
City Council Report

City Council Meeting: November 25, 2014

Agenda Item: 3-I

To: Mayor and City Council
From: Martin Pastucha, Director of Public Works
Subject: Award Custodial Services Contract for Various City Facilities

Recommended Action

Staff recommends that the City Council:

1. Award Bid #4150 to Lee's Maintenance Services, Inc., a California-based company to provide custodial cleaning services at various City facilities in an amount not to exceed \$7,570,582.
2. Authorize the City Manager to negotiate and execute a contractual services agreement with Lee's Maintenance Service, Inc., a California-based company, in an amount not to exceed \$658,494 for custodial cleaning at the Public Safety Facility, the Civic Center, and City offices at various locations for FY 2014-15 (including optional quarterly services and 20% contingency), with five additional one-year renewal options in a cumulative amount of \$6,912,088, for a total amount not to exceed \$7,570,582 over a five year and six month period, with future renewals and funding contingent on Council budget approval and with a 30-day termination clause. Lee's Maintenance Service's contract amount for FY 2015-16, the first full year of service, if authorized by Council, would be in an amount not to exceed \$1,343,475.
3. Authorize the budget changes as outlined in the Financial Impacts and Budget Actions section of this report.

Executive Summary

Custodial contract services are currently provided by six contractors for various locations via a combination of contracts and service agreements. Some service agreements expired on June 30, 2014. Staff was authorized to continue services on a month to month basis while the formal bid process was completed. The contractual services agreement for the Public Safety Facility, the Santa Monica Pier, the Animal Shelter and the 1730 4th Street locations expires on December 31, 2014. In order to ensure uninterrupted services until a policy decision on contracting services is made, staff recommends Lee's Maintenance Services, Inc. to provide custodial contract services at the Santa Monica Pier, the Public Safety Facility, the Civic Center, and City offices at various locations in an amount not to exceed \$658,494 for FY 2014-15, with five additional one-year renewal options in a cumulative amount of \$6,912,088, for a total cost not to exceed \$7,570,582. The contract would include a 30-day termination clause should the City decide to bring services in-house. Award of this bid would not displace any temporary or permanent City employees as all locations are currently serviced by contract personnel.

Background

On [August 12, 2014](#), Council authorized a contractual services agreement with United Maintenance Company in an amount not to exceed \$266,038 to provide interim custodial services at the Public Safety Facility, Santa Monica Pier, Animal Shelter and 1730 4th Street location on a month-to-month

basis through December 31, 2014, or until a formal contract is awarded and the contractor is ready to start operations, whichever comes first.

On [August 26, 2014](#), Council did not approve contracts for custodial services at various City facilities and directed staff to return to Council to have a policy discussion about contractual services. A citywide contractual services study is currently underway; staff will present the results of the study to City Council at the January 13, 2015 meeting.

Discussion

A combination of in-house and custodial contract cleaning services has historically been used to clean City-owned and City-leased locations. Locations with seasonal demands and leased office spaces are currently being contracted out, whereas park restrooms, community centers, City Hall and libraries are maintained in-house.

Vendor Selection

On April 30, 2014, the City published Bid #4150 for custodial services at the Public Safety Facility, Santa Monica State Beach, Civic Center, City offices at various locations, and Santa Monica State Beach. The bid was posted on the City's online bidding website and notices were advertised in the Santa Monica Daily Press in accordance with City Charter and Municipal Code provisions. Fifteen bids were received and publicly opened on June 2, 2014 per Attachment A.

Bids were evaluated on price for each contract site, current municipal experience, qualifications, references and compliance with City specifications. On July 1 and July 2, 2014 staff interviewed six companies. Staff recommends Lee's Maintenance Services as the best bidder for custodial services at the Santa Monica Pier, the Public Safety Facility, the Civic Center, and City offices at various locations based on cost, understanding of scope of work required, municipal experience, ability to ensure proper staffing levels, and reporting tools used to ensure quality performance. Reference agencies reported the contractor's work was completed in a timely manner while maintaining consistent quality.

The City's intent was to award Bid #4150 to Executive Suite Services, Inc. for contractual services at the Santa Monica Pier and to Lee's Maintenance Services, Inc. for the remaining contract locations. As of November 4, 2014, Executive Suite Services withdrew its bid and informed the City of errors in its proposed pricing. Per bid instructions, bid submittal may be withdrawn by written request after ninety (90) days from the day of opening. The bid closed on June 2, 2014 at 3 p.m. The vendor has the legal right to withdraw its bid.

Award of this bid would not displace any temporary or permanent employees as all locations are currently being serviced by contract personnel. The option for custodial services at the Santa Monica State Beach is not included in the award of this bid as directed by Council on August 26, 2014.

Pending the results of a citywide contractual services study, staff recommends awarding a six-month contract with renewal options to Lee's Maintenance Services to provide custodial services at various City facilities. The City would have the option of terminating portions of the contract by an amendment, or terminating the entire contract with a 30-day written notice to the contractor. If Council decides to bring these services in-house, staff will require additional time to undertake the employee hiring process, acquire the equipment and vehicles to support in-house operations, and lease space to house operations and equipment.

Financial Impacts & Budget Actions

The contract to be awarded to Lee's Maintenance Service, Inc. is for an amount not to exceed \$658,494 (including optional quarterly services and a 20% contingency) for custodial cleaning services at the Santa Monica Pier, the Public Safety Facility, Office Buildings, and the Civic Center for FY 2014-15. The contract amounts would be charged to various accounts. Award of the contract requires an additional appropriation of \$72,316 from the Pier fund balance to account 30455.555010. All other funds are available in the FY 2014-15 budget within department operating budgets, and would be encumbered as needed. Budget authority for subsequent budget years will be requested in each budget for Council approval. Future contract renewals and funding is contingent upon Council approval and budget adoption.

Prepared by: Sybille Moen, Senior Administrative Analyst

Approved:

Forwarded to Council:

Martin Pastucha
Director of Public Works

Rod Gould
City Manager

Attachments:

[A – Estimated Annual Contract Costs](#)

[B – Bid Summary](#)