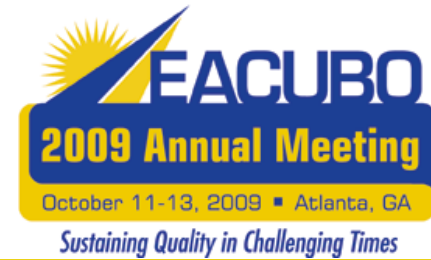


Performance Based Contracting



HOUSEKEEPING

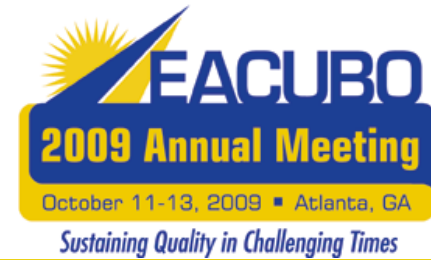
Performance Based Outsourcing Housekeeping Services



Moving to Performance Based Contract from Task Matrix Contract

- Why the need for a change?
- How did we go about it?
- What has been our experience?
- What benefits have we seen?
- What lessons have we learned?

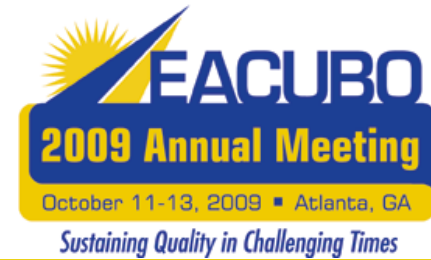
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Why the need for a change?

- Long term contract up for renewal in FY 2005
- Annual cost had grown to nearly \$4 million
- Industry changes
- Old method difficult to monitor and tied outcomes to activities rather than actual cleanliness
- Recognition that we weren't taking advantage of outside vendor's expertise.

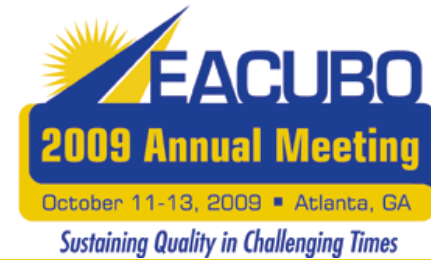
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How Did We Go About It?

- Retained consultant to evaluate current program, develop performance based standards and assist with RFP
- Team made campus visits to view different levels of cleanliness
- On campus determination of desired cleanliness levels by building and space type
- Conducted competitive selection process, with campus participation
- Evaluated capacity as well as cost

Performance Based Outsourcing Housekeeping Services



Performance Criteria Structure

- **Association of Higher Education Facilities Officers (APPA) Housekeeping Appearance Level Definitions**
 - Level 1 for public restrooms and Residential Life common spaces.
 - Level 2 for all other campus spaces.
- **4% retainage held pending inspection by outside party, three times per year. Sliding scale used.**
- **Vendor project manager salary tied to inspection results.**

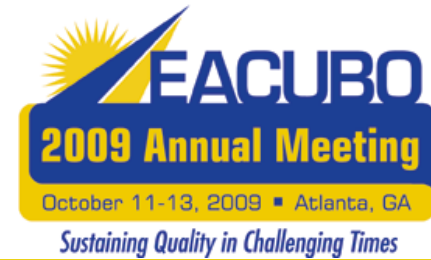
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What has been our experience?

Improved Cleanliness

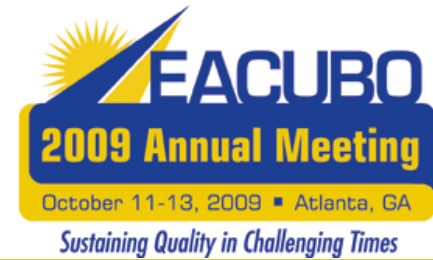
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Housekeeping Quality Summary

| <u>Building Type</u> | <u>2007 Quality %</u> | <u>2009 Quality %</u> | <u>Improvement</u> |
|--------------------------|-----------------------|-----------------------|--------------------|
| Residential Life | 77.85% | 87.28% | +9.43% |
| Athletics and Recreation | 78.97% | 84.48% | +5.51% |
| Academics | 79.11% | 84.37% | +5.36% |
| Administrative | 78.99% | 83.89% | +4.90% |

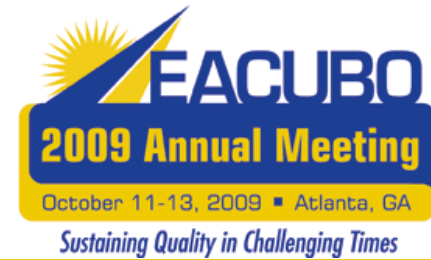
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What has been our experience?

Reduced Costs

Performance Based Outsourcing Housekeeping Services



Housekeeping Cost Comparison, FY 2006 Baseline

| Fiscal Year | <u>Total Housekeeping Costs</u> |
|--------------------|--|
| FY 2006 | \$3,811,100 |
| FY 2007 | \$2,174,800 |
| FY 2008* | \$2,725,800 |
| FY 2009 | \$2,836,000 |

*Increased cost due to amended cleanliness and service levels in student center.

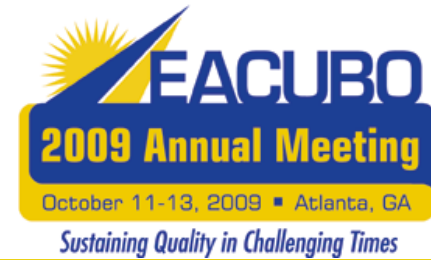
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What Benefits Have We Seen?

- **Better cleanliness levels**
- **Cost Savings**
- **Added services at less expensive rates than individual procurement**
 - Window washing
 - Dumpster-less campus with added trash hauling
 - Mold, fire and water damage response
- **More satisfied customers**

Performance Based Outsourcing Housekeeping Services



Lessons Learned

- **Key is quality and commitment of vendor's on-site leadership.**
- **Outside consultant doing inspections preserves on campus relationships with vendor.**
- **Need for responsive problem solving – campus staff member with specific responsibility for contract management.**