

2010

ANYTHING YOU CAN DO WITH OUTSIDE CONTRACTED SERVICES, YOU CAN DO YOURSELF - *BETTER, FASTER AND WITH IMPROVED R.O.I.*



*"The first thing they will promise is
they will save you money."*

Tom Bracciano, Lawrence USD 497

- ❑ WHY DO YOU NEED SOMEONE ELSE TO SLASH SALARIES AND BENEFITS? YOU CAN DO THAT YOURSELF.
- ❑ ARE "OVERHEAD SAVINGS" REAL?
- ❑ THE CONSEQUENCES OF DRAMATICALLY CUTTING CUSTODIAL SALARIES AND BENEFITS
- ❑ CUT POSITIONS, NOT EMPLOYMENT PACKAGES, TO RETAIN THE BEST PEOPLE RESOURCES
- ❑ INCREASE PRODUCTIVITY WITH QUALITY VENDOR EDUCATION PROGRAMS AND AUTOMATION
- ❑ THE FALLACY OF OUTSIDE SOURCES BEING MORE MOTIVATED THAN THOSE UNDER YOUR DIRECT CONTROL
- ❑ YOU CAN NEVER REALLY FARM OUT YOUR PROBLEMS

PUR-O-ZONE

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DON'T PANIC IN AN ECONOMIC DOWNTURN

Tom Bracciano Facilities Director of Lawrence, Kansas, USD 497, knows about outside contract cleaning management. “The first thing they will tell you is they’re going to save you money,” he said recently in his office at the USD 497 facility maintenance center. Bracciano did extensive cost analysis on the Lawrence Public Schools experiences with contracted outsourced services for facility cleaning and management. Regarding the cost promises, he says unfortunately, it does not work out that way.

“Most important for me, however, is the question of if it’s really going to be their problem? No way,” said Bracciano. “It’s like trying to let your kids run wild with no supervision. It doesn’t work.”

ANYTHING YOU CAN DO, WE CAN DO BETTER

Going over some of the promises he has seen both during and since USD 497’s experiment with outside contract management, Bracciano noted these concepts commonly rely heavily on two proposed methods to achieve the promised cuts – first, slashing already low-paid positions that are very difficult to fill or retain to begin with, and second, a huge chunk (sometimes nearly 40%) identified simply as “overhead savings.”

“But you can do that yourself – slash staff costs,” he said. “Why would you have to contract that out?” Bracciano says across the board slashing of pay for these positions or removal of benefits is a recipe for losing your best staff and retaining your weakest performers. “Who are you going to hire at absolute minimal wages that can help you and buy into a custodial program?”



Overhead savings is “probably a fudge factor,” he said, and should be studied closely. He explained savings identified as overhead probably have to do with “everyone from the school system that touches custodial in some way.”

“What are you going to do, go to every department and say, ‘Now that we have contracted services, Sally, you don’t have as much to do so your salary is cut 38%.’ Even reassigned, the salary is still there. It’s fake.” So the big savings are often from “overhead and wages,” he said, noting that, “one is voodoo math and the other doesn’t work.”

Bracciano pointed out that overtime can and probably will become a point of contention. “Who’s going to keep track of overtime? It’s open-ended. What happens with less or no staffing during the summer? Who is going to come in to help with weekend activities, sports events, when you have to get up at two in the morning because of bad weather? Do they have job cards that help identify exactly who does what so there is accountability to your standards, or just theirs?”

“I would never say ‘don’t contract out,’ but you’ve got to think through your options,” he said. “Perhaps if you have serious problems – for example, unsolvable union issues or not enough expertise on your staff – but you can’t just take taxpayer money and write a check to an outside agency and say ‘fix it.’”

Which Direction do You Want Your Custodial Program to Take?

- Employee, experienced, educated 😊
- Learning employee, uncertain potential 😬
- Limited potential employee 😞
- Disgruntled/temporary employee 😡
- Troubled/unknown dangers employee 🚫
- Toxic employee, drags other staff down ☠️

Typical Custodial Staffing Mix



Route A



Typical Custodial Staffing 24 Months After PUR-O-ZONE Education and Measurement Process Begun



Typical Custodial Staffing 24 Months After Sharp Pay and Benefit Cuts

CUT POSITIONS, NOT PAY LEVELS

Having experienced outside contract services first hand, and having done many of the cost analysis studies required, Bracciano says it is best not to take hasty action to respond to needs for budget cuts. His recommendation is to “cut positions, not benefits and pay. Then rely on good vendor programs to help you improve productivity through education, automation and better control and measurement methods.”

The Lawrence Public Schools are currently engaged in a program of doing just that in conjunction with PUR-O-ZONE. The program utilizes education and measurement to make gains in productivity without slashing people’s livelihoods, benefits or giving up on continuously improving standards.

Bracciano warns of two other siren songs used by outside contractors; capital equipment and supply purchases. “Save 5% on supplies, that’s easy. Use watered-down stuff. You lose in the end.”

CAPITAL OUTLAYS

Contractors sometimes offer equipment up front as a proposed solution to budget constraints. There is nothing they can offer, however, that a school district cannot do for themselves less expensively through lease-to-own options widely available. “That’s another thing that’s just paid to them over the period of the contract,” according to Bracciano. “Do it yourself, so there are no ownership issues.”

LOSS OF CONTROL

Loss of control over equipment and supply purchases was one of the issues Ottawa University’s Facilities Director, Herb Orr, ran into as he steered O.U. out of a long period of operation by outside contracted services.

“We didn’t have so much as a spray bottle to our name when we finally got rid of our contracted services,” said Orr recently.

Orr reports the lack of control an added layer of bureaucracy creates in the custodial process is a significant issue interrupting productivity.

REGAIN OF CONTROL

“We now have control again that was missing for years,” Orr said. “If you tell me you’re going to take over my headaches, I’m going to ask you how with low-paid people and high turnover.”

Orr said his facilities have seen an upsurge in level of cleanliness, productivity and O.U. continues to see savings from efficiencies gained in better uses of

staff through education and automation.

“PUR-O-ZONE just gave 90 of our people and others from the Ottawa Public Schools and Emporia State University a comprehensive education program on Pandemic Planning and Bloodborne Pathogens training,” Orr said. “This was helpful enough we had another presentation open to the entire staff and student body.”

BETTER SOLUTIONS

Ottawa Public Schools have also, in the past two years, devoted their efforts toward improved education and measurement to lower costs.

Facilities Director, Richard Smith, reports their first summer of Cooperative Cleaning™, introduced by PUR-O-ZONE, produced measurable, tangible results. Not only did they finish summer clean-up three weeks ahead of normal schedules, but they were able to save the equivalent of two custodial salaries for the summer in energy costs from

Annual Cleaning Budget

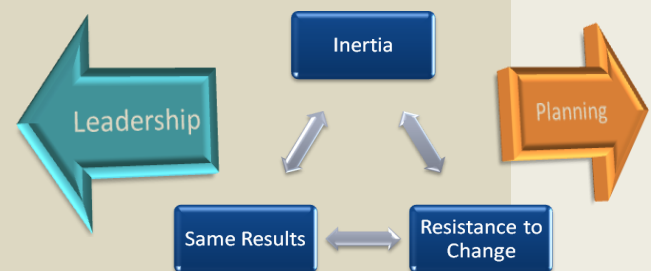


We know almost 19 of every 20 dollars you spend is on people.

reduced building utilities that resulted from this program.

Smith has incorporated PUR-O-ZONE Monthly Building Evaluations into his system, and is evaluating other productivity areas. After good success with *Cooperative Cleaning*, which Smith says they are sure to improve on during their second summer, USD 290 is now looking at *Team Cleaning* for additional productivity gains all year.

LEADERSHIP CHOICE



CHANGE RESISTANCE BONDS BROKEN BY LEADERSHIP, PLANNING.

There is a choice of bringing more leadership into the equation during difficult times, or turning the keys over to outsiders. The fallacy of turning critical areas over is found in profit motive. Their profit motive will always rate higher than your need for quality services.

Added management layers and lowering the quality of custodial staffs has not proven to be the route to improvement. PUR-O-ZONE can help you with education and measurement while you retain final say over process, automation and chemistry.

Please ask your PUR-O-ZONE representative about other examples of how school districts across Kansas and Missouri have done more with less through education and measurement, the PUR-O-ZONE Alignment Process.