



April 14, 2022

## A recap of our previous communication with Walmart:

In early March of 2022 a number of contractors contacted us to report that Walmart had reduced sweeps/week significantly. This included at least some instances of moving from sweeping 7 nights/week to 3 nights/week. The ensuing outcry from sweeping contractors was tremendous, with contacts being made to both WorldSweeper and the World Sweeping Association.

In support of its membership, WSA contacted Walmart with the intent of providing its members with as much information as possible. Because of the wide-ranging impact Walmart's actions can have on the parking lot segment of the sweeping industry, we also provided WorldSweeper's newsletter readers with a subset of the WSA report. In addition, on March 22nd a list of questions posed by contractors was submitted to Walmart for review and, hopefully, to get answers. An update on that topic was promised for WorldSweeper's April newsletter edition.

On April 1<sup>st</sup>, Walmart was also the topic of WorldSweeper's annual industry <u>April Fool's joke</u>. The next day, Courtney Paynter, Walmart's Director, Exterior Services, sent <u>a response email</u> to its 'vendor partners.'

On April 6<sup>th</sup> we received the following response from Walmart via email:

Ranger:

Thanks for reaching out. Regarding your 3/22 inquiry, the questions submitted deal directly with contractual agreements between Walmart and its vendors. Accordingly, those issues would be more appropriately addressed with vendors on a case-by-case basis and are not the type of matters we would discuss with members of the media.

Be well, Charles

Charles Crowson Director – Walmart Press Office Corporate Communications <u>charles.crowson@walmart.com</u> Our World Sweeping Companies (WorldSweeper.com and World Sweeping Association) email response to Mr. Crowson, which included a Cc: to Courtney Paynter, Walmart's Exterior Maintenance Director, was the following:

## Mr. Crowson,

Thank you for your response as Director – Walmart Press Office, Corporate Communications, to our questions of March 22nd about Walmart's policies with regard to its parking lot sweeping and related programs. In your April 6th response you said "the questions submitted deal directly with contractual agreements between Walmart and its vendors. Accordingly, those issues would be more appropriately addressed with vendors on a case-by-case basis and are not the type of matters we would discuss with members of the media."

I must disagree: As is detailed below, a number of the questions we posed to Walmart Corporate last month are not 'case-by-case' type of items. Rather, they are questions that are policy-oriented inquiries that deserve answers be made available to the contractors providing Walmart with professional power sweeping services.

One of our World Sweeping Company organizations, the World Sweeping Association (WSA), is also not a media organization; rather, WSA is a professional association of power sweeping contractors who are located throughout the U.S.

However, this discussion is one that sweeping contractors around the U.S. need to be part of, and the only way that can be accomplished is via a media organization. Since I have worked with contractors for over 30 years, helping them in their relationships with many organizations including Walmart — and since <u>WorldSweeper.com</u> is the internet's largest resource for power sweeping — it's as likely a 'media outlet' as any to further the discussion.

I am writing the following to the Walmart exterior management team as an 'Open Letter' to Walmart Corporate in an attempt to continue our effort to obtain answers to the questions posed. My current intent is to publish this Open Letter to Walmart in the upcoming, April issue, of the WorldSweeper newsletter. We would welcome, and I will commit to include, any response you or anyone else in the Walmart system might want to provide to accompany the information as long as it is received prior to April 22nd.

Cheers, Ranger Kidwell-Ross



Ranger Kidwell-Ross, M.A. Editor, <u>WorldSweeper.com</u> Executive Director, World Sweeping Association

2778 Barrel Springs Road, Bow, WA 98232 • editor@worldsweeper.com • 360.724.7355 EARTH'S LARGEST POWER SWEEPING RESOURCE <sup>SN</sup> Included along with above the email was the following, which went through each of the questions we had posed to Walmart, along with our analysis of whether or not each qualified as something where the information should be provided on a 'case-by-base basis' or not:

## Here are the questions previously posed, along with our analysis and suggestions concerning each of them:

1. When Walmart moves from daily sweeping to a lesser frequency there is much more likelihood of slip-and-fall events and accompanying lawsuits. Is Walmart willing to reduce the liability position of sweeping contractors for less frequent sweeps?

The increased likelihood of slip-and-fall events occurring is highly correlated with sweeping frequency. Sweeping contractor liability makes more sense for 7x/week sweeping; less so when sweeping is not being done on a daily basis. The question of Walmart's position on reducing sweeping contractor liability does not seem to be one of a "case-by-case basis." Rather, it would be better defined as overall corporate policy.

2. Given the fast-rising cost of fuel, is Walmart okay with having a fuel surcharge added as an additional contract expense, based upon change in fuel cost since the last contract was signed?

According to the U.S. Energy Information Administration's <u>website</u>, from September of 2021 to February of this year, the average cost of diesel fuel increased from \$3.384 to \$4.032 per gallon, or nearly 20%. More current <u>data</u> lists a current average price of \$5.073, which represents an increase of 61.35% from a year ago.

Since the increase in fuel costs are well-documented as occurring throughout the U.S., why would Walmart choose to NOT have a stated policy as to allowing a fuel surcharge that is in line with actual costs being incurred, rather than requiring each individual contractor to request one?

3. I have been told that CityFM, which self-performs @300 Walmart locations in Florida and manages @1,000 others around the east coast area, reportedly put their entire portfolio of WalMart locations out to bid again recently. If so, can you verify and provide a timeframe in which that either happened or is scheduled to occur?

This is either a fact or it is not. There is nothing in the question that would or might occur on a case-by-case basis.

4. Is CBRE being phased out of the locations where it currently represents Walmart as a third party vendor, in favor of Walmart Insource management or other? If so:

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• When will that be occurring?

• Do you anticipate on-boarding current contractors or sending out another RFP?

WSA has now been provided with a <u>notice</u> sent to one of its members that definitively states that "Walmart will be taking in-house the facility management services that CBRE presently provides for Walmart stores in the US." This, too, is not an action that is subject to a "case-by-case basis." Rather, it is occurring to all; why, then, does Walmart choose the counterproductive path of keeping the transition a secret?

5. Do you anticipate that new RFPs will be (are being) sent out to all, or a segment of, Walmart contractors that do parking area sweeping?

This seems like generic information that doesn't really fit a case-by-case scenario.

6. Do you expect to be sending out work orders for power washing in April?

This also seems like generic information that doesn't really fit a case-by-case scenario.

7. Sweeping contractors have been asked to provide photos of the Walmart properties they service to show that it was all swept. Given the nature of the work this is not a feasible request. Plus, any photos would have to be taken at night typically with a cell phone. Isn't it reasonable to have contractors log in/out via your portal and/or GPS to show they were there and for how long? If there is a service complaint from management it could be handled on an individual basis.

This appears to be the first of our questions that might potentially merit a caseby-case response. However, common sense would seem to dictate that the blanket answer to requiring photos for a nighttime service that encompasses the entire exterior of the property would be "They are typically not needed." However, on a case-by-case basis, where service has been found to be sub-par, requiring some sort of photos might possibly be of help.

Still, what would the criteria be for such? Find somewhere there's some litter, take a photo, sweep up the litter, take another photo? Especially since Walmart has so many cameras operating on its properties, why not just rely on those to provide answers to how thoroughly the property is being swept? An unsatisfied store manager could even 'seed' debris in view of a camera on a night when sweeping will be occurring and then see if it gets picked up. That would seem like a more sensible approach than requiring photos to be taken on a routine basis.

8. A contractor indicated he had been told that Walmart expects to return to its current/previous schedule on May 1st. Is that correct to expect?

2778 Barrel Springs Road, Bow, WA 98232 • editor@worldsweeper.com • 360.724.7355 **EARTH'S LARGEST POWER SWEEPING RESOURCE** <sup>SM</sup> Perhaps this return to the previous schedule is one that *will* be decided on a case-by-case basis. Makes sense that might be the situation once store managers see how much debris piles up between sweeping nights in the meantime.

9. Walmart requires reclamation for power washing; yet, he said that many contractors doing power washing for Walmart in his area do not reclaim their dirty wastewater. If the Walmart power washing contract requires reclamation of power washing water, as I've been assured it does by several contractors who have lost bids and then reported the winner doesn't reclaim, the question is: if Walmart was provided documentation about a contractor so doing, what subsequent action would be taken?

This question definitely should NOT be determined on a case-by-case basis. Walmart needs a hard and fast policy when provided with proof that wastewater reclamation is not being done by its power washing contractor if, in fact, doing so is a matter of the RFP in the bid as well as a requirement in the contract. Although I do not have a current copy of direct contract wording from Walmart, <u>here is</u> the contract language from Walmart's CityFM affiliate, in which the requirement for wastewater reuse/recycling is clearly stated.

I have heard this complaint from contractors for many years: They bid Walmart's power washing contract given the requirement for wastewater reuse/recyling, which necessitates a much higher bid structure. Then, they see that the winning bid contractor is out in the middle of the night doing its power washing without doing reclamation.

If reclamation is in the contract language and then it does not occur, Walmart needs to have a hard and fast policy of what its response will be. And, that response should be to terminate that contractor for failure to abide by the contract. To decide on a case-by-case basis would appear to be nothing short of discrimination.

10. Another report I received involves at least one Walmart location that is being hand-picked by the hired sweeping company. I.e., the sweeping contractor does not use a machine of any type in sweeping. This, I'm told, also goes against Walmart's standard contract. The question is: Does Walmart's sweeping contract require that a machine sweeper be used and, if so, when a contractor is shown to be just hand-picking would they be replaced?

Again, we do not have a current Walmart contract with the language referenced above. However, according to <u>this</u> CityFM contract language, a mechanical sweeper is clearly required. As with the previous question, Walmart needs to have a hard and fast policy of what its response will be when the contractor it hired is not machine sweeping. And, also like the previous question, the response should be termination.

2778 Barrel Springs Road, Bow, WA 98232 • editor@worldsweeper.com • 360.724.7355 EARTH'S LARGEST POWER SWEEPING RESOURCE SM In the event Walmart allows such activity to go on and there is, for example, a slip-and-fall claim, it seems likely Walmart would have to endure the entire damages accruing to the claim. Also, it is unlikely such a 'sweeping company' would have any significant assets to contribute in any event. Plus, would their (required by Walmart) insurance even cover if they were knowingly operating in open violation of their contract with Walmart?

11. The last question involves a contractor who has not been paid by one of your third party vendor companies. As of this writing — despite numerous attempts to get the past due monies owed them — the vendor company is approximately \$6,000 in arrears on a total of \$12,000+ of invoices presented to them in a timely manner, yet expects the contractor to keep working for them. In addition, the contractor reported to me that the third party vendor told them the holdup in payment was that the vendor company had had difficulties being paid by Walmart.

## The questions are:

• In a situation like this will Walmart step in to make sure the money owed is paid to the contractor?

• If the third party contractor defaults on bona fide invoices derived from working for Walmart, will Walmart guarantee payment?

This is another situation where it appears that Walmart should be able to provide a definitive answer, not something to be decided on a case-by-case basis. Since we included a question regarding the contractor's situation where they were not getting paid, I contacted the third party vendor about their non-payment. Your third party vendor was aware that their company's actions might well be publicized if they could not show an error by the contractor but continued to not pay the invoice. Within 24 hours the outstanding amount of the invoice was paid.

I have done so on numerous occasions through my more than three decades of working with power sweeping contractors, many of whom in recent times have been taken advantage of by third party vendor firms. However, when the actual sweeping services are being provided to Walmart – and when they have been done professionally, reporting and invoicing procedures have followed, etc. – it would seem that Walmart should state publicly its willingness to 'go to bat' to get the contractor the money owed to it, within the timeframe specified in its contract.

The only portion of such a situation that should seem subject to a case-by-case decision would be confirmation that service was provided and that invoicing, reporting and any other requirements were followed correctly. This would seem especially true when the third party vendor's excuse for not paying is that they were having trouble getting paid by Walmart, something the contractor would have no way of finding out. In such an instance the reputation of both your chosen third party vendor and Walmart become tarnished.

2778 Barrel Springs Road, Bow, WA 98232 • editor@worldsweeper.com • 360.724.7355 **EARTH'S LARGEST POWER SWEEPING RESOURCE** <sup>SM</sup> In 2019 WSA conducted an <u>interview</u> with Dale Brantley, at the time Walmart's Senior Manager of Exterior Services. The information provided was received very positively by the many contractors that provide sweeping services to Walmart, as well as by those who weren't currently doing so. I would like to invite Ms. Paynter, the person currently in that position with Walmart, to provide a similar interview in order to foster a more complete understanding of the policies Walmart has currently in regard to sweeping services.

To arrange for such an interview, or to discuss alternatives, please call 360.739.7323, 9-5 Pacific Time. Alternatively, you may reach WSA via email sent to <u>director@worldsweepingpros.org</u>.

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