

## Sample

### **Statement of Work for Janitorial Services for XYZ Company**

XYZ Company is the importer, distributor, and retailer for an international brand of tea. It has 50,000 square feet of mixed-use property. 10,000 square feet is used for offices, 25,000 square feet is a warehouse, and 15,000 square feet is a small retail store. The company has decided to outsource its janitorial services in order to save money and improve liability concerns by lowering business insurance levels and premiums. The company will also lower its worker compensation insurance premiums by having fewer employees.

**The procurement for janitorial services is a high priority for the company.** Although it is not the number one priority overall, it is the first priority for the facilities group. This group will manage and monitor the services provided by the supplier, as well as pay the fees that are agreed upon in the services agreement.

**The type of contract will be a firm fixed price contract.** It will include option years with appropriate pricing discounts per year to increase savings to the company.

#### **The janitorial services required are:**

**Offices** – Monday through Friday evening services consisting of cleaning, sanitizing, and stocking restrooms as needed, emptying trash cans, cleaning trash cans as needed, removing trash to designated disposal area, vacuuming common areas, vacuuming cubicles and offices, spot treating carpet stains, spot dusting horizontal surfaces without moving papers or other items on desks, sweeping and/or mopping floors in common areas, cleaning and disinfecting break room surfaces, cleaning and disinfecting drinking fountains, cleaning and disinfecting lobby furniture. Report maintenance problems to Company XYZ facilities manager. Quarterly services consisting of deep cleaning of all surfaces in common areas including shelves, fire extinguishers and/or cabinets for them, signs, clocks, etc., stripping and waxing all floors, deep cleaning/disinfecting all surfaces in restrooms. Semi-annual services consisting of carpet cleaning in all common areas and cubicles/offices.

**Retail store** – Monday through Saturday evening services consisting of cleaning, sanitizing, and stocking restrooms as needed, emptying trash cans, cleaning trash cans as needed, removing trash to designated disposal area, sweeping and/or mopping floors, cleaning and disinfecting drinking fountains, spot dusting horizontal surfaces without moving papers or other items. Report maintenance problems to Company XYZ facilities manager. Quarterly services consisting of deep cleaning all surfaces such as shelves, fire extinguishers and/or cabinets for them, signs, clocks, etc., stripping and waxing all floors, deep cleaning/disinfecting all surfaces in restrooms.

**Warehouse** – Monday through Saturday evening services consisting of cleaning, sanitizing, and stocking restrooms as needed, emptying trash cans, cleaning trash cans as needed, removing trash to designated disposal area, sweeping and/or mopping floors. Reporting maintenance problems to Company XYZ facilities manager. Quarterly services consisting of deep cleaning fire extinguishers and/or cabinets for them, signs, clocks, etc., stripping and waxing floors, deep cleaning/disinfecting all surfaces in restrooms.

Quality cleaning is required including full performance of all specified daily services on the first official working day of the contract period.

All cleaning personnel are prohibited from disturbing papers on desks or shelves, opening desk drawers or cabinets, or using telephone or office equipment located within XYZ Company' property. Emergency situations are exempted from the ban on using XYZ Company telephones.

All contract personnel are required to sign in and out upon arrival/departure of XYZ Company property. A form is located in the janitorial closet located in the offices, warehouse, and retail store areas of the property.

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Contractor personnel assigned to this contract will be furnished identification badges by XYZ Company.

Facility master key will be provided to the contractor supervisor only. Contractor will be liable for all costs associated with re-keying, re-issuance, or programming of keys, access cards, and security codes which result from the loss of compromising of keys, access cards, or security codes by contractor's personnel.

Supervisors will be trained on the use of alarm systems. Supervisors will be responsible for training cleaning personnel on the use of alarm systems.

Contractor's employees will be responsible for securing all offices, gates, and exterior entrances/exits upon completion of contracted services unless otherwise directed by the designated XYZ Company representative. Failure to secure all exterior entrances/exits and/or gates will result in a \$50.00 charge per occurrence. Repeated failure to maintain a secure facility when providing janitorial services will be cause for termination of the contract.

The contractor will furnish all supplies and materials necessary for the performance of the contract. Any changes to the items on the XYZ Company list of approved supplies and materials must be submitted in writing to the XYZ Company representative and approved prior to use in the XYZ Company property. Contractor must maintain within each janitorial closet a list of Material Safety Data Sheets (MSDS) for each product used by the contractor. The contractor will not use any material that XYZ Company determines unsuitable for the purpose intended, or that is harmful to any part of the building, contents, or equipment.

Electricity and hot/cold water will be available, at no charge, to the contractor from existing outlets for use with contractor's equipment.

Contractor will provide all necessary cleaning equipment, including power driven floor scrubbing machines, waxing and polishing machines, industrial-type vacuum cleaners, etc. to successfully perform the work agreed to in the contract. XYZ Company representative will approve all equipment before it is used in the property. Equipment that is deemed to be of improper type, or design, or inadequate for the purpose intended, will be replaced by the contractor.

Contractor personnel may use the break rooms within the property.

No one is to accompany contractor's employees to XYZ Company property that is not employed by the contractor, and assigned to work in the property.

XYZ Company may require the removal of a contractor employee from the XYZ Company property without cause at XYZ Company's discretion. This includes immediate removal.

Contractor will pay for criminal background investigations for all personnel assigned to work at XYZ Company property for the term of the contract.

All people employed by the contractor will be US citizens or possess papers showing that they are legal aliens. All personnel assigned to the XYZ Company property must be able to understand the English language and be able to read all labels, descriptions, and instructions for all materials used under the contract.

Contract personnel responsible for project management and/or supervision of contractor's employees assigned to this contract are required to understand and speak English fluently.

Failure of contractor to resolve performance issues shall serve as cause for termination of contract.

Contractor is required to maintain at its sole cost and expense Commercial General Liability insurance, Workers' Compensation insurance, Employers' Liability insurance (if applicable), and automobile insurance. The amounts and limits of each type of insurance will be listed in the contract.

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### The procurement milestones are:

- Kick-off Meeting
- Procurement Plan
- Solicitation
- RFP Process
- Proposal Analysis
- Negotiations
- Contract Finalization
- Notification of unsuccessful suppliers
- Contract Administration

Status meetings will be held weekly. Meeting minutes/action items will be distributed to all team members within 24 business hours after each meeting.

One financial analysis report will be distributed to all team members prior to the RFP being sent out.

The draft contract will be sent for review to all signatories after negotiations are completed.

The procurement file will be completed and reviewed within 21 business days after contract is executed.

**The goal of this procurement is to save the company money.** This will be accomplished by decreasing the annual spend for janitorial services for the term of the contract. The savings will be measured by using the average amount of spent per year for the past three years and using that amount to divide the contractual spend. The equation used is:  $(1 - (\text{NEW SPEND} / \text{AVG SPEND})) * 100 = \text{savings percentage}$

**The success metrics of this procurement** will be the date the contract is executed, the saving percentage, and customer satisfaction. IBP satisfaction will be measured by a survey to be completed before procurement begins and again after contract is completed.

**The cost estimate for the procurement is: \$40,000**

**The estimated completion date for the executed contract is: October 31, 2013**

The procurement team is listed below.

Procurement Team			
Name	Initials	Role	Responsibilities
Donna Smith	DS	Strategic Sourcing Manager (SSM)	Team Leader
Robert Golden	RG	Director of Procurement (DP)	Manager
James Brown	JB	Financial Analyst (FA)	Financial research
Bill Green	BG	Facilities Manager, SME	Specialized knowledge
John Q. Public	JQP	Owner	Final approvals
Samantha Grey	SG	Attorney	Legal opinions

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### Assumptions

- Outsourced janitorial services will save the company money.
- Team personnel will be available when they are needed.
- Priority of procurement will not change.
- The actual costs for janitorial services for the past three years is available.
- The amount of contract spend for the first year of the contract will be \$500,000.

### Constraints

- Contract execution date no later than October 31, 2013.
- Budget for procurement is \$40,000.
- Contract spend for the first year as high as \$500,000.

### Schedule and Budget

The schedule and budget shown here lists the major milestones for this procurement, along with their costs. **The completion date for this procurement is October 31, 2013. The budget for this procurement, not including negotiated contract costs, is \$35,000.**

Task Description	Finish Date	Effort (hours)	Duration (days)	Labor Costs
Procurement for Janitorial Services	10/31/13	321.75	182	\$34,558.46
<b>Receive RFPS</b>	<b>05/10/13</b>	7.50	7	\$813.23
Kick-off Meeting	05/17/13	6.00	4	\$594.24
Hold meeting	05/17/13	1.50	1	\$359.53
Procurement Plan	05/24/13	27.75	4	\$7,296.90
Solicitation	06/10/13	73.75	14	\$6,367.38
Send RFP out	06/10/13	2.00	1	\$104.31
RFP Process	06/28/13	12.25	19	\$638.92
Proposal Analysis	08/02/13	92.50	36	\$7,432.63
Receive proposals	06/28/13	8.00	1	\$417.25
Evaluation team meets to decide on top proposals	07/16/13	6.00	1	\$239.69
Notify short list	07/17/13	2.00	1	\$104.31
Oral presentations	08/01/13	16.50	2	\$2,850.74
Meeting to decide on contract awardee	08/02/13	4.00	1	\$958.74
Negotiations	08/19/13	34.00	32	\$3,503.29
Conduct Negotiations	08/16/13	8.00	12	\$970.84
Contract Finalization	09/09/13	62.00	54	\$4,748.18
<b>Execute contract</b>	<b>10/31/13</b>	2.00	53	\$104.31
Notification of unsuccessful suppliers	09/12/13	6.00	3	\$312.94
Contingency			18	\$441.00
Contract Administration	End of contract term	N/A	N/A	N/A

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**Communication Plan**

Name	Phone	Fax	Time Zone	Work Schedule
Donna Smith	972-555-1345	972-555-1346	CST	0800 - 1700
Robert Golden	972-555-1301	972-555-1346	CST	0800 - 1700
James Brown	972-555-1356	972-555-1357	CST	0800 - 1700
Bill Green	972-555-1401	972-555-1402	CST	0800 - 1700
John Q. Public	972-555-1234	972-555-1235	CST	0800 - 1700
Samantha Grey	972-555-1523	972-555-1501	CST	0800 - 1700

**Mailing Address:**

XYZ Company  
 P. O. Box 1325  
 Dallas, TX 75032

**Shipping Address:**

XYZ Company  
 1325 Texas Blvd.  
 Dallas, TX 75032

**Meetings**

The types of meetings required, personnel attendance requirements, and frequency of each type of meeting are listed below.

Meetings	Team	Management	Others
Informal discussions	Daily	As needed	As needed
Procurement review	Weekly	As needed	As needed
Status update	Weekly	Monthly	As needed
Contract Audit			Once, after agreement reached and before contract execution

**Reports**

Types and frequency of reports are listed below.

Reports	Team	Management	Others
Status reports	Weekly	Monthly	As needed
Update reports to team leader	Weekly (before team meetings)	N/A	As needed
Savings report			Once, after agreement reached and before contract execution

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**Change Control**

Change control requirements, responsible person, and supervisor are listed below.

Change Control	Responsible	Reports to
Change log maintenance	Donna Smith	N/A
Change reports	James Brown	Donna Smith

**Risk Management Plan**

The risk management plan consists of a risk management log. The log is shown below. Risk management involves identifying possible risks, assessing the likelihood that a risk will occur, assessing the damage that risk would inflict if it occurred, the actions that can be taken to either eliminate the risk or mitigate its impact, and the responsible person for taking the action should the risk happen.

**RISK LOG**

RISK	PROBABILITY	IMPACT	ACTION	RESPONSE
Requested completion date not workable	High	Very high	Negotiate	Procurement lead
Necessary personnel not available to meet schedule	High	Very high	Negotiate	Procurement lead
Team meetings not attended	Moderate	High	Determine better meeting time and place	Procurement lead
No competitors in market	Moderate	Very high	Find and research competitors in this industry and market	Financial analyst
IBP insists on sole-sourced process	Moderate	Very high	RFS completely filled out and signed; advise management	Procurement lead
Scope of work not detailed enough	High	Very high	Face-to-face (or phone) interview with SME	Procurement lead
Funding not adequate to provide requested services	Moderate	Very high	Negotiate funding levels	Procurement lead
Funding level does not provide savings	Moderate	Low	Negotiate lower spend levels	Negotiation lead
RFP not delivered on time	High	Very high	Allow enough time for drafting and reviewing RFP	Procurement lead (RFP writer)
RFP responses	Moderate	High	Allow enough	Procurement

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<b>RISK</b>	<b>PROBABILITY</b>	<b>IMPACT</b>	<b>ACTION</b>	<b>RESPONSE</b>
late			time for questions, responses, and finalizing responses	lead
RFP responses inadequate	Moderate	Very high	Include extremely detailed scope of work, specifications, draft contract, responses to all RFP questions from suppliers; amend RFP as needed	Procurement lead (RFP writer)
Response evaluation delayed	High	Very high	Negotiate work assignments of team members as necessary	Procurement lead
Top 3 competitors oral presentations delay schedule	Moderate	High	Allow enough time	Procurement lead
Weather adversely impacts oral presentation schedule	Low	High	Allow float time for oral presentation schedule	Procurement lead