



STAFF REPORT ACTION REQUIRED

8.

Contracting-in of Cleaning Services – Options

Date:	September 8, 2008
To:	Employee & Labour Relations Committee
From:	Director, Information Technology & Facilities

SUMMARY

The purpose of this report is to respond to the Employee & Labour Relations Committee direction to provide options for the contracting-in of all or some of the cleaning services. The report details the estimated costs of each of the options and the initial year (2009) and full year (2010) costs of each of the options, based on a partial year implementation in 2009.

The recommendations of the Employee & Labour Relations Committee, based on the options presented, will be brought forward to the September 15, 2008 Library Board meeting for consideration. Also, Library staff propose that the Employee & Labour Relations Committee recommend to the Board that Library staff issue a request for proposals (RFP) for daily cleaning services for a one-year period, renewable for two one-year periods.

RECOMMENDATIONS

The Director, Information Technology & Facilities recommends that:

1. the Employee & Labour Relations Committee receives the report on options for the contracting-in of all or some of the cleaning services;
2. the Employee & Labour Relations Committee provides direction on the options presented; and
3. the Employee & Labour Relations Committee recommends to the Board that Library staff issue a RFP for daily cleaning services for a one year period, renewable for two one year periods.

Implementation Points

The recommendations of the Employee & Labour Relations Committee made at its September 8, 2008 meeting will be brought forward to the September 15, 2008 Library Board meeting. Implementation of the approved recommendations arising from that

meeting may require a revised operating budget submission, if there are operating budget impacts arising from the Board's recommendations, and would require City Council approval.

Any changes to the current cleaning services would need to be phased in and would require: hiring of staff, training of staff, acquisition of equipment and vehicles in options 2 and 3.

The current extension of the contract for cleaning services with National Cleaning Contractors ends at the end of September 2008. In order to ensure that cleaning services will continue to be provided during the implementation of any options, the Board will need to authorize Library staff to extend the current contract for another three-month period. During this time Library staff will issue a RFP for cleaning services, for a one-year term, renewable annually, if needed, for an additional two years, in order to maintain cleaning services. The RFP results would be brought for approval to the November 2008 meeting of the Board.

FINANCIAL IMPACT

All three of the options for contracting-in of cleaning services have a financial impact in future years. There is a partial impact in 2009 due to the timing of operating budget approval and implementation of the options.

The table below details the full year impact of the three options. Details of the implementation costs in 2009 and 2010 are provided in the attachments. The offset of costs, due to reduction or elimination of contracted services is also detailed. The remaining incremental costs would have to be funded by the City.

Summary of Options	Estimated Annual Cost	Offset – Existing Cost	Estimated Net New Annual Cost
1. In-house day porters	\$538,872	\$102,791	\$436,081
2. In-house deep cleaning crews	\$536,258	\$0	\$536,258
3. In-house nightly cleaning of all locations	\$5,538,064	\$1,221,989	\$4,316,075

Cost estimates are based on current costs. Existing contracted costs are likely to increase if a RFP is issued for a new cleaning contract. The estimated net new annual costs do not include any negotiated cost of living increases for 2009.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

The contract with National Cleaning Contractors expired on March 31, 2008. The Library notified the Union on December 20, 2007, that it would be issuing a RFP for cleaning services. The Union made a brief presentation to the Board on February 25, 2008, and at the suggestion of the Board, deferred a fuller discussion to the Employee and Labour Relations Committee meeting scheduled for February 28, 2008.

The Employee and Labour Relations Committee considered the matter at its two meetings on February 28, 2008 and March 25, 2008. At its March 25, 2008 meeting, the Committee directed Library staff to negotiate a month-to-month extension to the existing cleaning contract and to seek approval of the Library Board at its April 21, 2008 meeting.

At a meeting of the Employee and Labour Relations Committee on June 11, 2008, at which the Union made a presentation and Library staff presented contracting-in costing information, a motion was adopted to request staff to report to the September meeting of the Employee and Labour Relations Committee on options for contracting-in some or all of the cleaning work at the Library, including a business case and implementation plan.

At the June 16, 2008 meeting of the Board, the Chair, Employee and Labour Relations Committee, advised the Board that consideration of the cleaning contract was deferred until September, 2008. A recommendation concerning the cleaning contract would come to the Board after the matter is reviewed at the Employee and Labour Relations Committee in September.

ISSUE BACKGROUND

At the time of amalgamation, the Library Board had a mix of in-house and contracted cleaning services. The Library Board chose to consolidate cleaning services with an external contractor. The cleaning service is presently being supplied by National Cleaning Contractors. The contract will expire on March 31, 2008. This contract has been in effect since April 1, 2005 and the same company has been providing the Library with its services since 2002. The annual cost of the contract with National Cleaning Contractors is \$1,221,989, excluding GST. There has not been a price increase in the last six years; therefore the Library should expect to see an increase in 2008.

The Library gave the Union notice on December 20, 2007, that it would be issuing a RFP for cleaning services.

The Union made a presentation to the Board on February 25, 2008, and at the suggestion of the Board, deferred a fuller discussion to the Employee and Labour Relations Committee meeting scheduled for February 27, 2008.

The Union and Management met numerous times between February 2008 and June 2008 to discuss the Union's proposal for contracting-in options and the costing of those

options. A verbal report, with high level costing was received by the Employee and Labour Relations Committee at its June 11, 2008 meeting.

COMMENTS

Based on the direction from the Employee & Labour Relations Committee, Library staff have prepared three options for contracting-in portions or all of the cleaning services at the Library. Costing of the options is based on:

- current contractual obligations for full and part-time positions, evening shift premiums, staff not working alone in Library locations;
- new custodian position at an hourly rate of \$20.35/hour for 2008; with benefits costing at 24%;
- changes to hours of work to allow scheduled cleaning after Library closing without overtime payments.

Terms and conditions of employment would need to be negotiated in order to implement these options.

The contents of this report have been reviewed with the Union at a meeting on September 3, 2008.

Current practice

The contract for cleaning services provides daily cleaning at all (102) public and administration buildings; day porter services at selected branches; afternoon washroom cleaning at selected branches and litter abatement at selected branches. The current contract is for \$1,221,989 excluding GST and is in compliance with City fair wage policy. The Library also has separate contracts for landscaping, snow removal and window cleaning.

Labour relations issues

The Library has not negotiated any changes to the collective agreement to implement these options. Options 2 and 3 would require changes to the collective agreement.

Options

1. In-house day porters

Day porters perform duties such as cleaning public washrooms and high traffic common areas during the day, refilling of washroom/kitchen soap, towel and tissue dispensers as required. At the Toronto Reference Library (TRL) and the North York Central Library (NYC) the day porters also clean kitchens, cupboards and appliances.

The existing cleaning contract provides day porter cleaning service at locations determined by the Library, based on traffic and known cleaning issues. The two research & reference libraries, TRL and NYC and 4 district libraries have day porter coverage. An additional twelve branches have been targeted for public washroom cleaning in the afternoon, in addition to the daily cleaning done at the end of the day.

The in-house day porter option would provide day porter cleaning service of public washrooms and high traffic common areas during the day, in the research & reference and district libraries; a total of 19 locations. Day porters would provide cleaning services every day the libraries are open. Based on traffic, known cleaning issues and the collective agreement conditions governing hours of work, the full-time equivalent for day porters is 11.7 positions; four full-time and 18 part-time positions. This option would create a new position, Custodian, with a wage rate of \$20.35/hour, based on the current City's Custodian position.

In this option, the afternoon public washroom cleaning would continue to be provided by the contracted cleaning service.

The estimated annual incremental cost of this option is \$436,081. See Attachment 1 for details.

2. In-house deep cleaning crews

This option would establish in-house janitorial crews to perform cleaning duties system wide. The crews would go to locations on a schedule, to perform “deep” cleaning not part of daily cleaning. The “deep” cleaning, not unlike “spring cleaning”, would extend the life of furnishings, finishes and flooring. With two crews, each branch could receive one “deep” clean per year.

This level of cleaning service would be in addition to any contracted or in-house daily cleaning services.

With two crews, each branch could receive one “deep” clean each year. Each crew would consist of five full-time employees for each crew, for a total of ten full-time employees (one lead hand and four custodians per crew). This option would create a new position, Custodian, with a wage rate of \$20.35/hour, based on the current City's Custodian position.

The estimated annual cost of this option is \$536,258. See Attachment 2 for details.

3. In-house nightly cleaning of all locations

This option would bring in-house all nightly cleaning services and would replace the existing contracted cleaning service. At present, contracted cleaning services are performed outside Library open hours. This option would create a new position, Custodian, with a wage rate of \$20.35/hour, based on the current City's Custodian position.

Under this option, large libraries (22 locations) would have staff based at the branch. The number of staff varies, based on the size of the branch, with a combination of full-time and part-time positions. The staff would provide some coverage during the afternoon, but most of the cleaning would be done after the branch closes. The other libraries and administrative centres would be cleaned by travelling crews that would be responsible for cleaning three to four locations each night after the branches close, in a seven-hour shift.

The Library would have to acquire vehicles for the travelling crews. This model includes staff without fixed locations who would cover for vacations, illness and other absences.

This option does not include the in-house deep cleaning crews and doesn't provide for special day porters, that work would be done by in-house nightly cleaning crews at the Research & Reference and district libraries.

This option would require 86 FTE Custodians, 18 relief Custodians, two lead hands and three exempt staff, for a total of 106 bargaining unit staff and three exempt staff.

The estimated annual incremental cost of this option is \$4,316,075. See Attachment 3 for details.

CONTACT

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SIGNATURE

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ATTACHMENTS

- Attachment 1: In-house day porters
- Attachment 2: In-house deep cleaning crews
- Attachment 3: In-house nightly cleaning of all locations