

# Agenda Report

April 20, 2020

**TO:** Honorable Mayor and City Council

**FROM:** Department of Public Works

**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH DMS FACILITY SERVICES FOR CITYWIDE JANITORIAL SERVICES IN AN AMOUNT NOT TO EXCEED \$6,784,024 OVER THREE YEARS**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the Contract with DMS Facility Services (DMS) for Citywide Janitorial Services is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. i) Accept the bid dated April 3, 2020 submitted by DMS in response to the Notice Inviting Bids for Citywide Janitorial Services; ii) reject all other bids received; iii) authorize the City Manager to enter into such contract for citywide janitorial services for an amount not to exceed \$6,784,024 over a three-year period.

## **EXECUTIVE SUMMARY:**

On December 16, 2019, an agenda report for contract award to provide Citywide Janitorial Services was presented to City Council for an amount not to exceed \$12,032,488 over five years. Rather than approve the item, City Council requested that Public Works staff: a) look into the impact to the City if it were to break up the janitorial services contract into smaller units, to allow local janitorial service providers the opportunity to bid; and b) assess the capacity of local companies to undertake a janitorial services contract and/or be part of a pilot program.

While conducting the above research, on February 10, 2020, Public Works staff requested an extension of the current janitorial services contract. The extension would allow staff to evaluate Council's request to analyze the viability of a pilot program giving small to medium Pasadena-based janitorial service providers an opportunity to expand

their business. City Council approved the recommendation to extend the current contract to May 25, 2020.

In response to the request made by Council on December 16, 2019, the following information sets out further assessments and impacts to break up the janitorial services contract into smaller units and the results from local outreach to janitorial service providers.

### Assessment of Single Contract versus Multiple Contracts

Public Works staff evaluated the current contract to determine how best to break it into smaller segments for increased bidding opportunities for Pasadena based janitorial service providers. The following information sets out the potential impacts to the City if we transition this service from a single contract to a multiple contract.

#### 1) Varying level of cleaning standard across the organization.

Under a single contract model, one company is held accountable for all sites. In contrast, a multiple contract model would result in many smaller contracts, adding a layer of management complexity. This complexity would place an increased burden on current staffing levels that would need to be offset with an increase in personnel, starting at a minimum of \$180,000 upwards to \$360,000 in total cost to the City of Pasadena over a 3-year contract period, based on a Management Analyst IV and a Maintenance Inspector salaries working in combination to varying degrees.

In an effort to ensure a single level of cleaning standard across the organization, and to maintain safe environments for the public and City staff as a response to Covid-19, a minimum requirement of International Sanitary Supply Association (ISSA) certified companies was instituted within the bid specifications. This third party certification by ISSA guarantees adherence to a consensus-based management and operations standard; as well as on-going training using the most recent guidelines for building cleanliness procedures, processes, and safe, healthy environments.

ISSA is the leading trade association for the cleaning industry, with more than 9,300 members worldwide. ISSA certification is open to all organizations large or small; certification is contingent on a thorough consensus based review process. Additionally, the ISSA is identified by the Federal Government's General Services Administration in the National Custodial Bid Specification as an authority on industry standards.

#### 2) Duplication of efforts.

A single contract is streamlined and efficient. Multiple contracts serving the same function add layers of complication and duplication. Based on staff's research, it was determined that the most appropriate division of the contract was by City Department; which would result in eight separate contracts.

However, upon further study, it was determined that one contract is in the best interest of the City because it avoids the duplication of efforts such as: signing and processing one contract versus eight contracts that may have different contract timelines; coordination and communication complications with one point of contact versus eight separate vendors to address issues surrounding routine tasks, urgent clean-ups or special event and cleaning scheduling, coordinating building access and key/alarm control for all vendors; complexity of supervising one contract representative versus eight contract representatives. Staff currently meet weekly with the janitorial contractor to ensure quality control across all City buildings, meeting with eight companies would entail additional staffing to oversee and manage each vendor.

### 3) Unintended consequences of multiple contracts.

Staff foresees multiple contracts resulting in unintended consequences. One unintended consequence is a loss of job protection for current janitorial staff. A single contract protects the jobs of the janitorial workers; about half of the current staff are Pasadena residents. Whereas, multiple contracts would result in janitors losing their job protection under the Displaced Janitor's Opportunity Act. According to the Act, if the janitorial headcount falls below 25, which would happen with multiple contracts, the 37-member janitorial staff, inclusive of 15 Pasadena residents, would lose their job security. Since the future economic status of the economy is uncertain due to Covid-19, endangering the livelihood of 37 janitorial employees, many of whom have a long history serving the City of Pasadena, is not advisable.

Furthermore, the City cannot guarantee nor engineer the outcome of a competitive bid contract. Therefore, the result of splitting the contract by Department, intended to assist local businesses, may instead result in all eight competitive bids awarded to eight non-local companies that potentially could result in the City taking on additional costs, such as staffing hires and contract management complexities, to support non-Pasadena based businesses.

Overall, it is in the best interest of the City to pursue the single contract model due to:

- Economies of scale/purchasing power for equipment and chemicals (bulk buying)
- Quality Control
- Ability to cover payroll, bonds, insurance, workers comp, etc.
- Less administrative cost for the city in contract management with one vendor

At the conclusion of staff's research, a single contract is therefore recommended for all the reasons stated above.

### Assessment of Local Janitorial Business Market and Interest

Staff conducted extensive local outreach to determine the level of capacity for Pasadena-based companies to undertake this janitorial services contract. The results are as follows:

- Nine potential Pasadena-based commercial janitorial services were identified through various lists and online research
- Each vendor was called to participate in a brief, mostly “yes/no” 10 question survey about their business
- Vendors were provided the option of answering the questions over the phone or having a link to an online survey emailed to them. Those who were spoken with opted for the online survey. Survey Monkey was the survey provider
- Of the nine companies identified, two declined to participate stating they only serviced residential properties
- Seven calls were made to the remaining Pasadena-based commercial janitorial services. One vendor did not return the call
- Six of the seven vendors contacted said they would fill-out the survey and requested the survey be emailed
- Follow-up emails were sent reminding the companies to complete the survey.
- Two of the nine vendors completed the survey expressing interest. However, neither company attended the job walk.
- Based on response rate from local outreach efforts conducted in early 2020, at this time there does not appear to be sufficient interest from qualified local janitorial service providers.
- All local vendors contacted as part of the survey were also individually notified regarding the job walk held on March 24, 2020

After reviewing the level of interest and capabilities of the Pasadena based businesses, it is apparent that there are no qualified local vendors currently equipped to handle the large scale work needed to clean all 39 facilities.

### **BACKGROUND:**

The Department of Public Works Building Systems and Fleet Management Division oversees the housekeeping program, which provides janitorial services for 39 facilities covering approximately 734,688 square feet and restrooms in nine parks.

City Departments that typically use this contract include but are not limited to: Library and Information Services (Central Library and nine Branch libraries); Water and Power (offices, dispatch and warehouse); Parks and Recreation and Community Development (seven community centers and park restrooms); Planning (Hale Building); Police (Headquarters, three substations and Civil Defense); Public Health (Dental/Medical and ChapCare facilities); Public Works (City Hall and City Yard) and multiple special events. The City has used contract services to provide janitorial services for City locations for approximately 26 years.

On March 11, 2020, a Notice Inviting Bids was published on PlanetBids followed by a notice in the *Pasadena Journal* on March 19, 2020. PlanetBids generated notices to 670 registered vendors. Forty out of 670 registered vendors were classified as prospective bidders. Thirty-Nine of 670 registered vendors notified downloaded the bid

documents. Of the 39 businesses identified as local to Pasadena, three vendors downloaded the bid documents.

As part of the local outreach for this bid opportunity, 19 companies were identified as enterprises that delivered janitorial services. Ten of the 19 local companies that identified as commercial service providers were contacted and followed up with an email notifying them of the bid opportunity. One of the ten local companies attended the job walk held on March 24, 2020.

Seven prospective bidders attended the mandatory pre-bid conference and job-walk held on March 24, 2020. Attendees were as follows:

#	Company	City	Representative
1	All Pro Building Services	San Dimas	C. Paredes
2	CCS Facility Services	El Segundo	S. Osman
3	DMS Facility Services	South Pasadena	A. Mosqueda
4	Kleenway Services, Inc.	Los Angeles	B. Germanis
5	Omni Building Services	Duarte	E. Fogg
6	Pasadena Construction & Interiors	Pasadena	D. Hampton
7	Premier Property Preservation	Panorama City	J. Varsobia

Two vendors submitted bids by the April 3, 2020 bid closing date. The following bids were received:

Bidder	Amount
1. DMS Facility Services, South Pasadena	\$6,784,024
2. Kleenway Services, Los Angeles	\$7,400,120

DMS is the lowest responsive and responsible bidder.

Staff recommends that DMS be awarded the contract for this work as they are the lowest responsive and responsible bidder. The proposed contract with DMS fully complies with the Competitive Bidding and Living Wage Ordinances. In addition, the proposed contract fully complies with the Prevailing Wage Law (Senate Bill 7) per Resolution 9406 adopted by the City Council on December 14, 2014.

DMS is the current service provider to the City of Pasadena operating under a one-year contract, approved by City Council on October 1, 2018. The current contract including the three-month extension expires on May 25, 2020. Per the City's financial system on April 3, 2020, invoices totaling \$1,421,981 have been paid to cover janitorial services.

In addition, DMS has achieved Cleaning Industry Management Standard-Green Building (CIMS-GB) certification. DMS demonstrated their ability to respond professionally to urgent requests to disinfect City of Pasadena facilities in response to the recent COVID-19.

From its headquarters in South Pasadena, California, DMS operates in business markets across the nation, as well as locally to: City of West Hollywood, Metropolitan Water District of Southern California, and California Endowment.

There are 35 janitors working under the current contract. Pursuant to the Displaced Janitor Opportunity Act of 2001, since more than 25 janitors service the City's buildings DMS must retain all janitors on staff at the end of the current contract period. The janitors, who are union represented non-City employees, are familiar with the maintenance needs of the City's buildings; therefore, their continued employment will provide continuity during the various contract periods.

DMS employs the following number of personnel as it relates to the City of Pasadena:

- A total of 37 employees work for DMS who are Pasadena residents (15 of which are assigned to the City of Pasadena contract).
- There are 75 employees working for DMS assigned at various job sites within the City of Pasadena (36 of which work on the City of Pasadena contract).

This proposed contract fully complies with the Living Wage Ordinance.

#### **COUNCIL POLICY CONSIDERATION:**

This project is consistent with the City Council's goal to improve, maintain and enhance public facilities and infrastructure. It also supports the Public Facilities Element of the General Plan by maintaining public facilities to enhance the quality of life of the community. In addition, this project supports the adoption of the United Nations Urban Environmental Accords Action 16, toxics reduction, by using only environmentally friendly cleaning products and practices in City buildings.

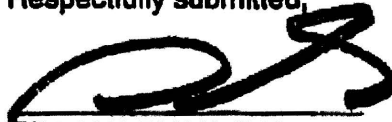
#### **ENVIRONMENTAL ANALYSIS:**

The project has been reviewed for compliance with the CEQA and is exempt per Section 15061(b)(3). The project is covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The Citywide Janitorial Services contract will not result in any significant effect on the environment.

**FISCAL IMPACT:**

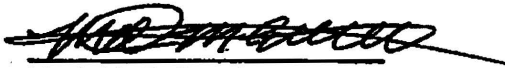
The total cost of this action will be \$6,784,024 over a 3-year period. Funding for this action will be addressed by the utilization of existing budgeted appropriations in account 50222061-811400 Building Maintenance Fund Housekeeping Program. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



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