Contracting for Pest Control Service in Public Buildings

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Three Core Principles of Public Sector Contracting

Contracting is Law

The Principle of Fairness
- Competition must be maximized
- No bidder can be unfairly excluded

The Principle of Frugality
- Minimum requirements only
- The goal should be greatest value
The Six Principal Components of Service Contracting

- Program management
- Type of contract
- Estimating cost
- Method of award
- Statement of work
- Quality assurance
1. Program Management

Who will be the Integrated Pest MANAGER?
IPM = Integrated Procurement Mission
2. Type of Contract

- Janitorial service or separate contract?

- How will the work be ordered & paid for?
  - Firm-Fixed Price
  - Indefinite Delivery
The Firm-Fixed-Price Contract

**Advantages:**
- Minimum administrative burden
- Easiest type of contract to budget for

**Disadvantages:**
- Highly inflated prices if bidders feel there are high cost risks, e.g.:
  - Excessive monitoring/recordkeeping requirements
  - High-cost, indeterminate specialty work included (e.g. termites, bird deterrence, wildlife trapping)
The Firm-Fixed-Price Contract

Needless (& Expensive) Clauses:

- “Glue traps shall be checked weekly, with the results reported to the COR and IPM Coordinator.”

- “Monthly report: the contractor shall prepare a handout, summarizing the following, for meetings with the COR, Safety/Environmental Manager, IPM Coordinator, and Facilities Manager:

  - PEST CONTROL ACTIVITIES
  - PEST SIGHTINGS
  - LOCATIONS WITH SPECIFIC PROBLEMS
  - PEST CONTROL TREATMENTS
  - RECOMMENDATIONS FOR OCCUPANT ACTIONS
  - ADDITIONAL INFORMATION PERTINENT TO IPM ACTIVITIES”
The Indefinite Delivery Contract

A contract in which service is delivered and paid for on an on-call basis is totally contrary to the IPM principle of a planned program and continuous inspection.
3. Estimating Cost

**The Bad News:** Not paying enough is the single most important reason for receiving mediocre pest control service.

**The Good News:** Pest control is the least expensive of all the building services.
3. Estimating Cost

Square Footage vs. Man-Hours
3. Estimating Cost:  
Factors Affecting Service Price

- Type of structure
- Size
- Age
- Location
- Conducive Conditions
- Accessibility
- Clientele
3. Estimating Cost

**Standard Service Frequencies**

- **WEEKLY:** Most gov’t office buildings & typical cafeterias.
- **BIWEEKLY:** Office buildings & cafeterias in great shape.
- **MONTHLY:** Minimum for non-sensitive warehouses.
3. Estimating Cost

*Percentage Bidding*

1. The agency states its estimate for each building up front in the solicitation package.

2. Offerors bid a percentage of these prices for all contract years: lower, higher, or net.
The Pricing Paradox

Man-hours are the basis for Pricing & Scheduling.

They are *not* the basis for Payment.
4. Method of Award

Sealed Bidding *(IFB)*: Award based on price alone

**vs.**

Source Selection *(RFP)*: Award based on technical considerations & price
Sealed Bidding

😊 Quickest, simplest, most efficient award method.

😊 Attracts & enables bottom-feeders.

😊 Many of the best firms won’t bother to bid.

Source Selection

😊 Permits a detailed, comprehensive evaluation of offerors’ ability to deliver quality service.

😊 Can be cumbersome, time & effort intensive.

😊 Expert-dependent.
Basic Evaluation Criteria

- Experience/Past Performance
- Staff Credentials
- Operating Plan
- Control Procedures
- Monitoring and Recordkeeping
- In-House Training
The Core of the Source Selection Process:

- Evaluation Factors
- Evaluation Standards
  - Exceeds
  - Fully meets
  - Partially meets
- Factor Weights
5. The Statement of Work: Major Issues

- Performance vs. Prescriptive Specs
- Included & Excluded Pests
- Acceptable Products & Approval Authority
- Posting/Notification
- Monitoring & Recordkeeping
- Action Thresholds
- Concessions Space
Performance vs. Prescriptive

**Prescriptive specs**
- Procedure-focused
- Tend to become encyclopedic, cumbersome, inflexible
- More necessary with IFBs

**Performance specs**
- Results-focused
- May omit critical operational details
- Work better with RFPs
Included vs. Excluded Pests: 
Contract With Industry

**Included**

- Indoor populations and invading individuals of rodents, insects, arachnids, and other arthropods.
- Outdoor populations of commensal rodents that are within the building’s property boundaries.
- Populations of mites on building exteriors that are invading inside the building.
- Nests of stinging social insects within the property boundaries of the building.
- Individuals of all excluded pest populations that are incidental invaders inside the building.
Included vs. Excluded Pests:  
*Contract With Industry*

**Excluded**
- Birds, bats, snakes, and all other vertebrates other than commensal rodents.
- Termites and other wood-destroying organisms.
- Outdoor populations of mosquitoes.
Included vs. Excluded Pests:  
*Contract With Lessor*

**Included**

- Indoor populations and invading individuals of rodents, insects, arachnids, and other arthropods.
- Outdoor populations of potentially indoor-infesting species that are within the building’s property boundaries.
- Nests of stinging insects within the property boundaries of the building.
- Birds, bats, small mammals, and all other vertebrates.
- Mosquitoes.
Approved Pesticide Products

Most efficiently handled if based on *formulation*, not active ingredients, with exceptions handled on an ad hoc basis by the pest manager in consultation with the contractor.
Action Thresholds

A commodity-protection concept, irrelevant for nuisance, public health, or wood-destroying pests.

The threshold for non-emergency action (i.e. service frequency) is determined by cost.
Concessions Space

- Often serviced by a separate contractor hired by the concessionaire.
- If so, issues often arise as to responsibility for space above ceiling, behind walls, below floor.
- If part of main contract, higher price reflects conducive conditions and scheduling issues.