

From: [Burwick, Laura](#)
To: [Jacobson, Jonathan](#)
Cc: [Rosenson, Valerie](#); [Berta, Lee](#); [McGrath, Mark](#); [Grafstein, Cindy](#)
Subject: Additional information for your consideration regarding the USA Contract
Date: Monday, June 03, 2019 11:48:38 AM

Dear Chairman Jacobson,

After the Operations Committee meeting the other night, I did additional research to answer the question of whether it costs the City more to use a third party vendor when the cost of relocating the 4 custodians from the old Police Department building are considered. To answer the question with real numbers, OPM and I ran an analysis of what it would cost the City to staff the new Police Department with City employees.

The cost of hiring new City employees to clean and maintain the new Police Station would exceed the USA cleaning contract cost by over \$200,000. As such, I would like to include in the record that the proposed contract with USA for the cleaning of the new Police Station is less expensive, even including the cost of relocating the 4 existing City Custodians to other responsibilities.

The analysis is based on the costs of the incremental workers needed to staff the building (treating the four existing custodians as a sunk cost). We assumed that we would hire at least 3 additional custodians plus one full time building engineer. We also assumed that the 3 custodians would be new hires at the lowest salary grade - \$48,049/year. We assumed a mid-point salary for the building engineer of \$94,397. In addition, we factored in wage differentials for the second shift and overtime pay (\$30K) for weekend work. We also included UAW benefits for these employees, as well as the cost of supplies, equipment (vacuum cleaners, buckets, mops, etc.), and OSHA safety equipment. All of these supply costs are already included in the third party contract. The resulting cost for just the additional staff (not including the 4 existing custodians assigned to other responsibilities) is \$641,538 for the first year. This is \$200,000 less than the cost of the USA contract.

In addition, the Committee had asked if the City could take over the management of the building at any time after the expiration of or cancellation of the third party contract. The answer to this question is yes, the City can take back the management of the building and hire its own staff to perform the functions. The employees of the third party contractor would be the contractor's responsibility, not the City's.

Please let me know if you need any additional information on this topic.

Best Regards,
Laura Burwick