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USM Faculty Senate

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**FACULTY SENATE STATEMENT ON THE PROPOSAL
TO OUTSOURCE PHYSICAL PLANT SERVICES**
(passed at the June 9, 2006 meeting of the Faculty Senate)

The Faculty Senate is concerned about the plan by the Administration to outsource all Physical Plant services. Because a decision to outsource is basically irreversible for probably a decade, and because a new USM administration may see this matter very differently, we urge the Thames Administration and Board of Trustees to defer indefinitely the outsourcing of Physical Plant services. In addition to our concern about the Thames Administration making such a long term decision at this time, additional rationale for not outsourcing follows under two headings, "process" and "specifics."

PROCESS

- Opportunities for employee input on outsourcing have been few and far between. Many Physical Plant staff found out about the initiative to seek bids on outsourcing Physical Plant services from the Hattiesburg American just before the 2005 holiday season and after so many Physical Plant employees had spent countless hours on Katrina recovery.
- Objective data on fiscal year Physical Plant expenditures were constructed (the fiscal year expenditure of \$12.1 million) only after the decision was made to circulate an RFP. So data upon which the decision to build an RFP might have been based were apparently not compiled before hand. Yet as soon as the decision to circulate an RFP was made, Physical Plant quite naturally began to experience attrition, because many Physical Plant staff felt outsourcing was a "done deal."
- An "outside" representative to the committee was added only after the Faculty Senate raised real issues in December 2005 about the outsourcing initiative in a letter to former CFO Gregg Lassen.
- Several members of the Outsourcing Review Committee are supervised by other members of the committee. Generally, that makes it difficult to cast truly independent votes.
- The interim CFO of the university was quoted in the May 11, 2006 Hattiesburg American as having stated, "The goal is to have the contract approved by President Shelby Thames, and the state College Board, by the beginning of the new fiscal year on July 1." This statement appeared a full 11 days before committee members were to cast their votes for or against outsourcing.
- Physical Plant employees circulated a petition eventually signed by 124 Physical Plant staff. This petition was not brought to the attention of members of the Outsourcing Review Committee until the Faculty Senate member of the committee asked why it wasn't being discussed. In response, the Outsourcing Review Committee leadership dismissed the petition as if it were not important rather than provide copies of it to committee members so they could review and discuss it.
- The Outsourcing Review Committee voted 10-1 to support negotiations with Aramark, but after hearing details about the proposed contract, voted only 6-5 to support outsourcing. Considering the makeup of the Outsourcing Review Committee (see bullet #4 above), the declining support for outsourcing on the committee is notable.

CONTRACT SPECIFICS

- We do not think the Aramark 401(k) retirement plan measures up to what Physical Plant employees now have under PERS. Specifically, Aramark contributes \$1 to the employee's 401(k) for every \$2 in employee contributions up to 3 % of an employee's wages . Thus if an employee contributes 4% to the 401(k), then Aramark contributes 2%. If the employee contributes 6% then Aramark max's out at 3%. The Faculty Senate representative to the Outsourcing Review Committee reported that the committee was told that only seven food services people have subscribed to the Aramark 401(k) plan. Might further outsourcing generate a class of employees that will be assured that Social Security is their only "retirement plan?" Parenthetically, we wonder about the solvency of PERS retirement plan if every large state agency off loads 400 or more employees (as USM seems to be doing).

- The only fiscal year expenditure figures presented to members of the Outsourcing Review Committee indicated that recent fiscal year expenditures by Physical Plant were 12.1 million dollars. The Aramark bid that is "best" for employees is for about 12.3 million dollars. Although possible energy savings over ten years are trumpeted, those savings appear to be only "projections" for a distant future.
- There is an automatic increase for Aramark for each year of the contract. In contrast, the rest of the USM budget is not assured of automatic increases from year to year.
- Aramark has very little real experience in managing a comprehensive facilities operation. None of their reference colleges are as complex as USM. Yet once outsourcing occurs, it may be next to impossible to reverse the course. Aramark will even have purchased most USM tools. It is worth noting that only 9% of colleges and universities outsource energy management, only 9% outsource mechanical maintenance, and only 8% outsource grounds (From an article in University Business, web address <http://www.universitybusiness.com/page.cfm?p=722>)
- There will be a change in the senior administration at USM in the not too distant future. It is prudent to delay a far reaching decision such as outsourcing of Physical Plant services that will have a long-term impact on the very character of USM until a new administration is on board.

Finally, it seems appropriate to close this motion with a quote from the Physical Plant staff petition.

"We have felt that we are part of a USM family and have often encouraged our friends and neighbors to send their sons and daughters to a USM we have been proud to serve. We have dedicated much time and energy to help the University get back on its feet in the aftermath of Katrina. We now feel like the University is dismissing us as members of its immediate family and telling us to go work for an outsider. We want to remain part of the true USM family and believe we have earned that privilege."

As Faculty Senators, we believe this paragraph is in and of itself a persuasive reason for continuing Physical Plant staff as members of the immediate USM family.

Respectfully Submitted on Behalf of the Faculty Senate by the Executive Officers.