



Montgomery County Government

MEMORANDUM

July 18, 1994

TO: County Council
FROM: *Joan M. Pedersen*
Joan M. Pedersen, Program Evaluator
Office of Legislative Oversight

SUBJECT: Office of Legislative Oversight Report: Efforts by the Department of Corrections and Rehabilitation to Contract Activities

Purpose

The purpose of this memorandum is to provide information to the Council on the progress of the Department of Corrections and Rehabilitation (DOCR) in analyzing functions and activities to identify those that may be feasible for operation through contracting or privatization strategies. This report was requested by Councilmember Hanna during the Management and Fiscal Policy Committee's review of the FY95 OLO Work Program.

Background

In the spring of 1992, the Council's Public Safety Committee questioned whether functions or activities performed by the Department of Corrections and Rehabilitation (DOCR) could be fully or partially privatized to gain efficiencies and cost benefits. Subsequently, a project was included in the OLO Work Program to examine available contracting and privatization options. During FY93, a new Director was appointed to DOCR and the Department suggested in-house analysis be performed to identify activities for possible contracting or privatization strategies. OLO was assigned to monitor the Department's efforts during FY94.

To date, DOCR has examined the feasibility of contracting three distinct activities: Medical Services, Laundry Services, and Food Services. OLO and Council staff have reviewed reports as they have been submitted by the Department, and have forwarded pertinent information to the Council and the Public Safety Committee.

Medical Services

The Public Safety Committee discussed the DOCR report on privatization of medical services during the FY95 budget review. The DOCR report concludes that the County's current contracting efforts should not be expanded. The Committee noted that Montgomery County contracts for approximately 58 percent of the medical services provided to inmates, while some other Maryland jurisdictions contract for 100 percent.

The Public Safety Committee requested DOCR to obtain additional information, specifically from Prince George's and Baltimore counties on their contracts, and to perform additional analysis. (As part of its packet to Council for the May 17, 1994 budget worksession, the Public Safety Committee forwarded a copy of the DOCR analysis of medical services for inmates.)

Laundry Services

On June 9, 1994, the Public Safety Committee discussed the DOCR work plan and reviewed the Department's report on the feasibility of contracting detention center laundry services. The DOCR report concludes that the laundry service performed by DOCR inmates is cost effective in comparison to commercial services or use of the State central prison laundry, and there would be no cost benefit associated with privatizing the activity.

The Public Safety Committee generally agreed with the DOCR conclusions, and supported Council staff suggestions for expanding the issue. Council staff had noted that if an expanded laundry facility could be provided at the detention center, other County agencies and departments could benefit from using the low-cost services.

Food Services

On June 9, 1994, the Public Safety Committee also discussed DOCR conclusions on the feasibility of contracting food preparation services. During FY94, DOCR performed preliminary analysis and concluded that food preparation services performed by inmates may not be as cost effective as contracting with either the private sector or Montgomery County Public Schools. Although initial cost comparisons led DOCR to conclude that MCPS may be able to provide food preparation services to the Department at a cost savings, it was questionable whether valid cost comparisons could be obtained from the private sector. Consequently, DOCR suggested to the Public Safety Committee that a Request for Proposals be issued and that MCPS be invited to provide a proposal.

The Public Safety Committee concurred with the DOCR suggestion to solicit proposals. DOCR expects to issue a Request for Proposals during August 1994, and will evaluate the proposals during September. If acceptable bids are received, contracts may be awarded in the October/November timeframe.



Summary

To date, DOCR has examined medical services provided to inmates, food preparation, and laundry services at the detention center for possible contracting and made recommendations to the Council's Public Safety Committee. The Department has been requested to provide the Committee with additional information on medical services and to consider the possibility of providing laundry services to other County agencies or departments. A Request for Proposals for food preparation services will be issued during August 1994, and DOCR will review bids to determine the most cost effective method of providing food preparation services at the detention center.

The following attachments are provided for your information:

DOCR Report on Privatization of Medical Services
(Circles 1-7)

DOCR Report on the Feasibility of Contracting for Laundry Services at
the Detention Center
(Circles 8-14)

Request for Proposals for Provision of Food Preparation Services at
the County Detention Center
(To be forwarded to Council after officially issued)

JP/cca
770/86

Attachments

c: Steve Farber, Council Staff Director
Linda McMillan, Legislative Analyst
Devon Brown, Director, DOCR



PRIVATIZATION OF MEDICAL SERVICES

Montgomery County Department of Correction & Rehabilitation

The Montgomery County Department of Correction and Rehabilitation (DOCR), as part of its continuing effort to manage and improve departmental operations, has identified medical costs for inmates and the privatization of the medical program as areas to study to determine if privatization could enhance service delivery.

METHODOLOGY

The Department met with Council staff and determined that a survey of correctional medical programs would be conducted. A survey was developed to capture data on medical costs and trends in medical care in detention facilities. It was sent to eight correctional facilities in nearby Maryland and Virginia, and in Washington, D.C. Responses were received from Anne Arundel, Baltimore, Prince George's, Howard, and Arlington Counties. Fairfax County, City of Alexandria, and Washington, D.C. did not respond.

Data was requested on average daily population, medical unit staffing (total positions in unit, FT and PT), medical costs, and trends in medical service demands. The jurisdictions were also requested to indicate whether they contracted for medical services, services that were contracted, and the cost for the services. The data requested was for FY 92, FY 93, and FY 94 budgeted. If they had a contract, a copy of either the contract or RFP for medical care was requested.

SURVEY RESULTS

A summary of the survey results, including medical cost by facility and per inmate and staffing levels, as well as comparable information on Montgomery County, are presented in the charts on pages three and four. All of the responding jurisdictions contract for all medical services. These contracts include physician, nursing, dental, hospital, psychiatric, lab, x-ray, and any related medical service. Montgomery County currently contracts for 58 percent of budgeted medical costs (FY 94). Contracted services include physician, dental, hospital, lab, x-ray, pharmacy, limited nursing and psychiatric services. The costs provided indicate the total medical/contract costs as allowed under the respective contracts.

A comparison of costs presented in the survey with those of Montgomery County indicate that the Department's costs are similar. Per inmate medical costs for FY 94 for the six counties included in the comparison ranged from \$1,633 to \$2,829 with four facilities, including Montgomery County, in the \$2,500 range. As a comparison, the cost to Montgomery County for employee medical insurance (single plan) for FY 95 is between \$2,272 and \$3,060.

The contracts reviewed show that the vendor can pass on to the county unusual medical costs and can limit their liability for costs for cases that require hospitalization. The contracts provided, in most cases, a rider that allows the vendor to increase the medical cost if the inmate population goes above a maximum inmate count set in the contract. In addition, the contracts have funding restrictions for "unusual costs." This means that the vendor will only be responsible for up to a certain amount for specified illnesses or injuries such as AIDS and AIDS related services, contagious illness affecting more than one inmate, injuries to more than one inmate arising from the same occurrence, illness affecting one inmate costing over \$10,000, and injury to one inmate costing over \$10,000.

The limits for contractor liability are between \$10,000 and \$25,000 per inmate, depending on the vendor and illness/injury to the individual inmate. This allows the vendor in the more serious (and more expensive) cases to pass on the cost to the County. According to the survey, the incidence of these "unusual cost" medical problems is growing, particularly in light of the rising number of cases involving AIDS, tuberculosis, and/or hepatitis among the offender population.

The medical services contracts for most correctional agencies stipulate that the vendor of the contract provide hospital services. The vendor must contract with a local hospital for services. The contracts generally provide a maximum dollar amount for an individual inmate who is hospitalized, for which the vendor is responsible. The county must pay costs that exceed the maximum. These maximum dollar limitations range from \$5,000 to \$25,000. Montgomery County has a contract with Shady Grove Adventist Hospital for hospital care for inmates. The hospitalization cost for Montgomery County in FY 93 was \$255,867, and represents 15 percent of the total cost figure shown in FY 93. Baltimore County's contract covers all hospital costs, which accounted for 25 percent of their medical cost in FY 93. Hospital cost as a percent of medical cost is not available for the other facilities represented in the survey.

INMATE MEDICAL COSTS - FY 94 Budgeted

<u>Facility</u>	<u>ADP*</u>	<u>Medical Cost**</u>	<u>Contract</u>	<u>Staff***</u>	<u>Per Inmate****</u>
Anne Arundel County	524	1,482,880	Yes	N/A	2,829
Baltimore County	895	2,200,882	Yes	21	2,459
Prince George's	1200	1,996,286	Yes	20	1,663
Howard County	188	478,248	Yes	4	2,544
Arlington County	500	1,225,410	Yes	14	2,450
Montgomery County	625	1,600,250	58%	14	2,500
Average	655	1,497,326			2,408

INMATE MEDICAL COSTS - FY 93 Actual

<u>Facility</u>	<u>ADP</u>	<u>Medical Costs</u>	<u>Contract</u>	<u>Staff</u>	<u>Per Inmate</u>
Anne Arundel County	524	1,291,290	Yes	N/A	2,464
Baltimore County	750	2,017,777	Yes	21	2,690
Prince George's	1100	1,693,067	Yes	20	1,534
Howard County	188	370,540	Yes	4	1,970
Arlington County	400	926,215	Yes	14	2,315
Montgomery County	644	1,704,693	60%	14	2,647
Average	601	1,333,930			2,270

INMATE MEDICAL COSTS - FY 92 - ACTUAL

<u>Facility</u>	<u>ADP</u>	<u>Medical Cost</u>	<u>Contract</u>	<u>Staff</u>	<u>Per Inmate</u>
Anne Arundel County	524	1,307,140	Yes	N/A	2,494
Baltimore County	N/A	N/A	No	N/A	N/A
Prince George's	1100	1,604,591	Yes	N/A	1,458
Howard County	188	271,950	Yes	N/A	1,446
Arlington County	400	680,699	Yes	N/A	1,701
Montgomery County	649	1,486,456	54%	14	2,290
Average	477	891,806			1,565

* Average daily population (Note: Bed capacity is not known)

** All medical costs associated with inmate care.

*** All staff associated with inmate medical care, whether full or part time. A direct staff comparison cannot be made because type of staff and number of full time equivalents (or workyears) is not known.

**** Per inmate cost is figured by dividing the medical budget by the average daily population (ADP).

MEDICAL UNIT STAFFING ISSUES

The staffing figure provided for each facility includes all staff associated with the medical unit, whether County or contract employees, full or part-time. A direct staff comparison cannot be made because the number of full-time equivalents (or workyears) was not provided.

A major issue in the staffing of a medical unit, identified by many correctional administrators, is the staffing of the medical unit by the same staff on a regular basis. Administrators of the correctional facilities indicate that a common problem associated with correctional medical contracts is the inability to retain staff, in particular, nursing staff. A correctional nurse provides the great majority of services within a correctional medical unit. Medical and security policies must be known and followed. The use of temporary nurses in a correctional setting can create security issues and problems with inmates if staff are not consistent in providing services to inmates. A temporary staff person may not know the protocols or policy and could create a problem situation thereby compromising the security of the facility.

In addition, contract staff often move to positions that provide better benefits than those provided by the contractor. This creates a staff shortage and temporaries must be used, which, in turn, creates service delivery problems, as noted above.

MEDICAL TRENDS

While no data was provided to support the responses, all jurisdictions report an increase in HIV, TB, and mental health problems among the inmate population during the past three years. In addition, it is reported that the inmate population shows a general "poor health" condition upon intake. They are reported as having multiple and serious problems such as cancer, pneumonia and other opportunistic infections associated with AIDS. Inmates that are involved in drugs typically present a number of medical issues due to their poor physical condition. There is a growing need to address the medical issues presented by the increasing female inmate population, ranging from sexually transmitted diseases to the pregnant HIV positive or drug addicted inmate. These inmates may present serious and costly medical problems.

The State continues to reduce the services available at the State Mental Hospitals through the deinstitutionalization of the mentally ill. Local correctional agencies report an increase in mental health cases, many of whom have physical problems. Respondents indicated that this was, in part, due to the lack of mental health beds in the State. Five local correctional agencies in Maryland have developed their own mental health units to address this offender population. The County recognized the need to address this increasing offender population in a 1986 study of the mentally ill and mentally retarded offender. Consequently, the Department developed the Crisis Intervention Unit at the Detention Center.

The State is now reviewing whether to close Springfield Hospital Center, which is the regional mental health hospital for Montgomery County residents. The closing of the Springfield Hospital Center could impact on the Department by reducing the number of secure mental health beds available for offenders with mental illness. The survey suggests that a number of the mentally ill in the local jails are also homeless, and present multiple medical problems. The lack of alternative placement within the community for these offenders has forced local correctional units to handle this population. Respondents felt that this impacted on the demand for medical services.

MANAGING HEALTH COSTS

Cost monitoring or utilization review and providing on-site services within a Detention Center are two ways to address the growing costs associated with medical care. Just as home care is more economical than out-of-home care, the ability to provide services within the Detention Center reduces the need to send inmates off site to vendors or to have them housed at a hospital. Doing otherwise has widespread ramifications for other county agencies particularly the Health Department and Sheriff's Office. The DOCR has instituted a pilot program to manage medical costs by having a private firm review medical bills above \$5,000 to determine a fair price. This policy of having a third party conduct a utilization cost review is similar to the policy of many private insurance firms, and is similar to the practice Montgomery County utilizes for Workers' Compensation claims. In the first two cases that have been reviewed, the medical bills were reduced by \$1,300 and \$1,200 at a cost to the Department of less than \$500 for the review.

PROPOSED DOCR INNOVATIONS

The Department has been selected by the Office of Management and Budget (OMB) to handle medical bills for all public safety agencies in FY 95. Presently the County Police and Sheriff's Office process the medical bills, but have no system in place to review medical bills or to capture third party payments. The Department, in cooperation with OMB, will be contracting for a service to track the availability of third party payments, collect medical costs from those inmates that have insurance or can afford to pay, and assist in having medical bills reviewed for a fair and reasonable cost for the Department and other public safety agencies.

It is expected that the Governor will sign SB11, recently passed by the Maryland State Legislature, mandating the imposition of a fee of no more than \$4.00 for non-emergency medical services. Fees for medical services are intended to aid in limiting inmate use of medical services to times when treatment is warranted by lessening the number of unnecessary sick call requests. They are not proposed as a revenue generating measure. If the number of unwarranted sick call requests can be reduced, medical staff can focus their efforts on the inmates requiring medical care thereby creating efficiencies in the use of staff time.

CONCLUSION

Montgomery County is experiencing similar programmatic challenges and costs when compared to detention facilities in surrounding jurisdictions. All of the survey respondents contract for 100 percent of medical services. The DOCR contracts for 58 percent of medical services, exclusive of the majority of nursing services. This allows the Department to minimize the significant problems related to utilizing contract nursing staff experienced by facilities that contract for all of their nursing services. The Department has been proactive in managing medical costs by implementing cost monitoring and planning to pursue third party payments. The efficiencies inherent in contracting and in direct provision of on-site services are realized by use of a combination of these methods of service delivery. This approach allows the DOCR to contain costs and to provide services in a manner that addresses correctional programming concerns. It has been concluded that the service delivery model is cost-effective, flexible and program efficient. Therefore, further privatization is not recommended.



Montgomery County Government

MEMORANDUM

DATE: 24 May 1994

TO: Andrew Mansinne, Director
Office of Legislative Oversight

FROM: George Hardinger, ^{lyrd} Senior Planning Specialist
Department of Correction and Rehabilitation

RE: Report of the Feasibility of Privatizing Inmate Laundry Service
at the Montgomery County Detention Center (MCDC)

A copy of the report referenced above is attached. Based on the evaluation conducted by the Department of Correction and Rehabilitation (DOCR) it would not be cost beneficial to go to contractual laundry services. The additional cost for private contractor laundry services would be at least \$23,000 per year if provided by the Central Laundry Facility (CLF) which is the least expensive provider. The CLF is operated by the Maryland Division of Correction using inmate labor. In addition to the \$23,000 for institutional laundry, provisions would have to be made for inmate personal laundry because pilferage and the loss of personal clothing is a problem at the CLF. Consequently, the total cost for the least expensive contractual services is estimated at over \$30,000 per year of additional cost.

In addition to direct and indirect cost, there are other considerations that are difficult to quantify. For example, institutional work assignments help to alleviate the problem of inmate idleness while also providing the inmates with constructive work experiences. Another consideration is diminution of sentence credits. Inmates earn diminution of sentence credits while working in the laundry and this reduces the average length of stay of offenders that do not pose a threat to public safety. These benefits would be lost or diminished if the laundry service was provided by a private contractor.

While the attached is a final copy of the report the DOCR will continue to look for opportunities to be more efficient and cost effective. If additional information becomes available that would cause the department to reconsider its position on contractual laundry service the information will be forwarded to you as an update to this report.

Please give me a call at 217-7559 if you have any questions regarding this report.

attachment

cc: Devon Brown
Russ Hamill

Office of the Director, Department of Correction and Rehabilitation

The Judicial Center, 50 Courthouse Square, 4th Floor, Room 402
Rockville, Maryland 20850-2320, 301/217-7545, TTY 301/217-6505, FAX 301/217-7641

**REPORT ON THE FEASIBILITY OF CONTRACTING FOR
LAUNDRY SERVICES AT THE
MONTGOMERY COUNTY DETENTION CENTER**

INTRODUCTION

On July 13, 1993 the Montgomery County Council adopted Resolution Number 12-1202. The subject of the resolution is the FY94 Work Program of the Office of Legislative Oversight. The work program included Project #13: Review of the Processes to Implement the Council's Policy Directive on Contracting. The subject resolution is attached as Attachment No. 1.

The resolution reads: "On March 31, 1992, the Council adopted Resolution No. 12-596 on contracting with private providers to deliver government services. The resolution calls for thorough and continuing evaluation by each agency of contracting out government services, and includes criteria by which the agencies could judge whether an activity should be contracted or accomplished with in-house staff.

The objective of this study will be to review the criteria used and processes followed by the various County agencies and departments to identify potential activities and programs for contracting. The study will also include review of how decisions to contract out are made and implemented."

Working with the Office of Legislative Oversight, the Department of Correction and Rehabilitation (DOCR) established a Privatization Committee to evaluate the feasibility of contracting out various programs and services provided by the department. After reviewing all programs and services, the committee identified three areas to evaluate and prepare recommendations. The three areas that were evaluated are:

- Medical Services
- Food Services
- Laundry Services

This report examines the feasibility of contracting for laundry services at the Montgomery County Detention Center (MCDC).

BACKGROUND

The laundry service at MCDC is performed in-house using four inmate laborers who are supervised by a member of the security staff. There are two areas where the laundry operations are located. The main laundry is located on the basement level of the Highrise Housing Unit. Access to the area is primarily by elevator, but there is a secure staircase that

leads to the basement level. For the most part, this laundry operates twenty-four hours a day, seven a week, three hundred and sixty-five days a year. All male institutional laundry (i.e., inmate jump suits, bed linens, towels and wash cloths, blankets, and personal clothing) is done in the Highrise Laundry. Security staff are not assigned to the area but the area is constantly monitored in the main control center via closed circuit television system (CCTV). The secondary laundry operates eight hours a day, five days a week and it is located on the second level of the E-Wing Housing Unit where female offenders are housed. The secondary laundry does all the laundry for the female inmates and some personal clothing for males housed in E-Wing. Supervision is provided by the correctional officer assigned to the female housing area.

Each inmate generates an average of approximately 6 pounds of laundry per week. This estimated weight allows for the following:

- 2 beds sheets
- 1 pillow case
- 2 jump suits
- 1 towel and wash cloth
- 1 bag of personal items i.e., underwear, tee shirts and socks
- 1 blanket per month

Based on an average daily population (ADP) of 600 inmates and 6 pounds of laundry each, the detention center processes 3,600 pounds of laundry per week.

METHODOLOGY

The evaluation compared the cost of the present laundry service to the cost of having a private contractor provide the service on an on-premises or off-premises basis. The evaluation included other factors in addition to direct cost (i.e., the re-use of the laundry areas, benefits of institutional work assignments for inmates, impact on diminution of sentences, and impact on security operations.)

Telephone surveys were conducted to solicit information from local commercial laundries and professional laundry consultants to determine what the cost would be if the laundry service was provided by a private contractor. This information was compared to both the direct and indirect cost of the laundry services at MCDC.

CURRENT COST OF LAUNDRY SERVICES AT MCDC

A review of the current and past budgets for the department reveals that the basic cost for the laundry services at the detention center is approximately \$24,000 annually. This figure is based on the following:

- Soap, bleach and misc. supplies.....\$16,000
- Inmate wages
 (2 dollars a day each inmate x 4 laborers.....\$ 2,920
- Average annual cost for maintenance/replacement..\$ 5,000
- Total.....\$23,920 say \$24,000

The utilities consumed by the laundry are not metered separately, consequently these costs can not be accurately determined. It is estimated that the total cost of the utilities does not exceed \$1,000 per month/\$12,000 annually. Including the estimated cost of utilities, the total annual cost of laundry services is \$36,000.

ON-PREMISES LAUNDRY SERVICES

On-premises laundry service is defined as involving a vendor sending private employees into MCDC to use the existing equipment. The committee was unable to find any local commercial operation that would provide on-premises laundry services. However, several laundry consultants were contacted and the following information was obtained:

- The estimated cost per pound for standard laundry items is 40¢. This figure could vary by 10% producing a range of 36¢ to 44¢ per pound.
- The estimated labor rate for commercial laundries in this area is from \$15.00 to \$20.00 per hour. This includes employee wages, miscellaneous overhead, and profit.
- Based on the size and model of existing equipment, it is estimated that it would take 80 to 120 labor hours per week for the volume of laundry items.
- Assuming the minimum number of labor hours and minimum hourly rate established above, the estimated cost of on-premises laundry service is \$62,400.

COMPARISON BETWEEN CURRENT MCDC COST AND ON-PREMISES SERVICE

ON-PREMISES.....	\$62,400
MCDC.....	<u>\$36,000</u>
Additional cost	\$26,400 annually

OFF-PREMISES LAUNDRY SERVICES

Off-premises laundry services is defined as laundry being taken to a commercial laundry facility for processing. The committee established that there are several commercial laundries that have the capacity to provide off-premises laundry services for MCDC. The following is a list of three commercial laundry services that provided cost information.

- A. The Central Laundry Facility (CLF) is a state correctional facility located in Sykesville, Md. near the Springfield State Hospital. It is one of the largest commercial laundries on the

East Coast. Using inmate labor, this modernly equipped facility provides laundry services for state correctional facilities and public hospitals.

The CLF is restricted by State law to providing services to government agencies and non-profit organizations. It is possible for the CLF to provide laundry services to MCDC.

The CLF rate is 28¢ per pound but delivery/pick-up is not available.

600 inmates x 5 pounds ea.(1) = 3,000 lbs. x 28¢ = \$840 per week

\$840 per week x 52 weeks = \$43,680 (DOES NOT INCLUDE DELIVERY.)

COMPARISON BETWEEN CURRENT MCDC COST AND CLF

CLF.....	\$43,680
Delivery.....	<u>15,600(2)</u>
Total.....	\$59,280
MCDC.....	<u>\$36,000</u>
Additional cost	\$23,280

NOTE: (1) Pilferage and the loss of personal clothing is a problem at the CLF. As such, personal inmate clothing would need to be processed elsewhere. The average weight of laundry per inmate has been reduced by one pound.

(2) The estimated cost of delivery/pick up is based on service twice a week (\$300 x 52 weeks = \$15,600).

(3) Inmate labor would be needed to collect and distribute laundry within MCDC.

B. Eddie's Laundry, Littlestown, Pa. is a large commercial dry cleaning and laundry service. At one time, this firm had the account for dry cleaning the uniforms for the County Police.

Eddie's rate is 36¢ per pound to include delivery twice a week.

600 inmates x 6 pounds ea. = 3,600 lbs. x 36¢ = \$1,296 per week

\$1,296 x 52 weeks = \$67,392

COMPARISON BETWEEN CURRENT MCDC COST AND EDDIE'S

Eddie's.....	\$67,392	
MCDC.....	<u>\$36,000</u>	
Additional cost	\$31,392	Inmate labor would be needed to collect and distribute laundry within MCDC.

NOTE: MCDC's present inventory of laundry i.e., jump suits, bed linen, towels and blankets, is insufficient to allow for a two day turn around. Consequently, additional inventory of these items would have to be purchased and maintained.

- C. Bergmann's Laundry Dry Cleaners & Rug Cleaning Inc., 2137 Lee Highway, Arlington, Va., is a large commercial laundry service with several locations in the surrounding area.

Bergmann's rate is 40¢ per pound but the blankets would be done on a piece basis (i.e., \$1.20 each blanket). The average weight per inmate would be reduced to five (5) pounds per week.

600 ADP x 5 lbs. each = 3,000 lbs. per week x 40¢ = \$1,200 per week x 52 weeks = \$62,400.

1,200 blankets per year x \$1.20 = \$1,440

TOTAL \$63,840 may not include delivery

COMPARISON BETWEEN CURRENT MCDC COST AND BERGMANN'S

Bergmann's.....	\$63,840	(1)
MCDC.....	<u>\$36,000</u>	(2)
Additional cost	\$27,840	annually

NOTE: (1) May not include delivery.

(2) Inmate labor would be required to collect and distribute laundry items within MCDC.

- D. The following is a list of local laundries that were contacted but unable to handle the volume of laundry generated by MCDC. The survey also revealed that most commercial laundry accounts are with restaurants, health clubs and other vendors for cleaning uniforms, table linen, towels, etc. The laundry service for hospitals, colleges, military facilities and other large institutions are generally done on-premises using in-house staff.

1. D.S. Kim Enterprises, Inc.
6624 Virginia Manor Drive
Beltsville, Md.
2. J.M. Laundry & Dry Cleaning
5925 Martin Luther King Highway
Seat Pleasant, Md.
3. Markay's Drycleaning & Laundry Co.
712 Pritchard Lane
Largo, Md.

4. Lincoln Park Laundromat
416 Lincoln Street
Rockville, Md

MISCELLANEOUS CONSIDERATIONS

As part of the present evaluation the study considered the impact that contracting for laundry services would have on the number of institutional work assignments for inmates, the earning of diminution of sentence credits by inmates or the average length of stay, and staff supervision. Each of these variables are briefly reviewed below:

A. The impact on inmate wages and diminution of sentence credits.

The number of inmates assigned to the laundry varies from three to five daily. On the average, there are four inmates assigned to the laundry. Each inmate is paid \$2.00 a day and earns five (5) diminution of sentence credits per month. Using an average of four (4) inmate workers on a daily basis, a maximum of 240 diminution credits is subtracted from the sentences of those inmates working in the laundry. While this is a significant number of days for the particular individuals, it is an insignificant amount in terms of the average length of stay for the inmate population as a whole. The total number of bed days saved per year would be 240 assuming the maximum number of diminution of sentence credits are earned.

If the laundry service was privatized, an inmate labor pool would still be needed to load/unload the truck and to collect and distribute laundry items within the institution. Consequently, contracting with a commercial laundry service would have little impact on the wages paid to inmates or the total number of earned diminution of sentence credits.

B. Reuse of the laundry area.

The main laundry is located on the basement level of the Highrise Housing Unit. The primary means of access is by elevator and a secondary means is by the secure staircase. Because of the location and limited access, the area is not well suited for office space or general program activities. The area could be easily converted to general storage space in order to relocate the supplies and equipment that are presently being stored near the mechanical equipment.

While additional storage area is needed at MCDC there would be little cost benefit associated with converting the existing main laundry area to general storage.

The second laundry is located on the second level of the E-Wing Housing Unit. This laundry needs to be maintained to do kitchen laundry, inmate personal laundry, and as an emergency back-up. Therefore, this area could be converted to some other use.

C. Impact on security and staff work load.

Off-premises laundry service would have an impact on the work load of security staff because laundry carts would have to be searched. Laundry coming into the facility would also need to be screened for contraband. While additional security staff does not appear necessary the work load on the correctional officer responsible for supervising all deliveries through the kitchen vehicle sallyport would increase. While there would be some additional accounting and contract supervision required, the increase on the administrative support staff would not be significant.

There would be negative impact on the facility if the laundry was picked up and delivered through the kitchen loading dock. Because there is only one truck receiving/shipping dock it would be increasingly difficult to avoid conflicts in schedules for the many deliveries. Moving soiled linen through the kitchen would violate health code regulations.

CONCLUSION

The laundry service at the Montgomery County Detention Center is cost effective in comparison to commercial services. Based on an average daily population of 600, over 156,000 pounds of laundry are processed annually at a cost of \$36,000 or 23¢ per pound when the average rate for this area is 40¢ a pound.

To provide laundry service via the least expensive private contractor (based on the prices quoted for the Central Laundry Facility) it would cost an additional \$23,280 per year. Additionally, inmate personal laundry would still need to be done at MCDC or at some other commercial laundry because the CLF has trouble controlling for theft of personal clothing. Inmate labor would also be required to load and unload the trucks and to collect and distribute laundry items within the detention center. These additional expenses increase the estimated total cost difference to over \$25,000 per year.

There would be no cost benefit associated with privatizing the laundry services at MCDC at this time. While the laundry area in the basement of the Highrise Housing Unit could be converted to general storage space if the laundry operation was moved out, this would offer little cost benefit or operational improvements to MCDC. The laundry on the second level of E-Wing would have to remain to do the personal inmate laundry of the female population and to serve as an emergency back-up.

GRH: 2/10-16