

JOINT HOUSE-SENATE APPROPRIATIONS SUBCOMMITTEE ON NATURAL
RESOURCES AND BUSINESS REGULATIONS - MINUTES
March 3, 1983

The meeting was called to order by VICE-CHAIRMAN SMITH at 8:15 a.m.
in Room 132 of the Capitol Building, Helena, Montana.

ROLL CALL: HEMSTAD, STOBIE, BOYLAN, LANE, SMITH - Present
MANUEL - Excused
Staff Present: DICK GILBERT, LFA; CAROLYN DOERING,
OBPP; and PATTI SCOTT, SECRETARY

LOCAL GOVERNMENT SERVICES DIVISION (Tape #70 Side B-001) (EXHIBIT A)

DOUG BOOKER, OBPP, was present to explain why this Division was now in our Subcommittee. House Bill 639 will transfer the Local Government Services Division from the Department of Administration to the Department of Commerce. Chairman Quilici of the Appropriations Subcommittee of Legislative, Judicial, and Administrative had approved funding for the Division. This Subcommittee also needed to approve the funding because it is transferring to the Department of Commerce.

MR. BOOKER explained that this Division provides the technical assistance to cities and counties for the Budgeting and Accounting Reporting System (BARS). This Division performs post-audits of local government entities to determine whether their financial statements are fairly presented. These audits also ensure that all appropriate State statutes and regulations are followed.

The Division was supposed to be done with the BARS assistance to cities and counties by June 30, 1984. Chairman Quilici's Subcommittee felt that the program should be funded in FY85 to provide enhancements to existing systems and to start the school districts on the system, which is also mandated State statute. The Subcommittee thought General Fund was needed. A funding split was recommended - 75% General Fund and 25% Local Funds. The 75% means \$252,532 in General Fund for FY85. The 25% Local match would be \$84,177. To make up part of the General Fund, the Subcommittee transferred \$200,000 from the District Courts (same Division) for FY85, and \$52,532 of General Fund.

OBPP and LFA recommended no additional General Fund for the BARS System. They both felt the cities and counties should be assuming this cost, with no split. Chairman Quilici's Subcommittee actions approved the \$252,532, which makes this Division \$52,532 over the Executive General Fund Request for the entire Division.

MR. BOOKER requested that when this Subcommittee transfers the Local Services Division budget into Commerce (contingent on passage of House Bill 639) that it change the funding split to 59% General Fund and 41% Local Funds. OBPP feels there should be more local match, and that the Emergency District Court Funding should stay where it was. However, by changing the funding split, this will eliminate the \$52,000 extra appropriation from the General Fund, and still use the \$200,000 District Court monies.

(Tape #70 Side B-076)

GOERGE PENDERGAST, Administrator for the Local Government Services Division was present. MR. PENDERGAST stated his Division budget was heard on February 2 and acted upon on February 17, 1983. There was testimony at that time regarding this budget.

VICE-CHAIRMAN SMITH asked why didn't the other Subcommittee make the recommendation for the 59%-41% funding split. Why did they go with the 75%-25% split instead. MR. BOOKER stated there was no concrete basis for their decision.

This Committee felt they did not have enough information to recommend the actions of another Subcommittee be changed without more information. VICE-CHAIRMAN SMITH postponed any action until more information was available, and the members could check with their counties for input.

GROUNDS MAINTENANCE (Tape #70 Side B-164)

The Capitol Grounds Maintenance is being transferred from the Department of Administration to the Department of Fish, Wildlife and Parks. This Subcommittee has already approved the FWP budget, which included this transfer. The private contractors who have been tending the grounds for the past several years were not aware of the transfer, or that their contracts were being cancelled until after the budget was set. They have asked to appear before the Committee on this matter.

CLINT GRIMES, representing the Montana Janitorial Association was present. He presented the Committee with EXHIBIT B. He explained two private contractors currently hold three-year contracts with the State of Montana for maintenance of the Capitol grounds. The contracts are renewable each of the three years prior to July 1. He contends that it will cost the State of Montana \$8,000 more than having the private contractors do the work. He also stated these private contractors purchased equipment in good faith because of the three-year contract.

DAVE ASHLEY, Deputy Director of the Department of Administration, stated the Governor's Council on Management had recommended that the grounds maintenance be done in-house through the Department of Fish, Wildlife and Parks. The general feeling of the Council was that too much time was being spent in administering the contracts. Administration and FWP have created a task force to deal with this question. The task force concluded that in addition to transferring the grounds maintenance, the snow removal duties should also be transferred.

JIM FLYNN, Director of the Department of Fish, Wildlife and Parks, presented the Committee with EXHIBIT C, which is his best estimation on how the 3.75 FTEs would be used for grounds maintenance. He feels with this manpower, and purchasing the already-approved grounds equipment, they should be able to do the job adequately.

VICE-CHAIRMAN SMITH asked why the contractors cancelled their contracts at different times, forcing the State to come in at higher costs. MR. GRIMES stated part of the problem was the one-year contracts, and the contractors not purchasing the needed equipment. With the three-year contract, Administration hoped to entice the contractors to purchase the needed equipment. The contractors did make some major capital purchases, giving them three years to amortize the costs out. He also stated the Council on Management did not specify the grounds maintenance should be done in-house. He also stated the Council never did talk to the contractors. MR. GRIMES felt it was only fair that the Council should have at least talked to them before making this type of a recommendation.

SENATOR LANE asked what kind of obligation the State has to these people. DON HAGEN, of Mr. Klean in Great Falls, one of the contractors, stated he has purchased a considerable amount of equipment just to do the job. His impression was the State put out a three-year contract with no cost of living or anything else. He made his purchases and commitment assuming he had a three-year contract.

MR. ASHLEY stated the contracts are negotiated through the Purchasing Division. They are for one year with option to carry into the second and third years, renewable at the option of the contractor. If the contractor feels he can live with the price, he may renew.

REPRESENTATIVE STOBIE asked about the cost being less with the contractors. MR. GRIMES stated they have the figures from Chairman Quilici's Subcommittee which show it would be \$8,000 less. MR. BOOKER stated he understands the contractor's price

is \$116,000 for the biennium. In comparison, the budget in which it can be done in-house is \$111,000 FY84 and \$94,000 FY85. This would be a savings at over \$20,000. This also included the capital purchases, but not snow removal.

SENATOR BOYLAN asked who does the long-range planning on the Capitol grounds. MR. ASHLEY stated there is a Landscape Committee made up of citizens and representatives from Administration. This Committee will also transfer to FWP.

MR. HAGEN clarified the cancellation of the previous contract. There was a provision for a cost-of-living increase, which Administration did not abide by. Administration also began specifying that minimum wage must be paid, and thus increased the bid price. (Davis-Bacon Act) Administration also changed some specs for maintenance midway into the year, causing the contractor to need more money to accommodate the change.

DON CURRY, who has part of the grounds contract, stated he had asked several times to meet with the Council on Management about the grounds, but they never responded.

LES DAVIS, contractor, stated the duties are clearly specified in the contract. He feels the costs as projected by the State are not as concrete as his, since he has been doing the work for several years, and knows exactly what it will cost. He also stated it does not matter to him which Department contracts the work.

VICE-CHAIRMAN SMITH asked why the Committee was not informed before now about the contracts. CAROLYN DOERING, OBPP, stated all we got in the transfer were the numbers, and not these details.

VICE-CHAIRMAN SMITH decided this question should go to the full Appropriations Committee. The Committee agreed.

FWP - SNOWMOBILE EARMARKED FUNDS (Tape #70 Side B-589)

VICE-CHAIRMAN SMITH stated he was contacted by the Snowmobile Association regarding this Committee's actions previously in not approving two snow-groomers that were requested.

VICE-CHAIRMAN SMITH felt there was some misunderstanding on the earmarked account. He felt this was money paid in by the snow-mobilers, and they should have their snow-groomer request.

(Tape #71 Side A-001)

DAVE MOTT, Administrator of Centralized Services for Fish, Wildlife and Parks stated there is no direct license dollars used in purchasing the snow-groomers. The money comes from the snowmobile fees. The money would be borrowed from the snowmobile account. RON HOLLIDAY, Administrator of the Parks Division, FWP, stated there is a depreciation schedule built into the account. Approximately \$200,000 in fees are collected per year, and the Division has budgeted to spend the full amount.

SENATOR BOYLAN MOVED TO ALLOW THE AUTHORIZATION FOR THE PURCHASE OF TWO SNOW-GROOMERS OUT OF THE REVOLVING ACCOUNT. SENATOR BOYLAN, VICE-CHAIRMAN SMITH, AND SENATOR SMITH VOTED YES. REPRESENTATIVES HEMSTAD AND STOBIE VOTED NO. MOTION CARRIED. REPRESENTATIVE STOBIE has reservations about borrowing from the account. He felt they should "save" money and then make the purchase.

GROUND'S MAINTENANCE (Tape #71 Side A)

VICE-CHAIRMAN SMITH asked DAVE ASHLEY about the situation with the contract. MR. ASHLEY felt the contracted services have worked fairly well. The State was a little bitter when it was forced to rebid for three months after these contractors cancelled about a year ago. He stated there are only two contractors who ever bid the grounds maintenance.

VICE-CHAIRMAN SMITH stated the contractors had a valid point for cancelling. A new law required increasing wages, and the problem with the cost of living increase. MR. ASHLEY agreed there were some valid points. The grounds specifications were also changed, causing the contractors having to re-estimate the costs. MR. ASHLEY stated he did not blame the contractors for the increased costs. MR. ASHLEY stated the Department of Administration is somewhat hesitant on continuing the bid process because only two bid it.

The meeting adjourned at 10:30 a.m.


ED SMITH, Vice Chairman

JOINT
HOUSE

HOUSE

AppSub.Com - Nat Res

DATE _____

33-83

BILL

SPONSOR _____

[illegible]

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ACCOUNTING & MANAGEMENT SYSTEM

	Actual Fiscal 1982	Appropriated Fiscal 1983	LFA Current Fiscal 1984	Level Fiscal 1985	% Change Biennium 1983-85
FTE	9.30	9.30	9.30	9.30	(0.0)
<u>Fund Source</u>					
General Fund Approp.	\$272,121	\$315,405	\$333,034	\$252,532	(0.3)
Revolving Fund	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>84,177</u>	<u>100.0</u>
Total Funds	<u>\$272,121</u>	<u>\$315,405</u>	<u>\$333,034</u>	<u>\$336,709</u>	<u>13.9</u>
<u>Expenditures by Object</u>					
Personal Services	\$201,578	\$239,045	\$249,461	\$249,058	13.1
Operating Expenses	63,193	76,360	83,573	87,624	22.6
Equipment	<u>7,350</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(100.0)</u>
Total Operating Costs	<u>\$272,121</u>	<u>\$315,405</u>	<u>\$333,034</u>	<u>\$336,709</u>	<u>13.9</u>

LOCAL GOVERNMENT SERVICES

	Actual Fiscal 1982	Appropriated Fiscal 1983	LFA Current Fiscal 1984	Level Fiscal 1985	% Change Biennium 1983-85
FTE	28.70	28.70	28.70	28.70	(0.0)
<u>Fund Source</u>					
General Fund Approp.	\$335,963	\$200,260	\$1,730,000	\$1,730,360	545.3
Revolving Fund	<u>406,792</u>	<u>700,042</u>	<u>859,447</u>	<u>866,505</u>	<u>55.9</u>
Total Funds	<u>\$742,755</u>	<u>\$900,302</u>	<u>\$2,589,447</u>	<u>\$2,596,865</u>	<u>215.6</u>
<u>Expenditures by Object</u>					
Personal Services	\$575,665	\$715,333	\$756,635	\$755,501	17.1
Operating Expenses	144,590	178,872	181,812	190,364	15.0
Equipment	<u>22,500</u>	<u>6,097</u>	<u>1,000</u>	<u>1,000</u>	<u>(93.0)</u>
Total Operating Costs	<u>\$742,755</u>	<u>\$900,302</u>	<u>\$ 939,447</u>	<u>\$ 946,865</u>	<u>14.8</u>
Non-Operating Expend.	<u>-0-</u>	<u>-0-</u>	<u>1,650,000</u>	<u>1,650,000</u>	<u>100.0</u>
Total Expenditures	<u>\$742,755</u>	<u>\$900,302</u>	<u>\$2,589,447</u>	<u>\$2,596,865</u>	<u>215.6</u>

Exhibit B
3-3-83

To: House Committee on Appropriations
Francis Bardanouve, Chairman

From: Clint Grimes Representing Montana Janitorial
and Maintenance Contractors Association

Re: Private Contracting of Janitorial and Grounds
Maintenance at the State Capitol Complex

Department of Administration and Department of
Fish Wildlife and Parks Budgets

The Departments of Administration and Fish Wildlife and Parks are requesting funds to hire state employees to do janitorial and grounds maintenance work in the Capitol complex. This work can and is being done better, with less cost, through private contractors.

JANITORIAL SERVICE

Some of these budget requests contemplate continuing part of the janitorial work in the Capitol complex by private contractors and part "in-house" by state employees of the Department of Administration. An analysis of these janitorial costs reveals that the Legislature has been given poor information on which to make decisions.

Part of the janitorial service in the Capitol complex is provided by private contractors at an average price of \$.43 per square foot. State employees of the Department of Administration perform janitorial services on other floor space estimated by the Department of Administration to be 440,000 square feet.

Comparing the two costs is revealing.

A breakdown of the Department of Administration wage and salary costs only reveals the following costs:

15 full time Department of Administration janitorial employees
at \$56 per day (state employee average per hour cost of \$7)
260 working days
= \$.49 per sq. ft. wages and salaries only for in-house public janitorial services

This in-house cost does not include:

1. Window washing outside which is contracted out separately.
2. Materials and supplies.
3. One full-time state supervisory employee salary.

All of the above items are supplied by the private contractors at an average \$.43 square foot price. However, the cost of the supplies mentioned is conservatively estimated at 18 to 23 percent of the square foot price.

Including the supplies means that the real cost of in-house Department of Administration janitorial services to the people of Montana is not \$.48 as claimed by the Department but in reality is \$.58 per square foot and \$.15 per square foot higher than having the work done by a private contractor.

Because of accounting procedures involving payments to the Department of Administration from various state departments occupying buildings, real tax dollar costs are hidden from public view and legislative scrutiny.

The current cost to the State of Montana for doing 440,000 square feet of the janitorial work "in-house" is in reality \$257,520. It could be done by private bidding contractors at current prices for \$190,920, a savings of \$66,600.

GROUNDS MAINTENANCE

In new budgets submitted by Fish Wildlife and Parks, the responsibility for the Capitol grounds will be moved from the Department of Administration to Fish Wildlife and Parks.

In the FWP budget this maintenance would be performed by new FWP personnel and in-house, not contracted as it is now.

Two private contractors currently hold 3-year contracts with the State of Montana for maintenance of the Capitol grounds. The contracts are renewable each of the three years prior to July 1. The total amount of both contracts covering all phases of Capitol grounds maintenance is \$113,000 for each year through 1985. This price is not negotiable and is firm through 1985.

The budget for grounds maintenance submitted to Rep. Quilici's committee by FWP shows a considerable underestimation of personnel and equipment required to do Capitol complex grounds maintenance.

For 1984, the FWP budget shows a total of 3.75 people and a cost of \$125,540, and in 1985 a cost of \$108,454 for a total 2-year cost of \$233,994.

The private contractors already have signed contracts for those two years for a total cost of \$226,000. Moreover, our Association seriously questions that FWP can do the required work with the employees and equipment they have budgeted in anything but a substandard fashion. Even if they could, their estimated costs are about \$8,000 more than the costs incurred under current private contracts.

In summary, the contractors submit that FWP's 3.75 FTE's cannot do the work required in the amounts and at the standards set forth in the contractors' existing contracts.

At best, substantial down-grading of the appearance of the grounds will be the result of this FWP in-house budget and, at worst, a request for supplemental funding will be required. Overtime, weekend, and night work are very unlikely to be performed by state employees at the salary levels requested.

Equipment requested in the budget is insufficient to do the job even if the man hours required were budgeted, which they are not. Last, but not least, even with insufficient personnel and equipment, the total 2-year FWP grounds budget is \$8,000 higher than the existing private contract which FWP will have to cancel.

Thus, while costing the people of Montana \$8,000 more, two private contractors employing between 8 and 15 full and part-time people over 5 to 6 month periods will be put out of work.

DEPARTMENT OF ADMINISTRATION

REAL JANITORIAL COSTS

Department of Administration cleans 440,000 square feet

(Note: 440,000 square feet is a very high estimate. In reality less than this amount is actually cleaned.)

15 full-time employees

\$7.00 per hour = \$56.00 per day per employee (note one full-time supervisory employee salary is excluded from the analysis)

	260	working days
	<u>15</u>	employees
	3900	employee days
@ \$	<u>56</u>	per day
=	\$281,400	<u>salary costs only</u>

Supplies (towels, paper, equipment, repair, wax, stripper, sealer, mops, walk-off mats)

= 18 to 23 percent of square foot cost

= \$1.58 per square foot real dollar costs

(using 19 percent supplies cost)

PRIVATE CONTRACTOR BID COSTS
AND COST SAVING

Some buildings are currently contracted at \$.39 per square foot; others at \$.46 per square foot (none as high as \$.48 per square foot claimed as the in-house cost by the Department of Administration).

The bulk of the privately contracted footage is contracted at \$.41.

Estimating the average contracted cost at \$.43 is a high estimate of bid costs.

Real Department of Administration Cost \$.58 (includes supplies)

Real Private Contractor Bid Cost \$.43 (includes supplies)

Difference (i.e. saving) \$.15 per square foot by
using private contractors

IN-HOUSE GROUNDS MAINTENANCE - CAPITOL COMPLEX
HELTON, MT. (INCLUDING SNOW REMOVAL) EXHIBIT C
3-3-83

1-233
manned

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
MAINTENANCE												
CABLE FTE												
5	.75				.5	4	4	.5				4
6	1.0	3	1							1	1	3
8	1.0	3	1			1	1	1	1			1
12/13	1.0	1		1	1							
TOTAL	3.75	7	2	1	1.5	5	5	1.5	1	1	3	8
POSITIONS												
G-5 LABORER												
G-6 GROUNDS KEEPER II												
G-8 GROUNDS KEEPER III												
G-12/13 SUPERVISOR												
WINTER SNOW REMOVAL - 0.75 FTE TRANSLATES INTO 32.5 4 HRS DAYS WITH 12 PEOPLE WORKING NO EACH DAY, OR 16 4 HRS DAYS WITH 24 PEOPLE AVER. SNOW FALL PER YEAR: 15 DAYS! OR MORE @ AIRP.												
US. WEATHER SERVICE REPORTS												
OPTION (NO SUPERVISOR ON DURING WINTER)												
5	.75				.5	4	4	.5			1	5
6	1.4	5	1							1	1	3
8	1.0	3	1									1
12/13	.6	1		1								
TOTAL		9	3		.5	4	4	.5		2	3	9

DEPARTMENT OF ADMINISTRATION
DIRECTOR'S OFFICE

Exhibit D
3-3-83



TED SCHWINDEN, GOVERNOR

MITCHELL BUILDING

STATE OF MONTANA

(406) 449-2032

HELENA, MONTANA 59620

February 23, 1983

The Honorable Joe Quilici
Representative, State of Montana
Capitol Station
Helena, MT 59620

Dear Representative Quilici:

Attached is our departmental response prepared by Deane Blanton, Administrator of the General Services Division, regarding the letter from Clint Grimes, Montana Janitorial and Maintenance Contractors Association. Also attached is Mr. Grimes' letter.

If you have any questions, please give me a call.

Sincerely,

Morris

MORRIS L. BRUSETT, Director
Department of Administration

Attachments

cc OBPP

TO: Morris Brusett, Director
Department of Administration

FROM: H. Deane Blanton *HDB*

DATE: February 17, 1983

SUBJECT: Transfer of Grounds Maintenance to Fish, Wildlife and Parks

RE: LETTER TO REPRESENTATIVE QUILICI

In response to the grounds contract concerns the following historical background outlines factors considered in the planning to accomplish grounds maintenance in-house and to transfer the functions to Fish, Wildlife and Parks.

For the period of July 1, 1981 through June 30, 1982, the current contract holders had the annual contracts for the Capitol Complex grounds maintenance for an annual cost of \$46,942.

Creeks Maintenance - \$20,263. (cancelled March 31, 1982)

Mr Klean	- \$26,679.
TOTAL	\$46,942.

After collecting the monthly payments through the winter months, Creeks Maintenance cancelled his contract effective March 31, 1982 just prior to that seasonal period when grounds costs would begin to occur for the contractor. In order to keep both contracts on the same annual bidding schedule the decision was made to bid this part of the Complex for a three (3) month period, April 1, 1982 through June 30, 1982.

Bids for this area of the Complex were opened March 17, 1982. Creeks Maintenance and Mr. Klean were the only contractors to submit acceptable bids, which were are follows:

Creeks Maintenance - \$39,430.

Mr. Klean - \$42,065.

By selecting the low bidder per building the award was split between the two contractors as follows:

Creeks Maintenance - \$19,712.

Mr. Klean - \$19,565.

Total 3 month cost - \$39,277.

(Bid Work Sheet Attached)

The conclusion reached by the division at this point was that two vendors don't insure a satisfactorily competitive environment.

In comparison the same annual contract for 12 months (July 1981 through June 1982) cost \$20,263.

The entire Complex contract was re-bid for the period July 1, 1982 through June 30, 1983. Again the awards were made by picking the low bid per building, and awards made to the same contractors.

Creeks Maintenance Total Bid - \$119,052.

Mr. Klean Total Bid - \$118,449.

(Bid Work Sheet Attached)

By picking the low bid per building final awards were made:

Creeks Maintenance - \$35,578.

Mr. Klean - \$80,424.

Current Contrat - \$116,002.

(The letter from Clint Grimes incorrectly states the current cost at \$113,000 per year)

TOTAL ANNUAL COMPARISON - COMPLETE COMPLEX

July 1, 1982 through June 30, 1983 - \$116,002.

July 1, 1981 through June 30, 1982 \$ 46,942.

TOTAL INCREASE \$ 69,060.

Morris Brusett
Page 3
February 17, 1983

The proposed budget for F.Y. 1984, \$125,540 and F.Y. 1985, \$108.454 for in-house maintenance is an attempt to provide grounds maintenance at a lower cost. In addition to the annual \$116,002 for contracted service numerous hours of supervision and inspections are required to manage the contracts. Considering the current economy it may become necessary to reduce the level of service yet maintain a proper appearance for the Capitol of Montana, we feel this can be accomplished with in-house service flexibility.

I have discussed the budget for F.Y. 1984 and F.Y. 1985 with Fish, Wildlife and Parks and they feel confident they can provide adequate service with the proposed budget.

This approach to grounds maintenance service addresses the intent of the recommendation made by the Governor's Council on Management. (Re: Attached Recommendation)

A R E A	MAP LOCATION	BID PRICE	BID PRICE	BID PRICE	BID PRICE
CAPITOL SQUARE	1,2,3,4	46,800.	- 45,000.		45,000.
OLD BOARD OF HEALTH	5	- 4,200.	4,400.		4,200.
EMPLOYMENT SECURITY BLDG.	6	- 1739.	2,000.		1739
COGSWELL BUILDING	7	4,769.	- 4,590.		4,599.
GOVERNOR'S MANSION	8	- 4,779.	5,100.		4,779.
S.R.S. BUILDING	9	- 10,170.	11,000.		10,170.
MITCHELL BUILDING	10	6,450.	- 6,250.		6,250.
VETERANS-PIONEERS MEMORIAL BUILDING	11	7,160.	- 6,950.		6,950.
TEACHER'S RETIREMENT BLDG.	12	- 1,640.	1,750.		1,640.
FISH, WILDLIFE & PARKS BLDG.	13	- 6,200.	6,500.		6,200.
SCOTT HART PARKING LOT	14	2,920.	- 2,800.		2,800.
SCOTT HART BUILDING	15	6,975.	- 6,800.		6,800.
1236 6TH AVENUE	16	775.	- 750.		750.
DIANE BUILDING	17	- 750.	775.		750.
315 NORTH MONTANA	18	1,750.	- 1,725.		1,725.
1205 8TH AVENUE	19	750.	- 725.		725.
1209 8TH AVENUE	20	- 750.	775.		750.
1215 8TH AVENUE	21	- 750.	775.		750.
1219 8TH AVENUE	22	- 750.	775.		750.
1225 8TH AVENUE	23	- 750.	775.		750.
326 WASHINGTON DRIVE	24	775.	- 750.		750.
SOUTHEAST CORNER OF WASHINGTON DRIVE AND 8TH AVENUE	25	650.	- 625.		625.
1410-1412 6TH AVENUE	26	750.	- 700.		700.
STAR MOTEL & MOTOR POOL	27 & 28	- 750.	850.		750.
JUSTICE CENTER	29	1,850.	- 1,750.		1,750.
1424 9TH AVENUE	**	1,100.	- 1,000.		1,000.
1300 11TH AVENUE	**	- 700.	775.		700.
1539 11TH AVENUE	**	- 1650.	1,775.		1,650.
TOTAL BID		119,052.	118,449.		116,002
		35,578.	20,424		

APR, MAY, JUNE-82

Area	Map Location	Creek's Bid Price	Mr. Klein Bid Price	McGraw Bid Price	PHS Bid Price	Bid Price
Board of Health	5	2,140.	(2,130.)			BID
Governor's Mansion	8	(5,798. ⁷⁵)	7,500.			NO SIGNED
Pool	26	600.	(590.)			
me Building	17	600.	(590.)			
swell Building	7	(2,979. ²⁶)	3,175.			
chell Building	10	(4,000.)	4,150.			
monial Building	11	4,637. ⁰⁰	(4,600.)			
ott Hart Building	15	4,140.	(4,130.)			
6 Washington	23	500.	(490.)			
36 6th Avenue	16	500.	(490.)			
sh, Wildlife, Parks	14	(4,115.)	4,275.			
acher's Retirement	13	(1,159. ⁷⁵)	1,175.			
R.S. Building	9	4,639. ⁰⁰	(4,600.)			
5 North Montana	27	1,159. ⁷⁵	(1,150.)			
24 9th Avenue		800.	(795.)			
00 11th Avenue		(500.)	550.			
39 11th Avenue		(1,159. ⁷⁵)	1,675.			

#39,432.32 #42,065.

#19,712.53
CREEK'S

19,565.
MR. KLEIN

TOTAL FOR APR, MAY + JUNE
= \$39,277.53

58. **Discontinue...**
Currently, agencies pay rent to the General Services Division for state-owned space. This fee is arbitrary because it does not account for differences in size, age of the building, or agency maintenance requirements. The system provides no opportunity for departments to control operating expenses and is costly to administer.

To solve these problems, the present rental system should be discontinued. Implementation will eliminate the duties of one position in the General Services Division for an annual saving of \$16,000. In addition, time valued at almost \$184,000 can be put to better use by participating departments but is not claimed.

59. Use state employees to provide janitorial service and grounds maintenance.

The General Services Division contracts for janitorial and grounds maintenance services for the capitol complex. However, far too much time and money is spent studying the cost effectiveness of this service. As a result, highly paid people spend many hours on a relatively simple matter. Furthermore, bonding requirements limit the competitive bidding process because very few potential contractors are able to meet statutory restrictions.

Transferring janitorial and grounds maintenance duties to state employees would involve a one-time cost of approximately \$100,000 for the purchase of capital equipment. Current contract expenditures would be offset by state payroll costs.

✓ **60. Assign grounds maintenance responsibilities to the Department of Fish, Wildlife and Parks.**

Expenditures for maintaining grounds and landscaping within the capitol complex are escalating constantly. However, maintenance costs are not considered during new construction planning. Furthermore, the present Capitol Grounds Maintenance and Landscaping Committee membership is skewed toward technical skills rather than landscape architecture.

To control costs, all grounds and landscaping responsibilities should be placed under the Department of Fish, Wildlife and Parks which employs a landscape architect. In addition, at least two non-state employees should be added to the Capitol Grounds Maintenance and Landscaping Committee to emphasize cost effectiveness. Alternative forms of landscaping which require a minimum of maintenance or water should be studied. For example, sage, prairies, minerals, shrubs and trees could be substituted for lawns. However, the present landscape concept around the capitol building should be retained. Implementation will keep maintenance costs to a minimum although no saving is claimed.

61. Require all departments to use the services of the Mail and Distribution Section.

This section is responsible for providing mail and messenger functions to all state agencies. However, it is underutilized because some departments have duplicate services. To eliminate this costly practice, agencies should

February 15, 1983

To: Representative Quilici, Chairman
Joint Subcommittee on Legislative,
Judicial and Administrative of the
House Committee on Appropriations

From: Montana Janitorial and Maintenance
Contractors Association,
Clint Grimes, Lobbyist.

RE: Transfer of responsibility for Capitol grounds maintenance
from the Department of Administration to the Department
of Fish, Wildlife and Parks and elimination of existing
contracts with private grounds contractors.

Mr. Chairman:

This Association represents the two contractors currently
holding 3 year contracts with the State of Montana for maintenance
of the Capitol grounds. These contracts are renewable each of
the three years prior to 1 July. The total amount of both con-
tracts covering all phases of Capitol grounds maintenance is
\$113,000 for each year.

These two contractors have no objection to the transfer of
responsibility for Capitol grounds maintenance from the Department
of Administration to the Department of Fish, Wildlife and Parks.
What they do object to is the elimination of private contracting
for grounds maintenance. That objection rests on the general
grounds that the budget submitted by the Department of Fish, Wild-
life and Parks for Equipment, Operation and Personnel is sub-
stantially deficient.

First, the matter of Personnel. The Department budget shows

3.75 FTE's:		FY 84	FY 85
1 grounds supervisor	G-13	21,476	21,425
1 grounds keeper	G-10	17,040	17,000
1 grounds keeper	G-5	11,626	11,598
.75 grounds keeper	G-5	8,720	8,699

when they proposed it be done in-house.

2. The personnel budget is deficient by at least 8 to 10 employees for as much as 4 full months.
3. That very substantial errors are made in the estimates of needed equipment.

At a time when unemployment is the single most pressing problem in the State, it seems absurd to reduce the number of employees through the proposed in-house arrangement when the two year budget has no savings to the taxpayer.

The private contractors have the experience, the equipment and the people to do the job. The budget submitted is, in almost all respects, unrealistic and yet represents no savings to the taxpayer.

apparently the only tractor to be purchased for the work. The contractors use as many as five tractors in the performance of contract duties. Not listed on the equipment purchases but essential to the work are:

- a. A rototiller
- b. Power rake
- c. Pickup and trailers for limb and leaf removal and hauling.

Third, the Budget item listed in operations underestimates sprinkler and nozzel costs, hand tools, gas and oil. It probably over-estimates fertilizer and pesticide costs. (As an example, the contractors spent over \$2,000 for sprinklers and nozzels in a single season. . . an item budgeted for only \$600).

In summary, the contractors submit that 3.75 people cannot do the work required in their current contract.

At best, substantial down-grading of the appearance of the grounds will be the result of this in-house budget and, at worst, a request for supplemental funding will be required. Over-time, weekend and night work are very unlikely to be performed by state employees at the salary levels requested. Equipment requested in the budget is insufficient to do the job even if the man hours required were budgeted, which they are not. It is our belief that:

1. The Governor's Management Council did not understand the scope and nature of this grounds maintenance task

From April to October, the contractors employ 8 fulltime and 5 temporary or part time people doing the same work for a total of 13 full and part time people. This work includes, but is not limited to the following:

1. Maintaining the sprinkling system (often on a 24 hour basis),
2. Mowing (often on a 10 to 12 hour basis with as many as 5 mowers going simultaneously).
3. Planting flowers and shrubs (often hand watering shrubs not served by the sprinkling system).
4. Tree trimming.
5. Leaf removal
6. Weed removal
7. Edge preparation and trimming
8. Fertilizer application
9. Pesticide and herbicide application only during hours when (by regulation) people are not in the grounds area, i.e., night and weekends. (A copy of the contractor contract is attached for reference to these functions).

It is the contractor's opinion based on actual experience with this work that it cannot and will not be done with 3.75 FTE's even with very substantial overtime which is not budgeted.

Second, the Equipment Budget presented by the Department is deficient on several grounds. The first item in the budget, a Model 95 Mower Deck has a price not of \$200 as listed but between \$900 and \$1,200. The second item, a tractor, is