

Agenda Report

TO: CITY COUNCIL **DATE:** JANUARY 8, 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 for a period of six months with inclusion of the Living Wage Ordinance, pending negotiations between the Contractor and their employee labor union.

BACKGROUND:

Daily housekeeping services at the City's most widely used buildings and facilities, are essential to insure a safe, presentable and clean environment for building occupants and the public. On November 14, 1997, a Notice Inviting Bids for citywide housekeeping services was advertised in the Pasadena Weekly and letters inviting vendors to bid were mailed to fifty (50) vendors and eighteen (18) minority organizations. On November 25, 1997, eleven (11) vendors were in attendance at a mandatory Bid Conference and site inspection. On December 2, 1997, four (4) bids were received in the office of the City Clerk.

The bid received by Natural Building Maintenance (NBM) Corporation was determined to be the lowest responsible bid, and 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 will expire on January 15, 2001.

NBM has performed well under the base contract term. NBM janitorial staff is familiar with the maintenance needs of Pasadena buildings, and results from customer surveys conducted each year have been favorable. Under regular circumstances, staff would recommend that the City exercise its discretion to extend the contract for an additional one-year period with an option for two (2) one-year additional terms. However, NBM's recent labor union situation has required re-evaluation of the contract by City staff.

Extension of Contract with NBM Corp.

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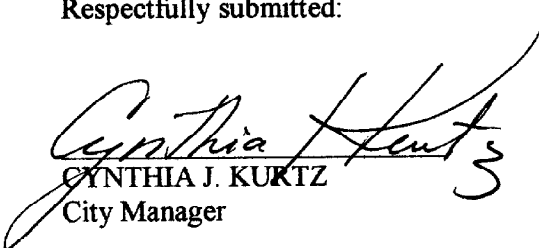
On December 27, 2000, NBM Corporation's janitorial employees participated in a closed ballot election to determine their status in a collective bargaining unit. The election took place at the employees' job site lunchroom at Pasadena's City Hall, 100 N. Garfield Avenue. Election results favored employees joining the collective bargaining unit, Laborers' International Union of North America-AFLCIO. Consequently, staff recommends extending the contract for a maximum of six months to allow NBM time to conduct labor union negotiations. During this six-month extension, staff will direct NBM to adjust the salaries of their employees to apply the Living Wage Ordinance.

Staff will take this time to determine the additional costs associated with applying a unionized labor contract to the City's current housekeeping contract. Staff will also be able to determine whether it is in the best interest of the City to amend its current contract to incorporate negotiated union wages for NBM janitors or re-bid the contract. Amending the contract in this manner to increase the billing rates by a fixed and directed amount is within the City's rights without requiring a new bidding procedure.

FISCAL IMPACT:

Funds for this contract extension are available in the Public Works and Transportation FY 2001 operating budget, Housekeeping Services account (#8114-505-766400). Funds will be requested during the normal budget process for additional extension years.

Respectfully submitted:


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City Manager

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