to bid have been placed, this process requires administrators to implement Board-approved procedures for obtaining estimates or proposals from a minimum of three prospective outside entities for work needed at a particular facility.

In addition to ensuring that outside vendors have equal opportunities to be considered for a contract, the competitive bid process also ensures that public funds will be spent in a cost effective and prudent manner. This process further allows for objective comparison of price quotes and provides administrators with useful information on current costs for certain types of services or products.

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Construction Oversight/Outsource Contract Administration



In every instance, outsource agreements or contract documents for services and products will specify, in no uncertain terms, the scope of work and the conditions under which it will be performed, what quality standards are expected, project duration, grounds for contract termination, and terms regarding budget or cost overruns.

Even though a vendor may have a history of satisfactory performance, administrators should provide an appropriate level of oversight for each outsource contract. Administrators and supervisors should always be aware of the status of work associated with any outsource contract at all times. An added benefit of closely monitoring contract work is that it gives administrators a better understanding of the specifics of the service being provided and how best to evaluate the outcome. At the same time, this provides the contract service provider with a direct line of communication when emergency or other unforeseen circumstances arise. Oversight should be provided during major and minor maintenance service activities, renovation and small-scale construction projects, and routine jobs to ensure that work is being performed in accordance with the terms of the contract and to the standards of the facility, and that the outcome will be as anticipated.

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Maintenance and Operations Administrative Guidelines for School Districts and Community Colleges

Assessing Quality of Products, Workmanship, and Services

DESCRIPTIONS	1.	2.	3.
INSPECTIONS	✓		
PEST CONTROL			
TRASH REMOVAL	✓		
CONSTRUCTION			
OTHERS			

When contracting for products and services through outside vendors, plant managers and administrators should make sure that they are receiving the expected or required level of quality or results. The best mechanism for ensuring that vendors and contract service providers are meeting facility requirements is to have performance measures and quality standards clearly defined in all contract agreements. Where necessary, administrators should require a final report or some other appropriate form of documentation to properly “close-out” a job and certify its completion under the terms of the contract.

In establishing performance criteria, work standards, or other quality control measures, administrators should be realistic in their expectations – keeping in mind that all vendors and contract service providers are “for-profit” entities. This suggests that administrators should know the value of goods and services required at their facilities and whether or not outsourcing is a cost effective long-term practice.

