

# Perspective

World Contracting News, Views & Comments

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## ARGENTINA-BUENOS AIRES

### Firms Must Help Clean Up Or Be Closed

The government is warning 44 private companies that operate in the Matanza-Riachuelo basin they must help fund and contribute to the clean up of pollution in the basin or they will be forced to shut down. The government identified the 44 companies as the worst pollution contributors out of the 3,500 companies located in the basin. The basin, which is the most polluted in the country, is home to seven million people.

## AUSTRALIA-WESTERN AUSTRALIA

### Green Stamp Criteria For Cleaning Tender

A recent City of Subiaco tender, for the Cleaning of City Buildings and Facilities, has become the first government-cleaning contract to specifically include Green Stamp amongst its criteria. Green Stamp is a program developed by the BSCAA (WA), in conjunction with the Department of Environment and Conservation, supported by the WA Waste Management Board. Environmental issues are often a concern for local governments in such contracts but are rarely so explicitly stated as they were in this Subiaco tender – having Green Stamp certification automatically awarded contractors a number of points towards the total score for their tender application. Inclusion of Green Stamp in City of Subiaco tenders was upon the advice of a consultant working for the City at the time and continued Green Stamp and BSCAA dealings with WALGA, REIWA, The Property Council and others, should see this become more and more common from now on. The comment from the City of Subiaco was that with this contract, as with all others, they were looking to select a professional cleaning company, who could carry out work to the highest standard, at the same time as being able to demonstrate their care of and commitment to the environment. Green Stamp was a practical way for companies to quickly and easi-

ly demonstrate their environmental commitment and so the City had little difficulty placing it within this tender. For more information regarding Green Stamp, go to <http://community.environment.wa.gov.au>.

## BRAZIL-SAO PAULO

### Brazil Predicted To Become Tech Center

The venture arm of Intel, maker of computer chips, will be investing a total of \$85 million in various start-up companies, most notably wireless technology companies. Brazil is one of four countries that are expected to become the fastest growing regional markets and tech centers in the world over the next couple of decades. The three other countries are Russia, India and China. In addition, IBM just opened its sixth High Performance Software and Services Lab (HiPOD). The lab is staffed by 40-50 software engineers who tackle problems that are unique and sophisticated. IBM expects the Sao Paulo HiPOD to address issues presented by the rapidly growing telecommunications, banking and financial industries in South America.

## BELGIUM-BRUSSELS

### Labor Force Survey 2005

In its "EU Labor Force Survey – Principal Results 2005", Eurostat published several statistics regarding the EU Labor Force. In 2005, 197.5 million people aged 15 years or more had a job or a business activity in the EU25. The total employment rate for people aged 15-64 was 63.8%, compared to 62.4% in 2000, and 63.3% in 2004. The following countries employed over 70%: Denmark (75.9%), the Netherlands (73.2%), Sweden (72.5%) and the United Kingdom (71.7%). These countries and Finland also represented the highest rates of female employment. The employment rate for

women in 2005 was 56.3%, compared to 53.6% in 2000, while the rate for older people, i.e. those aged 55-64, reached 42.5%, up from the 36.6% registered in 2000. There was a large variation between countries in percentage of temporary jobs but on average, in the EU25, 14.5% of employees aged 15 or more had a temporary job in 2005, up from 13.7% in 2004. In 17 of the 25 EU Member States, the share of women with temporary jobs was larger than that of men, with the largest differences being observed in Cyprus (19.5% for women compared to 9.0% for men), Finland (20.0% compared to 12.9%) and Belgium (11.4% compared to 6.8%). Two thirds of jobs in the EU25 in 2005 were in services, and in no country was it less than 50%. Services accounted for 56.3% of jobs for men and 81.9% for women. In Luxembourg (81.0%), the United Kingdom (76.5%), the Netherlands (76.1%) and Sweden (75.8%) more than three quarters of workers were engaged in the services sector.

## CANADA-ALBERTA

### Students Receive Welcome Packages

**K**imberly-Clark Professional donated waterless hand sanitizers and facial tissue to students at the University of Alberta, located in Edmonton, Alberta, Canada, as they returned to school for the "Week of Welcome." The donation coincides with the one-year anniversary of "Cleaning for a Healthy U," a university-wide initiative that focuses on improvements in surface cleaning and sanitation and other methods of preventing the spread of germs throughout the five campus, 35,500-plus student institution. Students received 2 oz. bottles of KIMCARE® instant hand sanitizer and boxes of KLEENEX® facial tissue along with information on the importance of hand hygiene and other ways to help prevent the spread of germs.

## FRANCE-PARIS

### Professional Equipment Sales Increase

**A**ccording to AFIMIN, the national association of cleaning equipment and accessories manufacturers and importers, the professional cleaning equipment sector in France has remained relatively stable during 2006, with a continuing trend towards mergers and improved productivity levels leading to reduced prices. Vacuum cleaners have experienced a 10 percent increase, particularly in wet and dry vacuums with a 20-liter or greater capacity. High and variable speed machines make up the largest portion of the 13 percent increase in polisher sales. Scrubber dryer sales, partic-

ularly those that are battery-powered and have a 50cm or greater cleaning width, have been steady. Walk-behind sweepers increased by 10 percent and ride-on electric machines increased by 50 percent. Manual tools have also experienced high sales but cleaning chemical sales have decreased by over 10 percent.

## GERMANY-BERLIN

### Minimum Wage Established For Cleaners

**T**he German Government passed a law imposing a minimum wage of 7.87 euros (10.09 dollars) per hour in western Germany and 6.26 euros per hour in the east for the cleaning industry. The law aims to stem the number of workers coming from central and Eastern Europe. 850,000 are employed in the country's building cleaning sector and the number of foreigners willing to work at a lesser wage has driven down the already low wages paid to domestic workers in the cleaning industry. The law must be approved and is not expected to come into effect until 2007.

## JAPAN-TOKYO

### Deflation Not Yet Dead

**W**hile the July economic report did not mention deflation for the first time in five years, the Cabinet office will not declare an end to deflation. Cabinet Office economists will judge the end of deflation based on four indexes—the CPI; the GDP deflator; the unit labor cost; and the GDP gap, a measure of demand-supply gap. Economic indicators point to a decline in the inflation rate and the core CPI has been down, ranging between .2 percent and minus .1 percent during the first seven months of 2006. Economists are also concerned that a slowdown in the US and global economy will have an adverse impact on Japan's economy.

## MALAYSIA-KUALA LUMPUR

### More Than 15 Minutes Will Get You Exposed

**M**alaysians and tourists are about to experience a hi-tech air-conditioned street toilet, which contains both an automatic cleaning seat toilet and squatting toilet. The automatic seat and squat cleaner will wash, scrub and dry each pan after every use and the

floor of the entire toilet will be automatically washed after every five users. 20 of the toilets measuring 2.25m by 6.2m wide and 2.6m high and weighing about 3.5 tons are being installed throughout the city. Users will pay with coins but will need to use the toilet within 15 minutes or the door will automatically open by itself. A recorded warning will be given at the 14<sup>th</sup> minute. Each unit will have an emergency button, which the user can press to alert a janitor for help. The toilets have baby-changing stations and will accommodate wheelchair users.

## NEW ZEALAND-AUCKLAND

### Airport Cleaners Caught Stealing

An initial investigation-using hidden cameras-into stealing from passenger luggage by baggage handlers at Auckland International Airport, has led to several cleaners being sacked. Four cleaners employed by Menzies Aviation, which handles baggage and cleaning for Cathay Pacific, Royal Brunei, Emirates and Garuda flights, were fired or resigned for stealing first-class travel kits containing lotions and moisturizers. The care kits left in first class include items from the exclusive Molton Brown toiletry range. Another 20 employees received a final warning for dining out on leftover business-class meals, a breach of company and quarantine regulations.

## NEW ZEALAND-WELLINGTON

### Security Industry Working To Improve Image

After it was discovered two security guards with a criminal record worked at Wellington police station, security firms have made an effort to get unlicensed guards licensed. According to New Zealand First law and order spokesman, Ron Mark, industry sources had told him there were thousands of unlicensed guards working in the industry however the Ministry of Justice is reporting that in September, there were 8685 licensed security personnel, up from 4714 in June. According to the Security Officers Association, it has notified its members that they could be liable if they hired unlicensed guards. It also said that the industry would welcome new rules, as the current legislation does not take into effect the major changes in the security business over the past 30 years. The Ministry has stated that legislation revising rules governing the security industry was likely to be prepared next year.

## SOUTH KOREA-SEOUL

### Country Needs To Relax Labor Restrictions

A researcher at the Korea Economic Research Institute, a private think tank, claims that Korea's economy needs to utilize its workforce in order to continue to grow. Strict labor protection laws have resulted in poor labor productivity. The Korean economy has experienced the weakest growth in over a year as the economy only expanded 0.8 percent in the second quarter. The total employment rate is low, 63.6 percent and the labor force has a high percentage of self-employed (35%), on par with low-income countries in Eastern Europe. More flexible labor markets, such as those in the United States, Canada and Australia display higher employment and productivity rates. According to OECD data, Korean workers' output per hour is only 25 percent that of American workers and 36 percent of the OECD average. The volume of services and products Korean workers produce each hour of their labor input is \$10.4, compared to \$40 by their peers in the United States. OECD member states record an average of \$27 per hour.

## TAIWAN-TAIPEI

### Confidence At A Two-Year Low

Investor confidence declined from 102.8 points in July to 88.6 points in August. Anything less than 100 points indicates pessimism. Investor fears regarding oil prices, a slowdown in the economy, interest rate hike pressures and cross-strait political turmoil have led to a decrease in staffing demand, with the service and transportation industries affected the most. According to a Manpower Services (Taiwan) Co. survey, only 28 percent of 1,330 employers participating expect to increase their payroll in the next quarter while 14 percent expect a decrease. As a result, the net employment outlook has declined to 14 percent from 23 percent in the third quarter and 16 percent in the same period in 2005.

## THE NETHERLANDS-AMSTERDAM

### Number Of Flex Workers Up

Statistics Netherlands reports that in 2005, over half a million or one in twelve employees in the Netherlands had flexible working arrangements, an increase by more than 40 thousand over 2004. The

average flex worker's age was 31 years and the rate of female flex workers was 49 percent. The average flex worker works 28 hours a week, 5 hours less than the average permanent-contract worker.

## UK-BIRMINGHAM

### MITIE Wins £90M Partnering Agreement

**M**ITIE Property Services has won a £90m, four-year partnering agreement with Birmingham City Council's housing department to improve the delivery of its repair and maintenance service to 27,000 properties in the south of the city. The agreement with England's largest social landlord includes the provision of a day-to-day repair and maintenance service, with 24-hour cover for emergency repairs, and the management of improvement schemes and inspection services. The work commenced on 1st April 2006 and is expected to involve more than 105,000 routine repairs per year and the reinstatement of an estimated 2,450 empty properties per year. Since the start of the contract, MITIE has completed approximately 18,500 repairs and has reinstated more than 700 empty properties.

## UK-LONDON

### UK National Cleaning Awards Launched

**T**he CSSA (Cleaning & Support Services Association) announced the launch of the UK's National Cleaning Awards. Celebrating improvements in the professionalism of cleaners and contractors in the 40 years since the CSSA was founded, the awards will take place at a luncheon ceremony at the Savoy Hotel, London on 14<sup>th</sup> June 2007.

Envisaged as the UK's premier awards for the cleaning industry, the National Cleaning Awards, which are sponsored by the CSSA, recognize best practice and outstanding achievement across a wide spectrum of categories reflecting the depth and diversity of success in UK cleaning. The awards also highlight how well the industry has tackled some of the rising issues facing the UK cleaning industry today from "Best Practice in the Integration of Migrant Workers" to "Best Sustainability Initiative" and "Best Cleaned Healthcare Location".

Commenting on the launch of the National Cleaning Awards, Andrew Large, CSSA Director General said, "In 2007 the CSSA will be celebrating 40 years of success in promoting professionalism and excellence in the UK cleaning industry. We wanted to mark this anniversary with an event that fully reflects

the huge strides that UK cleaning operatives and the contract cleaning organizations which employ them have achieved in this time."

Roger Goodman, CSSA Chairman and Group Corporate Development Director of MITIE Group PLC added, "The National Cleaning Awards are all about highlighting best practice, innovation and outstanding achievement. They are also designed to publicise how well UK cleaning organizations are tackling core issues such as the integration of migrant workers, health & safety and sustainability."

The National Cleaning Award categories will cover acclaimed industry innovation; recognize best practice within operational management and employee development; salute individual performance; as well as reward cleaning excellence in a number of key locations.

Entry to the awards is open to individuals and organizations throughout the UK and is not exclusive to CSSA members. The fee per entry is £25 to cover administration costs. Each award is open to sponsorship at a cost of £6,000. The CSSA is currently in discussions with a number of major companies from the cleaning, insurance and financial services sectors regarding award sponsorship.

Tickets for the awards luncheon can be reserved now. About half have already been pre-sold to CSSA members, so interested parties should make their bookings as soon as possible.

For further information on award entry, sponsorship or to book a table at the awards luncheon please contact: Andrew Large, Director General, CSSA, Warnford Court, 29 Throgmorton Street, London, EC2N 2AT. Tel: 020 7920 9632 E-mail: [alarge@cleaningassoc.org](mailto:alarge@cleaningassoc.org) Web: <http://www.cleaningindustry.org>.

## UK-LONDON

### Cracknell New Chair Of Asset Skills

**A**fter nearly two years and an ever-increasing workload Willie Haughey OBE, is stepping down as Chair of Asset Skills. He has steered the organization through its successful UK launch and seen it grow and build its reputation as a voice for employers across each of its four industries. Chris Cracknell, Chief Executive, OCS Group, will take over as Chair with immediate effect.

Asset Skills CEO Richard Beamish remarks "We are grateful to Willie for steering Asset Skills through an eventful and progres-

sive first two years. Fortunately for us his considerable knowledge and skills will not be lost as we will retain a close working relationship”.

Since its launch Asset Skills has strived tirelessly to promote the industry as a career of choice through the creation of career pathways, an improved qualifications structure, commencement of the Sector Skills Agreement and being the lead Sector Skills Council on Employability and Skills for Life.

Beamish adds “Chris Cracknell brings with him a wealth of experience and commitment and will ensure we continue to focus on helping employers with skills and recruitment, while avoiding the excessive bureaucracy that can stifle creativity and practical support”.

Cracknell concludes “It is with great pleasure that I take over the chairmanship from Willie who has set Asset Skills on the road to success, and we must all continue to drive the issue of skills forward to ensure the continued and future success of business within the UK”.

## US-FLORIDA

### Janitors To Learn Security Techniques

Officials at Miami International Airport aim to have all 35,000 workers trained in behavior pattern recognition techniques in order to potentially pick out terrorists. While several security and law enforcement workers use the techniques, which were adopted first at Boston’s Logan airport after 9/11, at security checkpoints, Miami hopes to expand the training to all workers such as janitors, skycaps and retail clerks. According to the Transportation Security Administration, (TSA) the program at Logan has resulted in 95 arrests for activities such as smuggling and fraud. It is unclear whether any of the arrests were connected to terrorism.

## US-NEBRASKA

### Home Services High Growth, High Demand Industry

According to the Association of Residential Cleaning Services International, the residential cleaning industry is one of the fastest growing sectors in the United States. The Maids Home Services, the only residential cleaning franchise to specialize in cleaning for health, was

rated as the fastest-growing residential cleaning franchise by Entrepreneur magazine in 2003, 2004 and 2005. The Maids has been successfully franchising since 1980 and with the continued increase of dual-income families, the aging population and single women with disposable incomes, the residential cleaning industry will continue to boom in coming years.

According to The Freedonia Group, U.S. residential cleaning service demand will grow 5.5 percent annually through 2009 based on the ongoing trend of consumers who do not do their own cleaning. Residential cleaning has emerged as a leading service business in the last 25 years, and in the past five (5) years, the residential cleaning franchise sector has grown by 47 percent in number of units to keep up with the demand. According to the U.S. Bureau of Labor and Statistics, maids and housekeepers are among the 30 occupations with the largest projected job growth in the next decade. The increase is projected at 165,000, for an 11.6 percent increase.

Several factors contribute to this growth. First, more women are working and have more responsibilities outside the home. Consequently, this gives dual-income homes higher incomes to afford hiring outside services for home cleaning. A study by The Conference Board estimated dual-income earners account for about 25 million households and more than half of the nearly \$3 trillion in household income. Forty percent of dual-income households earn in excess of \$75,000 and have at their disposal in excess of \$535 billion. This trend leads to households having money to spend, but no time to clean and as a result, using a residential cleaning service has gone from a luxury to a necessity, giving the industry a continued boost.

Besides dual-income families, there are secondary markets that are starting to use maid service on a regular basis. Single baby boomers have the disposable income to hire a service and age 65 is no longer the traditional retirement age. With more people working into their later years, they are hiring out services, which cater to their needs. As women age, they are looking to simplify their lives and seek lifestyle balance. According to the U.S. Census Bureau this group of women is increasing. The 55-74 age group of women will increase by 36 percent by 2014.

The benefits of owning a home services business are plentiful. Aside from being a high demand, high growth industry, a home services business has low overhead. This is due to needing only a small office space, minimal equipment costs and it being an all cash business with no receivables. In addition, most operations are open between 9 a.m. and 5 p.m., Monday through Friday, so nights, weekends and holidays are off. The business has repeatability, as customers become regular clients. For example, 22 percent of The Maids Home Services customers are weekly while 54 percent require every other week cleans. Eighty-five percent of customers provide

offices the keys to their homes so service can be easily delivered again and again. Although not glamorous, the home services industry is relatively easy, with indoor work in nice homes by a labor force that is plentiful.

According to a Spring 2006 Mediamark Research, Inc. survey, 16 percent of U.S. adults over the age of 18 have used a professional home services provider within the last 12 months. Specifically, 11 percent of the population or 23,749,000 U.S. adults have used a professional maid or housekeeping service, within the last 12 months. This profile in the U.S. is similar worldwide as the home services industry grows.

In accordance with these trends, The Maids Home Services continues to grow adding outstanding new franchise partners who want to share in this growth opportunity. Revenues for the franchise system year-to-date are up more than 16 percent over year 2005. There are more than 165 The Maids Home Services franchise partners in over 40 states and four provinces in Canada. The Maids Home Services relies on its outstanding franchise training program and experienced marketing department to offer the best in the business. Direct marketing efforts drive business without the nuisance of prospecting. A professional business coach is assigned to each franchise and is a critical link between The Maids Home Services and the franchise partners, with their primary focus on building owners' wealth.

The home services business is a multi-billion dollar industry, with continued growth coming from virtually all sectors of the economy, which puts The Maids Home Services franchisors on a fast track to success.

## CORPORATE MEMBER NEWS

### Ecolab Expands UK Textile Care Business

**E**colab Inc. announced it has purchased Powles Hunt & Sons International Ltd's UK commercial laundry business from Quill International Group. Powles Hunt is a leading supplier of professional laundry products in the United Kingdom with annual sales of approximately \$5 million. No further details regarding the transaction were announced.

### Construction Begins At New Distribution Center

**J**ohnsonDiversey Inc. is building a 550,000-square-foot, \$22 million distribution center on a 38-acre parcel of land in Renaissance Business Park in Sturtevant, Wisconsin. The distribution center is slated to open in



September 2007. The distribution center will be a high performance building. JohnsonDiversey, in partnership with developer Liberty Property Trust, intends on earning LEED certification (Leadership in Energy and Environmental Design) from the U.S. Green Building Council, a nonprofit independent organization based in Washington, D.C., that promotes the construction and operation of environmentally sound buildings. It could become the largest warehouse to be certified by the USGBC. Also, the State of Wisconsin Focus on Energy program and WE Energies are providing incentives for an energy efficient design. Once the building is operational, the aim is to reduce water use by 30 percent and energy use by more than 40 percent beyond State of Wisconsin building code requirements. Building materials used in construction will have more than 20 percent recycled content. Construction of the distribution center will create significant efficiencies by consolidating four other warehouse locations in Racine and reducing transportation time and costs. It will have 55 loading docks and 118 staging areas for loading tractor-trailers.

## UPCOMING EVENTS

16th Congress of the World Federation of Building Service Contractors

**Seoul, Korea**

**October 16-19, 2006**

Visit the WFBC website at [www.wfbc.org](http://www.wfbc.org) and the website at [www.wfbc2006.org](http://www.wfbc2006.org) for more information.

BSCAI Annual Convention and Trade Show

**Chicago, IL**

**April 13-17, 2007**

Visit the BSCAI website at [www.bscai.org](http://www.bscai.org) for more information or call 703-359-7090.



ALL BUILDING SERVICE CONTRACTING COMPANIES THAT ARE MEMBERS OF ONE OF THE ASSOCIATIONS THAT IS A WFBS MEMBER, ARE AUTOMATICALLY A MEMBER OF THE WFBS.

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