



Testimony
Office of Management and Budget
November 9, 2016
Updated 11/10/16

Good morning Director Maxwell, OMB staff, and fellow Delawareans. I am Thomas Cook, Executive Director of the Ability Network of Delaware, which holds three contracts with the state for janitorial services, temporary employment, and secured document destruction.

During State Fiscal Year 2016, three of A.N.D.'s Temporary Employment Services and Janitorial Services subcontractors surrendered a total of 8 classifications on the temporary employment contract and 18 sites on the janitorial services contract. In response, rather than request that they be removed from the set-asides established by the Commission, A.N.D. fulfilled its responsibility to provide the services directly on a temporary basis to preserve the jobs, until the subcontractors could be replaced.

After the interim period in which A.N.D. provided direct services with employees on our payroll, DePaul Industries was recruited to assume responsibility for the classifications in the temporary employment contract and a subcontract was established with Fedcap to assume service responsibility for some of the janitorial sites that had been surrendered, while some sites were assumed by other subcontractors.

I want to thank the Office of Management and Budget and Government Support Services for working with us to secure a \$300,000 appropriation from the Joint Finance Committee. This provided the funding needed for the Commission for Statewide Contracts to Support Employment for Individuals with Disabilities to approve price adjustments that saved 118 jobs for persons with disabilities in the janitorial contract. Prices for some sites were adjusted up by \$400,000 and down by \$100,000 for a net increase of \$300,000.

We have completed an updated analysis of the remainder of the sites for which price adjustments were not made earlier this year, using the same methodology that we used earlier this year, i.e., comparing the actual labor costs, bids submitted for comparable sites by other janitorial service providers, and costs of providing services using a tiered method in Southern New Jersey by the State Use program there. If funding was made available to make all of the price adjustments, the total needed would be **\$402,347.***

A.N.D. understands that the state of Delaware is entering a difficult budget year, but we would appreciate OMB's consideration of this funding request for a market adjustment. If granted, this request would preserve the employment of 63 individuals. If the

Community Rehabilitation Programs that provide these janitorial services were to surrender some or all of the sites, the fiscal consequences of putting these people out of work would include an increased reliance on government benefits and reduced purchasing power of these employees. The state buildings would still need to be cleaned by someone at some cost. By requesting the funds to bring the rates up to a Fair Market Value in the Governor's budget, the State would continue its commitment to the employment of people with disabilities and would ensure that the buildings involved would be properly maintained.

We look forward to having a conversation about the specifics we have outlined in our request, which we will forward in a spreadsheet to Dean Stotler this afternoon.

Thank you for the opportunity to testify.

**Please note: this figure was updated on 11/10/16, based on a review of the Excel spreadsheet submitted to Government Support Services.*