

Agenda Report

January 23, 2023

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: CONTRACT AWARD TO DMS FACILITY SERVICES, INC. TO PROVIDE CITYWIDE JANITORIAL SERVICES FOR AN AMOUNT NOT-TO-EXCEED \$13,995,449 FOR UP TO FIVE YEARS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action 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. Accept the bid dated December 7, 2022, submitted by DMS Facility Services Inc. (DMS), in response to specifications to furnish and deliver janitorial services; reject all other bids; and authorize the City Manager to enter into a contract not-to-exceed \$8,169,570 for three years, with the option for two additional one-year extensions, in an amount not-to-exceed \$2,872,013 for the first one-year extension, and an amount not-to-exceed 2,953,866 for the second one-year extension, at the discretion of the City Manager.

BACKGROUND:

The Department of Public Works Building Systems and Fleet Management Division oversees the housekeeping program, which provides janitorial services for 42 facilities covering approximately 777,290 square feet affecting most City Departments. In addition, these services are also utilized for multiple special events and special services (e.g., biohazard clean-up, and pandemic disinfecting). The City has used contract services to provide janitorial services for City locations for approximately 29 years.

On November 3, 2022, a Notice Inviting Bids to furnish and deliver janitorial services was posted on PlanetBids and was published in the local paper on November 10, 2022. The posting generated notices to vendors who have previously registered with the City for this particular commodity class.

Staff referenced a list of local vendors in the City's business license database as well as online web searches in an attempt to reach potential local vendors that can provide the scope of work detailed in the solicitation. Local companies were identified and contacted regarding the bidding opportunity. A total of 45 vendors downloaded the specifications of which three were local. A mandatory pre-bid meeting was held on November 16, 2022. Eleven prospective bidders attended the meeting, one of which was local.

BID RESULT:

Five bids were received by the December 7, 2022, bid opening date, one of which was local. The bid results are as follows:

Bidder	Amount (\$)
1. DMS Facility Services, Inc., Pasadena, CA	\$2,651,400
2. Servicon Systems, Inc., Culver City, CA	\$2,892,815
3. Z&C Services, Inc., Irvine, CA	\$2,986,800
4. Allied Universal Janitorial, South Pasadena, CA	\$3,110,213
5. CCS Facility Services, LL, Costa Mesa, CA	\$5,302,921

DMS is the current service provider to the City of Pasadena. The current three-year contract expires on May 25, 2023. DMS holds the required ISSA's *Cleaning Industry Management Standard (CIMS)*, as well as *CIMS Green Building (CIMS-GB)* certification, as set out in the bid specifications. ISSA is a worldwide trade association for the cleaning industry with more than 9,300 members. The ISSA's CIMS-GB certification demonstrates an adherence to a consensus-based management and operations standard, while also providing proper training and response to infectious diseases such as Covid-19, and using the most recent guidelines for building cleanliness procedures and processes. Additionally, the Green Building (GB) designation demonstrates a commitment to sustainability, green cleaning, and healthy indoor environments.

In 2020, Public Works staff conducted a study of the organizational impact of city-wide (one contract) bidding in comparison to departmental bidding (8 separate contracts). As a result, staff recommends using a single city-wide contract, since it benefits from economies of scale/purchasing power for janitorial services, products, equipment, and chemicals; lowers administrative costs in contract management; improves quality control by having dedicated janitorial contract administrator; maintains job protection for janitorial employees through the *Displaced Janitor's Opportunity Act*. Once a contract falls below 25, the janitorial staff are no longer protected by the Act.

DMS employs 42 staff on the City of Pasadena's contract, of which 20 are residents of Pasadena. 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 SIEU 1877 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.

The contract will be set out as follows:

<u>Year 1</u>	<u>+</u>	<u>Year 2</u>	<u>+</u>	<u>Year 3</u>	<u>Year 4 (Optional)</u>	<u>Year 5 (Optional)</u>
\$2,651,400		\$2,721,662		\$2,796,508	\$2,872,013	\$2,953,866

Total: \$13,995,449

There is no contingency provision for this contract. The dollar increases in years two through five account for future anticipated higher labor and material costs. Each bid submission included a proposed percentage increase per year and bids were evaluated to determine the lowest bidder based on the aggregate of five years. This proposed contract fully complies with the Living Wage Ordinance.

COUNCIL POLICY CONSIDERATION:

This authorization supports the City Council's strategic goal to main fiscal responsibility and stability, improve, maintain, and enhance public facilities and infrastructure, support and promote the quality of life and local economy; and ensure public safety.

ENVIRONMENTAL IMPACT:

This action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (b)(3), the General Rule that CEQA only applies to projects that may have a significant effect on the environment.

FISCAL IMPACT:

The total cost of this contract is \$8,169,570 and the action is \$13,995,449 over five years. 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, General Fund, or capital projects as a result of this action.

Respectfully submitted,



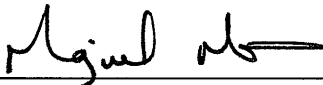
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