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## Bobb says he'll outsource 823 maintenance jobs to save \$75M

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*The Detroit News*

**Detroit**— In the largest outsourcing action taken to restructure Detroit Public Schools, Emergency Financial Manager Robert Bobb announced plans today to privatize the district's maintenance operations, a move that would eliminate 823 budgeted positions and save \$75 million for the deficit-ridden school system.

The district will contract with Sodexo School Services, which will use five Detroit-based, minority-owned firms and two additional minority-owned firms to perform custodial, building repair, maintenance, engineering and grounds services.

The five-year, \$43.5 million contract includes leasing district buildings, which the district says will save an extra \$147,000 in annual rental income.

All employees affected by the outsourcing will be terminated Feb. 21, district officials said. Current DPS employees will get first consideration for jobs, and their wages will remain the same if they are hired for the same task, Bobb said. Job fairs held early next month will help workers begin the application process.

State pensions will not carry over or continue, Bobb said.

Of the 823 budgeted positions, the district has only 699 filled, Bobb said. The new contract calls for hiring about 750 workers, he said.

"The bottom line is simply this: This is about reinventing Detroit Public Schools and redirecting resources to the classroom," Bobb said at a press conference held at noon. "At the end of the day, we have to ask ourselves what is our core mission? Is our core mission cleaning schools?"

"Our core mission is educating students."

According to the new contract, 45 percent of the work will be undertaken by seven local businesses: Powerlink Facility Management Services, Payne Landscaping, Rickman Enterprise Group, Hercules & Hercules, White Glove Professional Cleaning Inc., Midwest Environmental Services Group and Covenant Cleaning Services.

The contract provides that all current DPS employees will have priority as Sodexo and its local partners hire personnel to maintain DPS facilities, and that all vacancies will be filled by Detroit residents first at DPS wage scales.

Sodexo also has committed to let any employee who is displaced apply for open positions at other facilities Sodexo serves in the region and Michigan, as well as surrounding states if the employee is willing to move.

The district must eliminate a \$327 million deficit and come up with balanced budgets before the state will consider the financial emergency over.

Last year Bobb privatized student transportation and security. He signed a \$6.5 million, one-year contract with a private firm, Securitas, to handle school security patrols. DPS was paying about \$11 million annually for

226 district security officers.

That year, Bobb also fully outsourced student transportation for more than 22,300 students. The First Student contract is expected to save \$49 million over five years. The move meant 300 drivers lost their jobs with the district.

Both outsourcing moves prompted legal challenges from unions.

Safeway Transportation, which was initially dropped by the district, sued DPS, and then ended its case against the district after an agreement allowed it to operate 15 percent of the routes.

A group of security guards who lost their jobs to outsourcing filed multiple lawsuits against the district, demanding they be rehired and issued back pay.

A suit filed in U.S. District Court alleges DPS violated federal due process laws when it terminated the guards to make way for Securitas. The case is pending.

Unions are expected to challenge today's move, but Bobb said he has the authority to enter into contracts and outsource work. And he said he vetted the plan he called a "ground-breaking" model with his staff of labor law experts.

"This has been a difficult process. The bargaining units had an opportunity to bid. They submitted some creative bids and we learned a lot," he said. "But at the end of the day, we looked at the numbers and this is where we are."

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