

Agenda Report

TO: CITY COUNCIL **DATE:** April 7, 2003

FROM: CITY MANAGER

SUBJECT: CONTRACT AWARD TO US METRO GROUP, INC. FOR CITYWIDE HOUSEKEEPING SERVICES

RECOMMENDATION

It is recommended that the City Council:

1. Accept the bid dated February 18, 2003 submitted by US Metro Group Inc., in response to the specifications for Citywide Housekeeping Services;
2. Reject all other bids received;
3. Authorize the City Manager to enter into a contract for Citywide Housekeeping Services in an amount not to exceed \$1,003,555.00 per year;

The contract will be for a two-year period, with an option for three one-year additional terms, renewable at the discretion of the City Manager, for a maximum total contract length of five years.

BACKGROUND

In January 1998, the City entered into Contract number 16,544 with Natural Building Maintenance (NBM) Corporation to clean thirty-two facilities and five parking lots for an annual contract amount not to exceed \$787,000. The term of the contract was for three years with three optional one-year extensions. The base term expired on January 15, 2001.

On January 8, 2001, Council approved a six-month contract extension pending negotiations between NBM and its employee labor union. Additionally, staff directed NBM to increase employee wages to apply the Living Wage Ordinance. On June 25, 2001, Council approved a month-to-month contract while NBM continued labor negotiations.

In November 2001, the City was notified by NBM that it had reached an impasse in its negotiations, and NBM was placed on a month-to-month purchase order pending the outcome of a bid process. On September 5, 2002, a notice inviting bids was advertised in the Pasadena Journal and posted on the City's web page. The bid included revised specifications reflecting current facilities and their respective areas and called for housekeeping services at thirty-seven buildings and three parking lots totaling over 660,000 square feet. On September 28, 2002, four bids were received and opened by the City Clerk's office. One of these was withdrawn leaving the City with only three valid bids. With a potential annual contract amount exceeding \$1,000,000, staff felt that more than three bids were needed and recommended reissuing the specification using an expanded vendor base. This was approved by Council on October 28, 2002.

On January 31, 2003, the bid specification was re-released and published in the Pasadena Journal and posted on the City's web page. On February 13, 2003, 15 vendors were in attendance at a mandatory Bid Conference and site inspection. On February 19, 2003, eight responsive bids were received by the City Clerk's office. The bid results are as follows:

<u>Bidder</u>	<u>Bid Total</u>
1. US Metro Group, Inc., Los Angeles	\$ 912,324
2. Come Land Maintenance, Los Angeles	\$ 915,793
3. Bell Building Maintenance, Mission Hills	\$ 972,075
4. Natural Building Maintenance (NBM), Los Angeles	\$ 996,584
5. Diamond Contract Services, Pasadena	\$1,021,888
6. Grace Building Maintenance, Los Angeles	\$1,027,004
7. ABM Janitorial Services, Los Angeles	\$1,089,859
8. PJK Maintenance, Inc., Van Nuys	\$1,227,891

The responsive bids have been evaluated, and US Metro Group, Inc. was identified as the lowest responsive and responsible bidder. In addition, the references submitted by US Metro Group and evaluated by staff, exemplify their experience and success with other contracts. Further, as stated in their bid, US Metro Group, Inc. will implement the Displaced Janitor Opportunity Act, signed into law by Governor Davis in October, 2001. This law requires janitorial contractors and subcontractors that secure a new building service contract, to continue employing the janitors of the former contractor or subcontractor for at least 60 days, unless the successor contractor has reasonable cause not to hire a particular employee based on performance or conduct while working under the terminated contract. It is the intention of US Metro Group, Inc. to retain the existing janitors beyond the required 60 day assuming they meet performance and conduct standards. The current janitorial staff is very familiar with the maintenance needs of Pasadena City buildings and their continued employment will provide continuity during the transition period to the new contractor. Staff recommends that US Metro Group, Inc. be awarded the housekeeping contract for Citywide Housekeeping Services.

The contract will be administered by the Building Systems and Fleet Management Division of the Department of Public Works for an annual amount not to exceed \$1,003,555. This includes a base amount of \$912,323.39 and contingencies for emergency and/or special cleaning, change orders to cover cost of living increases, and any increases that may occur in the square footage maintained during the contract period.

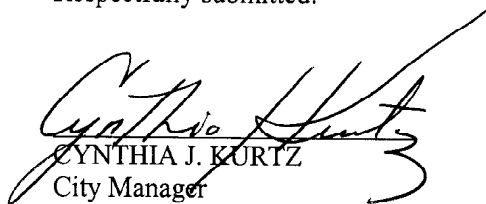
Per the Pasadena Living Wage Ordinance, US Metro Group, Inc. will pay its employees no less than the City's Living Wage of \$8.20 per hour plus medical benefits of no less than \$1.41 per hour or \$9.61 per hour without medical benefits.

The new contract is scheduled to be signed and in place with the new contractor beginning services by Monday, May 5, 2003.

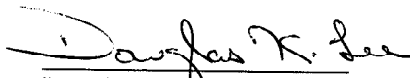
FISCAL IMPACT:

Total annual expenses will not exceed \$1,003,555. Funds are available in the Department of Public Works FY 2003 operating budget, Housekeeping Program account (#8114-502-766400). Funds will be requested during the normal budget process for subsequent contract years.

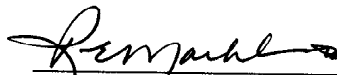
Respectfully submitted:


CYNTHIA J. KURTZ
City Manager

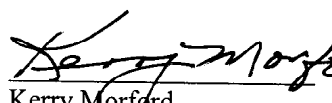
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