

# Agenda Report

**TO:** CITY COUNCIL                               **DATE:** JUNE 25, 2001

**FROM:** CITY MANAGER

**SUBJECT:** EXTENSION OF CONTRACT WITH NATURAL BUILDING  
 MAINTENANCE (NBM) CORPORATION FOR CITYWIDE  
 HOUSEKEEPING SERVICES

**RECOMMENDATION:**

It is recommended that the City Council authorize the City Manager to extend contract number 16,544 with Natural Building Maintenance (NBM) Corporation on a month-to-month basis with inclusion of the Living Wage Ordinance, pending negotiations between the Contractor and their employee labor union.

**BACKGROUND:**

In January 1998 the City entered into Contract number 16,544 with NBM Corporation. The contract was for an annual 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 December 27, 2000, NBM Corporation's janitorial employees participated in a closed ballot election to determine their status in a collective bargaining unit. Election results favored employees joining the Laborers' International Union of North America-AFLCIO, and the election was certified by the National Labor Relations Board. On January 8, 2001, Council approved a six-month extension pending negotiations between NBM and the labor union, and staff directed NBM to increase employee wages to apply the Living Wage Ordinance.

NBM's labor negotiations are taking more time than expected, therefore, staff recommends continuing Contract number 16,544 on a month-to-month basis while NBM continues labor negotiations. After an agreement is negotiated between NBM and its employee labor union, the City will have the opportunity to continue its contract with NBM with increased wages or re-bid the contract.


**FISCAL IMPACT:**

Funds for this contract are available in the Public Works and Transportation FY 2002 operating budget, Housekeeping Program account (#8114-502-766400). Funds will be requested during the normal budget process for additional extension years.

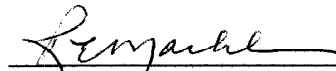
Respectfully submitted:

  
CYNTHIA J. KURTZ  
City Manager

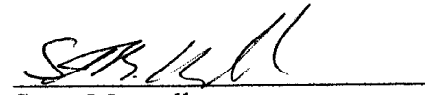
Approved by:

  
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