



CITY OF LONG BEACH

R-12

DEPARTMENT OF FINANCIAL MANAGEMENT

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September 23, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. ITB LB14-065 award the contract to ABM Onsite Services- West, Inc., of Irvine, CA, for providing custodial services at various locations in an annual amount of \$916,125, plus a 10 percent contingency of \$91,613, for a total annual amount not to exceed \$1,007,738; for a period of two years with the option to renew for two additional one-year periods, and authorize the City Manager or designee to execute all documents necessary to enter into the contract, including any necessary amendments thereto; and

Amend purchase order No. BPLB14000033 with ABM Onsite Services-West, Inc., by \$200,000 for a total amount not to exceed \$295,000. (Citywide)

DISCUSSION

City Council approval is requested to enter into an annual contract with ABM Onsite Services – West, Inc., for providing custodial services. The City has been contracting with the private sector for custodial services since 1998. The contracted sites include more than 75 buildings operated by the Library Services, Parks, Recreation and Marine, Police, Fire, Public Works, Gas and Oil, Development Services, and Technology Services Departments. None of these buildings are maintained by City staff, and no staff will be affected by a new contract. The City Attorney has recently opined that a Proposition “L” finding is not required for this contract.

The current contract with ABM Onsite Services-West, Inc., expired on April 30, 2014. An interim purchase order in the amount of \$95,000 was issued to continue services without any disruptions while a new Invitation to Bid (ITB) was conducted. The evaluation process concluded in July 2014. To ensure continuity of service until the new contract is in place, an additional amount of \$200,000 is requested, increasing the total of the interim purchase order to \$295,000.

The bid was advertised in the Press-Telegram on April 15, 2014, and 602 potential bidders specializing in custodial services were notified of the bid opportunity. Of those bidders, 63 downloaded the bid via our electronic bid system. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division’s website at www.longbeach.gov/purchasing. A bid announcement was also included in the Purchasing Division’s weekly update of Open Bid

Opportunities, which is sent to 30 local, minority and women-owned business groups. Five bids were received on May 22, 2014. Of those five bidders, none were Women-owned Business Enterprises (WBEs), two were Minority-owned Business Enterprises (MBEs), one was a certified Small Business Enterprise (SBE), and none were Long Beach businesses (Local). The bids were reviewed for conformance with the terms of the ITB, references were checked, and financial statements were reviewed and deemed appropriate. ABM Onsite Services-West, Inc., of Irvine, CA (not an MBE, WBE, SBE or Local), was the lowest responsible bidder.

The bid specifications include a requirement that contractors provide health care benefits or make a monetary payment of \$1.75 per hour in lieu of such benefits, which shall increase annually, based on the Consumer Price Index (CPI), to their full-time and part-time employees working under contract with the City. In addition, the contract requires the contractor to provide supplemental information, such as the number of employees and types of equipment used under this contract.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download the bid specifications. Through outreach, 83 Long Beach vendors were notified to submit bids, of which seven downloaded and none submitted a bid. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 14, 2014 and by Budget Management Officer Victoria Bell on August 18, 2014

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. ITB LB14-065 and award the contract concurrently is requested on September 23, 2014 to ensure that a contract is in place expeditiously.

FISCAL IMPACT

The total cost of the contract is \$1,007,738 annually, including the contingency, and is budgeted in various funds and departments. To continue services until the new contract is in place, an increase of \$200,000 to the interim purchase order is requested for a revised total of \$295,000. The award of this contract will provide continued support to our local economy by assisting in the preservation of employment for 279 full-time employees and 64 part-time employees residing in Long Beach.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



**JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT**

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APPROVED:



**PATRICK H. WEST
CITY MANAGER**