



# MEMO

**To:** The Honorable Mayor and City Council  
**FROM:** Bert Lumbreras, City Manager  
**DATE:** November 24, 2020  
**RE:** Goodwill Janitorial Contract Renewal – December 2 City Council Meeting

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In advance of the December 2, 2020 City Council meeting, staff wants to provide answers to a number of questions that have been asked regarding the renewal of the Goodwill Janitorial contract. This memo will also be placed in back-up for the item on December 2.

**Does Goodwill pay their employees “hazard pay”?**

**Yes.** Goodwill employees are always paid a 20% premium for decontamination services when the City requests this specific service.

**Can CARES Act funding cover an increase in hourly pay for janitorial services contracted through Goodwill Services?**

**No.** This is not an eligible expense under the CARES Act. The CARES Act funding can only be used for activity directly related to the COVID-19 pandemic (along with some new criteria for public safety employees), not activity that is budgeted for annually and is part of the normal course of doing business. The City budgets annually for the cost of janitorial services, and the Goodwill crews have continued to provide those services just as they have in prior years.

**Does Goodwill provide benefit to the local economy and community?**

**Yes.** Goodwill requires that 75% of staff are certified with disabilities. Management is specially trained to supervise and mentor special needs individuals. The City's contract with Goodwill enables these persons to be gainfully employed, become more self-sufficient and independent, learn life skills and return a portion of their income to the local economy. Per Diane Insley, Library Director: *“My opinion is that Goodwill has hired and trained many local people. Once proven in entry position they promote from within too. From our workforce consultations with individuals we have sent many people to Goodwill that have been hired. Goodwill has other local contracts and the night crew especially hires many people that have not been able to be hired elsewhere.”*

**Does Goodwill hire local employees?**

**Yes.** Goodwill requires that a minimum of 65% of staff live in San Marcos or the San Marcos ETJ. Currently 15 of 18 Goodwill employees reside in San Marcos. The remaining 3 live within a short commute.

**If the City requires a “hazard pay” element with a vendor, will this create a City employee equity issue?**

**No.** The City pays full time employees a minimum of \$15 per hour. The current pay structure for Goodwill Central Texas is Custodians are paid \$10 - \$11 per hour and Supervisors are paid \$12 - \$14 per hour.

**Can the current Goodwill contract be extended?**

**Yes.** Goodwill is extending the current contract 30 days to allow for City Council action on the postponed agenda item. The item for consideration on the December 2 agenda is a 12-month contract for janitorial services.

**Can a future janitorial contract stipulate specific elements related to compensation and special cleaning protocols?**

**Yes.** A new Request for Proposals (RFP) procurement process could be initiated for the next (2021) budget policy year. Prior to issuing an RFP, staff will need some time to perform an analysis of adding elements to the contract and related cost impacts.

**Could the City keep janitorial duties “in-house”?**

**Yes.** However, there are many challenges at this time due to the pandemic and fiscal constraints, including the difference in pay between the City’s minimum wage and what is paid by the contractor. A transition to “in-house” staffing would also need to build in transition time as a switch would require considerable analysis prior to a change being made.

**What is staff recommendation?**

**Staff recommends approving the 12-month contract as currently on agenda,** but monitor and consider future modifications if the pandemic continues and it is warranted.

Please let us know if you have any additional questions.