

APPA Conference, 2018

Team Clean

Innovative Janitorial Services



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Overview of SFU



- Located on Canada's west coast in British Columbia.
- Opened September 9, 1965 with 2,500 students.
- SFU's current vision: to be Canada's most community-engaged research university.
- 3 distinctive campuses
 - 35,000 students
 - 6,700 faculty and staff
 - 130,000 alumni, SFU
- Times Higher Education list of 100 world universities under 50, SFU is also the first Canadian member of the National Collegiate Athletic Association, the world's largest college sports association.

Burnaby Campus

- Noted Canadian architects Arthur Erickson and Geoffrey Massey designed the original Burnaby Mountain campus to foster interdisciplinary contact between students and researchers.



Strategic Goals

- Continuously improve / become better
- Be an exemplar in the BC area
- Become recognized as a *"Client-of-Choice"*
 - Vendors want to work with us
 - Vendors send their best teams
 - Vendors give us great pricing



Partnership With ASU

- ASU has history of innovative procurement practices
- ASU has developed processes and tools to improve vendor perceptions and interactions
- In 2013, SFU engaged into a strategic partnership with ASU to provide education, training, tools, and mentorship for adoption of 'Best-Value' practices



Results

- 15 procurements
- \$84 Million
- Awarded below or at budget (or historical spend)
- 5 proposals per project (*average*)
- 8% (\$3M) below average cost
- 9.0 client satisfaction rating (out of 10.0)

Types of Projects & Services

- Audit Services
- Chart of Accounts Redesign
- CRM Solution
- eCourse Evaluation Solution
- EDRM Solution
- ePAR People Soft
- Space Management Consulting
- Student Residence Master Plan
- SUB Engineering Services - Electrical
- SUB Engineering Services - Mechanical
- SUB Engineering Services - Structural
- Travel Management Services
- Preferred Supplier Program
- Janitorial Services
- Campus Public Safety Services
- Electrical Services Contractor



Simplar Institute

- Group of **researchers** and **educators**
- Integrated within the **parties** (clients/buyers and vendors)
- Developed **tools, methods, & training** to enhance:
 - Organizational Transformation
 - Procurement & Sourcing
 - Project & Risk Management
 - Performance Measurements
- We integrate with organizations and provide hands-on education and support to develop organizational mastery and XPD



20+ Years | 100+ Owners

2,500+ Projects | \$11+ Billion Procured

Information Technology

Networking
Data centers
Hardware
COTS software
ERP systems

Help desk services
eProcurement

Facility Management

maintenance
landscaping
security service
building systems
industrial moving
waste management
energy management

custodial
conveyance
pest control

Health Insurance/ Medical Services

Manufacturing

Business / Municipal / University Services

dining
multi-media rights
fitness equipment
online education
document management
property management
audiovisual
communications systems
emergency response systems
laundry

retirement fund
material recycling
bookstores
furniture

Construction / Design / Engineering

Infrastructure
Municipal
Laboratory
Education
Hospital
Financial
Specialty

Renovation
Repair
Maintenance
Roofing
Demolition
Development
Supply chain

DBB
CMAR
DB
IDIQ
JOC
Low Bid
IPD

Current Partners



FM & University Experience

FM Related

- Janitorial & Custodial Services (\$25M)
- Recycling & Waste Management (\$900k)
- Security Services (\$25M)
- Elevator Maintenance (\$1.5M)
- Snow Removal (\$400K)
- Parking Services (\$2M)
- Furniture (\$50K-\$20M)
- Gym Equipment (\$250k)
- Renovation Services (\$50K - \$30M)
- Security Services (\$25M)
- Linen Services
- Moving Services

Auxiliary Services

- Dining Services (\$150K - \$1.2B)
- Cold Beverage (\$2M-\$5M)
- Document Mgmt/Printing (\$2.5M-\$4M)
- Travel Management (\$15M-\$50M)
- Retirement Fund Management (\$248M)
- Master Planning (\$400k)
- Sports Marketing (\$80M)
- Bookstore (\$650M)
- Transportation Services (Athletics) (\$300k)
- IT Related:
 - Campus Network (\$52M)
 - Identity Access Management System (\$2M)
 - Athletics Financial IT System (\$3M)
 - Peoplesoft HR, Financial, etc.
 - Security System IT



**There Is A Fundamental Problem
With Our
Traditional Approach
To Procurement**

Step 1 = Issue Our Requirement



Step 2 = Hire The Wrong Vendor



Hiring The “Wrong” Vendor

Not necessarily the cheapest

- When do you realize you hired the wrong vendor?
- How easy is it to fix the mistakes?
- What impact does this have to internal resources?



So, how do we attract & select experts?

(in a process that is fair, open, and transparent)

First Step
**Improve Your
Selection Procedures**

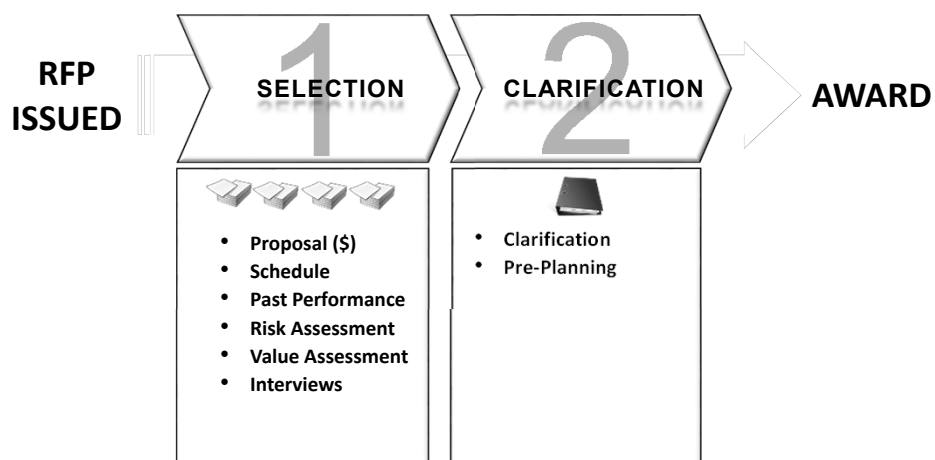
Put Yourself Into The Shoes Of The Proposer

- The Owner has a favorite vendor they always select
- Procurement process is not fair
- Proposal process is too much work
- Selection process is confusing and/or not transparent
- The Owner will not allow them to be efficient/optimize profit



XPD™

FAIR | OPEN | TRANSPARENT



How Can We Attract More Firms, And Encourage Them To Invest More Time In Their Proposal?

Critical Formatting Requirements

- The evaluated proposal documents

MUST NOT

contain any names that can be used to
identify who the Proposer is.

- Including: company names, personnel
names, project names, or product
names.



What Information Are Owners Asking For?

Traditional Proposals



1. Cost proposal
2. Provide example cost estimates from past projects to demonstrate expertise and ability to accurately predict costs.
3. Provide relevant information that demonstrates the company's financial ability to perform the project. Include information as to debt, financial resources, bonding company, bonding capacity, Dun and Bradstreet ratings, etc.
4. Describe any litigation, arbitration, or mediation initiated by your firm (or by some other party on your behalf such as a General Contractor) in the past 5 years involving claims for additional compensation.
5. Describe your safety plan and record.
6. Provide an overview of your project specific safety program and the measures your company will be taking.
7. Describe the company's recent experience with [similar] projects, and specifically describe how this experience will add value for this project. Provide references from the owner, contractor, and architect for each (minimum of 3 examples).
8. Describe your firm's experience with Building Information Modeling (BIM). Specifically detail your experience with: Designing in 3D, Using the model for clash detection, Fabricating from the model, Incorporating facility information into the model (6D)
9. Describe the depth of resources of the company (number of personnel, size and locations of shops, shop capacity, innovative technologies used by the firm, etc.).
10. Provide a detailed description of your management approach to this project.
11. Provide an organizational chart for your company's approach to this project.
12. Provide a listing of the key individuals that will provide project management oversight and their level of involvement (total hours). Include resumes for each individual.
13. Provide a brief description of roles and responsibilities of the key individuals that will be assigned to provide construction services (including project managers, quality control inspectors, safety director, site supervision, etc.).
14. Provide an overview of anticipated utilization of non-productive foremen and how the field work will be supervised.
15. Outline your company's overall project plan and approach which demonstrates commitment to successful on-time completion.
16. Highlight specific areas of work / activities that are critical to schedule adherence. Describe approach to manage these activities to ensure ontime delivery.
17. Describe your methodology for establishing and managing a GMP. What is your approach to managing costs after the execution of the GMP? How would you keep the team abreast of actual costs versus estimated? When would savings be returned? What work would you self-perform versus subcontract or purchase? Describe your approach to ensure competitive pricing for the work that is to be subcontracted, including the purchase of major equipment. Do you have experience converting GMP's to lump sum? What are your goals and approach to control costs and enhance value?
18. Describe how your company plans to measure and track the productivity of the labor force and report those figures on a regular basis.
19. Identify areas from similar past projects where productivity was adversely affected and explain how your company adjusted to rectify the situation.
20. Propose an incentive program for your company's efforts to increase productivity/efficiencies (eg. bonus structures, shared savings and/or agreements for continued partnerships) by meeting and improving upon benchmarks and agreed to metrics.
21. Describe any specific recommendations for prefabrication or modularization.

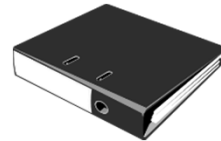
How Do You Evaluate???



Case Study

(2017 High Tech Facility)

- 1+ Billion
- 6 proposals
- Contents included:
 1. Cost
 2. BIM Experience
 3. Capacity
 4. Innovation
 5. Prefab
 6. CX, QA, QC Processes
 7. Management Approach
 8. GMP Management
 9. Cost Control Approach
 10. Similar Experience
 11. Contract Exceptions
 12. Goals
 13. KPI
 14. Insurance
 15. Safety Plan



Average Size of Safety Plan

356 Pages

Time Spent Evaluating Safety Plan

2.5 Weeks

Safety Plan Score (Standard Deviation)

= 1.52%



Evaluation Process Should Focus On Differentials

Risk Assessment Plan

- Identify and prioritize all major risks

- Risk
 - Time
 - Money
 - Service
 - Satisfaction



Risk Assessment Example

Controllable Risk



- **RISK:** Noise from our demolition may result in student/staff complaints (since we will be doing demo in an in-operational library during finals week).

- **VENDOR 1 Solution**

Partnering is a key to success on any project. We will work with the user to develop the best strategies that can be implemented to minimize the impact of noise from demolition.

- **VENDOR 2 Solution**

To minimize this risk, we have planned to demolition during off hours and weekends. We will also install rubber sheets on the floors and foam pads around the wall to diminish noise and vibrations.



IT Risk Examples

- **Risk:** Without adequate training, users may not comprehend how to use the new system.
- **Vendor A Solution:** We will provide a thoughtful training plan that offers creative ways to drive change management and enhance learning retention. Our implementation approach also empowers the Client to deliver ongoing training assistance to the user community to keep utilization of the system effective.
- **Vendor B Solution:** We have devised a training program that we have successfully executed on our past 7 implementations. We place users in a 1hr interactive in-person training (we will provide all users with laptops that have the system pre-loaded), and follow up this training with a brief exam. Any user that scores below an 80%, we will then target them for additional hands on training. This approach has lead to an overall adoption rate of 95% in less than 3 months.



Value Assessment Plan

- Opportunity to identify any added value
- This may include ideas or suggestions on alternatives in implantation strategies, timelines, project scope, equipment, goals, financing, etc.
- NOT included in the cost proposal.



Example: Value Added Items



- Reroofing this building will not stop all water leaks. The majority of the leaks are caused by cracks in the parapet walls, broken/missing glass, and poor caulking. We can repair/replace all of these issues to minimize all water leaks, for a minimal impact to time/funding.



How Much Time/Resources Do We Want To Spend Evaluating Proposals?

Critical Formatting Requirements

- Proposal is limited to
 - **2 Pages** = Assessment of Risks
 - **2 Pages** = Assessment of Value Added Ideas



Key Personnel Interviews



- **The Client may interview the following individuals:**
 - Primary Project Manager
 - Secondary Manager or Superintendent
- **Actual individuals running the projects (no substitutes or proxies)**
- **Not a group interview**
- **Goals:**
 - Meet the critical personnel that will actually run the service
 - Identify if they have thought about this project
 - Identify if they can think ahead and minimize potential risks



LEDUC County Project Background

- **Budget: \$27M | 3.3KM**
 - Single largest project County has ever done
- **4-lane Highway + Water Main**
 - 300,000m³ Earthwork
 - 46,000T Asphalt
 - 91,000T Aggregate
 - 110,000m² Subgrade
- **Highest Ranked contractor:**
 - \$1M in proposed cost-saving initiatives
 - Awarded 45% below budget

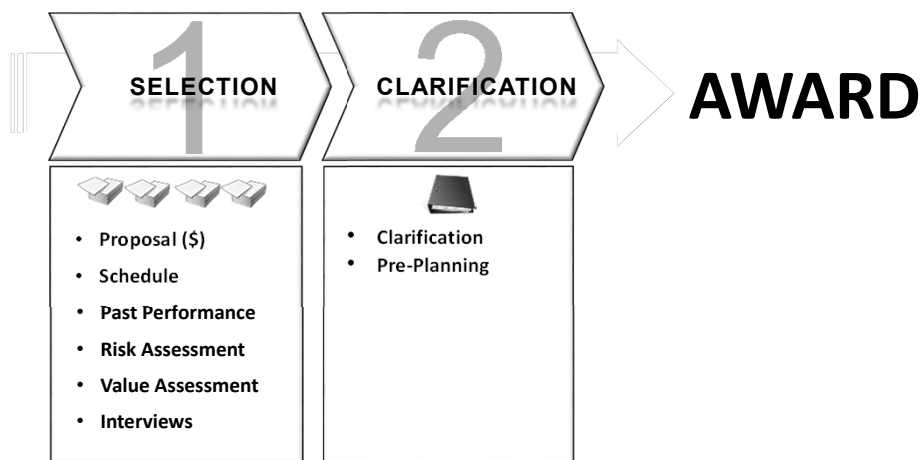


Final Prioritization

			RAW DATA			PRIORITIZED DATA		
No	Criteria	Weights	Firm A	Firm B	Firm C	Firm A	Firm B	Firm C
1	Total Cost	300	\$ 1,000,000	\$ 1,025,000	\$ 1,300,000	300	293	231
2	Interviews	300	5.0	8.5	4.2	176	300	148
3	Risk Assessment Plan	200	4.2	8.0	5.0	105	200	125
4	Value Assessment Plan	100	5.0	8.0	5.2	63	100	65
5	PPI – Firm (1-10 Scores)	25	9.6	9.4	9.1	25	25	24
6	PPI – Firm (# of Surveys)	25	5	5	5	25	25	25
7	PPI – Project Manager (1-10 Scores)	25	9.0	10.0	9.8	23	25	25
8	PPI – Project Manager (# of Surveys)	25	5	3	5	25	15	25
1000						742	982	667



Expertise-Driven Procurement



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Case Study

SFU Janitorial Services



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Previous Janitorial Services

Scope

- Custodial/janitorial services for all 3 campuses (Burnaby, Surrey and Vancouver) and SFU's student residences, residences conference services, and residences hotel maid services locations.

Satisfaction

- In need of unified standards, more aligned scheduling, growth regulation and preventative action against cleaning deficiencies

Term

- 5-year initial (7-year total with renewals)
- May 1, 2012 – April 30, 2018 (1 renewal exercised)

Contract Amount

- \$26.5M (CDN) (5-year term)

Contract Expires

- March 2018
- Must go to board for approval with award decision by January 2018



Service Overview

Scope: Provide janitorial/custodial services for all 3 campuses: Burnaby, Surrey & Vancouver, including Burnaby Residence/Housing and Hotel.

Term: 5 year initial (9-year total)

Budget: \$30M (CAD) (5-year term)

Goals:

- Incorporate best practices, industry approaches
- Gain a competitive costing structure
- Incorporate metrics into FM's overall organizational excellence initiatives

Timeline:

- January 2018 – board approval of vendor
- May 1, 2018 – start of new contract



What Information Should We Provide?

SFU PROCUREMENT SERVICES

Request For Proposals

For

Janitorial Services

Request for Proposals No.: 2017-MA-157

Issued: September 8, 2017

Submission Deadline: October 17, 2017 at 2:00 PM Pacific Time

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SFU RFP 2017-MA-157 Janitorial Services Page 1 of 157

Historical Documentation

- 33 different space types (i.e. washroom) with square meters or square feet of cleanable space by APPA level
- 54 activities (i.e. scrub floors) and time per SF, FT, or Each
- 13 activities and frequency (i.e. daily, weekly, etc.) for washrooms
- Notes from contract renewal meetings (mostly listing areas of feedback needed from vendor)
- Classifications of each room/space
- Draft of current contract



Best Practices Research

- Analysis of 33 similar RFPs
- Isolated the common scope & current environment aspects (20+)
- Rated quality to identify best practices

Scope & Current Environment Criteria	Averages
OVERALL SCORE	49%
Quick Summary of Scope of Work (1-2 sentences, high level)	3.6
Financial Expectations (budget, anticipated spend, etc.) / Pricing	3.1
University Background	7.4
Size of Campus (enrollment, physical size, locations, etc.)	5.4
Background of Facilities Department	0.2
Facility Hours of Operation	5.4
Goals/ Objectives / Expectations	4.6
Services to be Performed for this Scope of Work	8.0
Unique Requirements / additional requirements	5.0
Services/Equipment/Materials to be Provided by the University	6.7
Required APPA Levels by Space and Department	2.8
Listing of Buildings, Location, Size, etc.	6.7
Listing of Space Types by Square Meters, Quantity, etc.	4.8
Listing of Cleaning Tasks/Activities by Space Type	7.3
Suggested Cleaning Frequencies by Space Type	7.7
Listing of Tasks/Methods of Cleaning	7.1
Listing of Flooring Types and Approximate Square Meters	1.0
Requirements Pertaining to Residences and Hotel Services	2.6
Site-Specific Requirements/Considerations	3.5
Equipment and Supplies/Material Requirements	8.5
Reporting and Inspection Requirements	5.2
Staffing and Personnel Requirements	6.5
Other General Requirements (i.e. access, parking, uniforms, etc.)	6.1
University Policies (i.e. sustainability, safety, etc.)	7.0
Description of APPA Level Standard or Other Referenced Standard	2.4
Special Events Requirement (tasks, events list, etc.)	2.4
Alternates (Services/Items the University may Include)	0.7
Anticipated Future Growth of Campus Buildings	0.4
Areas Excluded from this Scope of Work	0.3
Definitions	5.4
Contract Term / Term of Contract / Duration	7.8



Evaluation Criteria

No	Criteria	Weights
1	Total 5-Year Firm-Fixed Cost	250
2	Risk Assessment Plan	250
3	Value Assessment Plan	150
4	Interviews	350



Results

- Number of vendors that proposed: **9**
- Average Proposal Cost: **\$31.5 Million**
- Average Proposal Size (Evaluated Documents): **3 pages**
- Key Personnel Interviewed: **2** (Primary and Secondary Site Managers)
- Top 2 ranked proposals were very highly rated
- Additional Impacts:
 - 30% fewer questions than other janitorial RFPs
 - 94% Vendor satisfaction with clarity of the scope of work
 - Positive feedback on the overall process and experience



The Process: A Legal Environment

Public Procurement: a highly regulated activity



- Facilities defines the desired outcome
- Procurement navigates the process
- Team partners add input and assessment
- Value-based project delivery



The RFP: Fair / Open / Transparent

RFP Objectives

- Improved service performance
- Industry expertise
- Strategic innovation & risk minimization
- Sustainability and CSR
- Value-for-Money



Authentic Collaboration

- Results focused
- Transparent communications
- Shared decision making
- Cross-boundary idea exchange and effort
- Rational risk taking



Team Trust: Everyone's Job

- Keep your word and commitments
- Stay available and accessible
- Be truthful and transparent
- Listen and hear
- Act with integrity
- Foster a congenial atmosphere



Shared Leadership



“Leaders use collaborative practices to achieve results, not to make people feel engaged or feel involved. Feeling engaged and involved is a byproduct of authentic collaboration.”

... Patrick Sanaghan



Learning: Upon Reflection

What makes an effective team?

- Mutually achievable objectives
- High degree of trust
- Clear ground rules
- Effective meetings
- Learning attitude
- Respect and good will



COMMENTS / QUESTIONS

