

# Long Hill Township School District

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## Privatization of Custodial and Maintenance Services

Presentation to the Board of Education  
February 23, 2009

# Background - Timeline

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- ❑ Privatization has been discussed by the Board seriously since the Spring of 2008
- ❑ Bid specifications were developed by the district and reviewed and approved by the Board Attorney
- ❑ Sealed bids were received on January 27, 2009
- ❑ Bids were reviewed by the Board Attorney and a recommendation for the award of the contract was made

# What Led to Board to Consider Privatization?

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- ❑ Increasing costs for services – in the 2008-2009 budget, costs for salaries, benefits and supplies is \$1,172,624
- ❑ Issues with the cleanliness of the buildings
- ❑ Tax levy cap of **4.00%**
- ❑ Privatization will allow for an increase in the size of the custodial staff
- ❑ Reductions in teaching, secretarial and clerical staff already made

# Safety

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- ❑ All employees who work in school buildings are required to submit to the same criminal history background check as our current teachers and custodians.
- ❑ In order to have the digital fingerprint scanning done, an employee must provide acceptable identification. Identification must include photo, name, address and date of birth. Acceptable ID must be issued by federal, state, county or municipal entity for identification purposes. The identification presented can not be expired, it must be valid. The ID **MUST** meet all of the above requirements and **MUST** be present on one ID.
- ❑ The Criminal History Background check involves the State Police and the FBI.

***All checks are performed at no cost to the district.***

## Contract pricing will not spike in Year 2

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The bid documents specified the pricing for both year one and year two of the contract.

**Year 1 - \$701,136.00**

**Year 2 - \$719,364.00 (2.5% increase)**

The district has the option of cancelling the contract at the end of Year 1 for cause.

# What else does Temco provide?

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- 17.5 staff members vs. current 14.0
- Additional staff: 2 custodians, .5 grounds, .5 clerical and .5 maintenance
- ALL custodial supplies-bags, paper products, cleaning solutions etc.
- Uniforms and ID badges for all workers
- Right-to-Know and AHERA training
- Work Order system with reporting to Board and administration

## What will NOT Change with Temco

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- ❑ Groups will still use schools as they do now; buildings are open the same hours
- ❑ Summer cleaning will work around the Y programs
- ❑ Snow removal will be done
- ❑ All job activities currently conducted by existing staff will continue
- ❑ District will have a manager responsible for all custodial/maintenance staff

# Projected Savings from Privatizing

Account Number	Title	2008-09 Budget	2009-10 Budget	Savings
11-000-261-100-000-099	Plant/Operations Salaries	\$215,662	\$0	\$215,662.16
11-000-261-100-100-099	Plant/Operations Overtime	\$10,000	\$5,000	\$5,000.00
11-000-262-100-000-099	Custodial Salaries	\$453,771	\$9,647	\$444,123.41
11-000-262-100-100-099	Custodial Overtime	\$25,000	\$5,000	\$20,000.00
11-000-262-100-200-099	Custodial Substitutes	\$25,000	\$0	\$25,000.00
11-000-262-300-000-009	Professional/Technical Services	\$10,650	\$2,000	\$8,650.00
11-000-262-420-000-009	Contract Services-Equipment-District	\$20,800	\$5,000	\$15,800.00
11-000-262-610-000-009	General Supplies - Custodial	\$32,500	\$2,500	\$30,000.00
11-000-262-800-000-009	Other Objects - Custodial	\$400	\$0	\$400.00
11-000-291-260-000-019	Worker's Compensation	\$80,000	\$54,000	\$26,000.00
11-000-291-270-000-019	Health Benefits	\$183,000	\$0	\$183,000
	<b>Total Savings from Budget</b>	<b>\$1,056,783</b>	<b>\$83,147</b>	<b>\$973,636</b>
	<b>Projected Cost of Contractor</b>			<b>\$701,136</b>
		<b>NET</b>	<b>SAVINGS</b>	<b>\$272,500</b>

# Other Remaining Accounts

		2008-09	2009-10
Account Number	Title	Budget	Projected
11-000-261-420-000-012	Contracted Services - Central	\$18,722	\$18,722
11-000-261-420-000-014	Contracted Services - Gillette	\$19,415	\$19,415
11-000-261-420-000-015	Contracted Services - Millington	\$13,354	\$13,354
11-000-261-420-000-019	Contracted Services - District	\$17,050	\$17,050
11-000-261-610-000-012	General Maint. Supplies - Central	\$12,100	\$12,100
11-000-261-610-000-014	General Maint. Supplies - Gillette	\$11,000	\$11,000
11-000-261-610-000-015	General Maint. Supplies - Millington	\$13,200	\$13,200
11-000-261-610-000-019	General Maint. Supplies - District	\$11,000	\$11,000
<b>Other Operations/Maintenance Accounts</b>		<b>\$115,841</b>	<b>\$115,841</b>

**Contracted services include: HVAC/electric contractors, elevator inspections, fire extinguisher service, waste removal, security monitoring, roof repairs etc.**

# Custodial/Maintenance Supplies

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- ❑ The cost of custodial supplies is included in the base bid submitted.
- ❑ The district does not “buy” supplies from the service provider
- ❑ Long Hill does provide maintenance supplies, light bulbs, plumbing parts
- ❑ \$47,300 remains in budget for maintenance supplies

# Summary

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- ❑ Buildings will remain accessible
- ❑ Custodial/maintenance staffing will increase
- ❑ All workers will be fingerprinted and have backgrounds checked
- ❑ Schools will be clean and safe
- ❑ District will save money in operations, allowing no reductions in classroom accounts