



Walmart: Special Report



March 22, 2022

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In what may be an effort to bolster its profits in a time of inflation and supply chain issues, WalMart has reportedly been in the process of making a number of exterior maintenance changes. The biggest, which will continue to affect sweeping contractors if it is maintained, was a move from nightly cleanup to a reduced number of sweeps per week. However, for at least some of the stores with sweeping rates previously changed to 3x/week, it has been reported that the frequency was boosted back to five nights on Saturday, March 12th.

In recent times, we've been told, the company's exterior maintenance services — the primary ones being power washing, landscaping, snow abatement and parking lot sweeping — have been split into three geographical segments. Third party vendor, CBRE, has been handling obtaining contractors for the west coast (although is rumored to soon be losing those in favor of Walmart's 'Insource network' program); CityFM self-performs on 300 Walmarts in Florida and manages another @1,000 throughout the east coast; and, WalMart self-manages the Midwest and Central part of the U.S. through its Insource network.

Another third party vendor, Divisions, Inc., has been providing third party services for a number of Walmart locations on the east coast for CityFM, which has the master agreement.

During the latest request for proposals (RFPs) Divisions bid on, and was awarded, a number of CityFM's WalMart store locations. Divisions' personnel then signed up contractors to handle the work. We have been told that CityFM reportedly put their entire portfolio of WalMart locations out to bid again recently. The company's new RFP covers much of the east coast.

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The implication is that Divisions will have to bid once again along with other providers in the affected area. We could not independently confirm this information.

In at least some parts of the U.S. contractors were asked in the latest RFP, under which they were previously sweeping nightly, to provide 'matrix pricing' showing the different price per sweep they would charge for a differing number of sweeps per week. I.e., the price per sweep for 7x/week would be \$X but if reduced to 3x/week the rate would be \$Y. It's not clear if this was done in all the RFPs. In any event, contractor sources that had received the matrix pricing request say their higher pricing quotes for reduced sweeping days were being honored.

However, at least one contractor we spoke to who had done matrix pricing noted that their new agreement, although reducing the days per week of sweeps, kept the price per sweep the same as when service was being provided nightly. Once they called to point out their higher 'matrix price' was not being shown, though, WalMart personnel honored the higher price per sweep they had provided in their matrix bid.

At least a few contractors didn't bother to change their pricing for fewer sweeps per week, apparently thinking sweeping would be kept to nightly so it wouldn't matter. They are, we hear, being told they are stuck with the pricing bids they provided.

This change will probably not pose a problem for some WalMart locations. That said, there are some locations that see enormous trash removal, where sweeping is truly needed on a daily basis. Widespread thought is those will quickly become very dirty on the off days and that nightly sweeping will have to be reinstated due to manager complaints.

How long these changes will last is anyone's guess. At least some hints were dropped to affected contractors I spoke with that nightly sweeping may well resume in May, though, and there has been speculation provided to us that perhaps that will coincide with the end of CBRE's involvement.

Our advice: *If you find you are losing money due to being stuck at a too-low price per sweep, given this or any new arrangement, don't count on things changing in the near future. Monitor your costs in light of whatever change has been made in the amount of time you need to be on the lot to do a professional job, etc.*

If those factors mean it is no longer profitable for you to continue we recommend you first notify WalMart or any other customer and request an increase, showing documentation you have developed. If you don't receive the increase you need to remain profitable, back away from continuing to provide service.

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On another front, check your contract to see what your liability is for slip-and-falls. Wording that might have been acceptable for nightly cleanup may increase your liability too much when several days go by between sweeps. If you have questions on that topic contact your insurance provider for advice.

As the largest private employer in the world, with an estimated 2,300,000 employees worldwide, WalMart will do what WalMart will do. However, even though the volume of business is great to have, if the account isn't profitable you can't afford to stick with them hoping to make it up on volume. You must have a decent, normal, profit in order to stay in business, keep your equipment maintained, hire and keep quality employees, etc.

Because of the firm's moves in the past, including largely not allowing a fuel surcharge to be added even in the face of fast-paced fuel cost increases, this may be the time to consider doing what many top echelon contractors have done, which is to no longer sweep WalMart stores. At the very least let this be a lesson not to be overly reliant on work provided via WalMart sweeping.

In an attempt to get more information directly from the source, I reached out to Courtney Paynter, Walmart's Director of Facility Services on March 11th. Our conversation included the following:

Ms. Paynter said she was not in a position to make broad sweeping statements, since the company was, at the moment, being "...quite surgical about the changes we are making. We're treating each store and vendor combination uniquely to be sure that our changes are unique to them.

"At the point we're able to make broad sweeping statements we would be happy to connect to do that (discuss them with me), but right now our focus needs to be on ensuring that our vendors are fully supported and our stores are fully supported."

When I asserted that I had heard that many Walmart locations had gone from seven-day sweeping to three-day, and then last Saturday back to five-day service, her response was "That statement would be untrue. Let us go ahead and run our business; we're communicating out to our stores and our vendor

partners directly in the cases that are unique to them and then we'll be able to make statements after that fact, anything that might need to go out to a publication."

Further, Ms. Paynter said that the feedback they've received is they are doing a "really great job" at communicating with their vendor population so she didn't think Walmart necessarily needs to do a broad sweeping message through a third party (WorldSweeper/WSA) since it would be so generic that it would lose value.

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Although she further said her preference would be to work with Walmart's vendors uniquely about the stores that they support just to be sure they were getting really clear messages. Once they get all their stores and vendors settled, though, she said she'd be glad to look at what kind of partnering with WorldSweeper to distribute information would make sense. She also asked to be put onto the reception list for the newsletter. The info to do so was then provided to her.

Ms. Paynter also suggested that if I had a list of questions I could email to her that would be a fast way for her to provide answers. I sent a series of questions within the hour. However, we received a response via email on March 22nd, which was a request to send our questions via Walmart's media portal. This was done on the same day. You may see that communication here:

<https://www.worldsweeper.com/pdf/QuestionsToWalmart3.22.22.pdf>

If you have comments on the above, new information to offer, or questions you would like to have asked of Walmart corporate, please send them to editor@worldsweeper.com.



An Additional Conversation Concerning Walmart With CityFM

Week of March 14, 2022

I also spoke on the phone with Matt Hulsey (matt.hulsey@cfm-us.com), manager at CityFM. He said none of the CityFM-managed stores have moved from seven-day sweeps to three-day or other. He said he was unaware of that happening elsewhere and that I'd need to contact Walmart corporate for more information in that regard.

Update March 23rd: *A contractor who sweeps Walmart locations for CityFM contacted the WorldSweeper office to report that yesterday their company received an email from CityFM instructing them to go to CityFM's bidding site and re-do their pricing because Walmart had reduced the times per week they would hire sweeping.*

When I brought up my concerns about slip-and-fall contract clauses, especially when the frequency might change from nightly, his response was that "If you do the work and take photos to validate the work is done you're in a good place. At CityFM we also have access to all the exterior cameras for the stores we service and so can help validate that for you."

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My response was that his rhetoric sounded good but what we were talking about is having a relatively low income operator out in the middle of the night trying to take photos with a cell phone and that it was not practical to take photos of the entire lot having been swept each night. Mr. Hulsey then recommended using a wide-angle lens as a good way to capture that it was all swept clean of debris.

I pushed back that it was simply not feasible to put a wide-angle camera in every sweeper and, that if that were done, the increased cost of operation would have to be passed along to Walmart. “The company buys a sweeper and they can choose to put safety or camera equipment in it that records movements of their people,” said Hulsey. “I have probably 20 contractors that, when I request it, they send us a post video or a photo within hours. I’m sure there’s a cost to it.”

When I agreed that technology like that probably did exist but the added expense would have to be paid by Walmart, Mr. Hulsey said the cost of any such system would just have to be included in the contract. His response included that CityFM “handles 300 stores in Florida, self-delivery, and we understand that. But we also document our photos and the store knows it was clean when we left. We check out with the store when we leave; we make sure they are happy with the service we provided; and, we have no issues with slip-and-falls anywhere in Florida, and Florida is tough.”

I suggested that Florida was a microcosm in any event and would likely not have the same scale of issues in many parts of the country where severe weather was a factor.

I reiterated that in my experience and knowledge of the parking lot sweeping industry that I didn’t believe it was realistic to have night-vision, wide-angle lens cameras take photos of all aspects of the property when there was no telling where somebody might have a slip-and-fall claim.

Hulsey said that he didn’t know how prevalent slip-and-fall claims were but that he managed @1300 stores and could not recall any in the last three years in CityFM’s footprint. As a result, he saw that as a “mountain out of a molehill.” The key, he reiterated, was to be able to provide documentation that you’d done a good job, logging in and out of the system to show that you were there. And, that cameras were recording everything happening on the outside of the store. In any event, they were under whatever requirements Walmart makes.

He suggested that [Verizon](#) can supply a phone-enabled, separate camera(s) that goes into a vehicle that he thought worked well to handle this topic. It has GPS and could either be forward-facing, rear-facing or both.

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“I appreciate everything everybody does. I know it’s hard out there. I have nothing but admiration for the people that keep the stores clean. I know that’s the first thing the customer sees and the last thing they see — the first impression they have and the last impression they have of Walmart is the exterior of the building.”

If you have comments on the above, new information to offer, or questions you would like to have asked of CBRE or Walmart corporate, please send them to editor@worldsweeper.com.

Note: None of the information in this message was provided by an attorney and so should not be considered in any way to be legal advice. If you have questions of a legal nature we suggest that you contact a qualified business attorney.

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