



August 27, 2019

CALL AND NOTICE OF A SPECIAL MEETING
OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a special meeting of the Burbank-Glendale-Pasadena Airport Authority will be held Wednesday, August 28, 2019, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505, with a teleconference location at 52575 Humboldt Blvd., La Quinta, CA 92253-5552.

Terri Williams, Board Secretary
Burbank-Glendale-Pasadena Airport Authority

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Special Meeting of Wednesday, August 28, 2019

9.00 A.M.

The public comment period is the opportunity for members of the public to address the Commission on agenda items and on airport-related non-agenda matters that are within the Commission's subject matter jurisdiction. At the discretion of the presiding officer, public comment on an agenda item may be presented when that item is reached.



Members of the public are requested to observe the following decorum when attending or participating in meetings of the Commission:

- *Turn off cellular telephones and pagers.*
- *Refrain from disorderly or boisterous conduct, including loud, threatening, profane, or abusive language, clapping, whistling, stamping, or other acts that disrupt or otherwise render unfeasible the orderly conduct of the meeting.*
- *If you desire to address the Commission during the public comment period, fill out a speaker request card and present it to the Board Secretary.*
- *Confine remarks to agenda items or to airport-related non-agenda matters that are within the Commission's subject matter jurisdiction.*
- *Limit comments to five minutes or to such other period of time as may be specified by the presiding officer.*



The following activities are prohibited:

- *Allocation of speaker time to another person.*
- *Video presentations requiring use of Authority equipment.*



Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission less than 72 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 N. Hollywood Way, Burbank) in the administrative office during normal business hours.



In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.

AGENDA

Wednesday, August 28, 2019

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT
5. ITEM FOR COMMISSION APPROVAL
 - a. Reconsideration of Award of Janitorial Services Contract and Associated Office Lease
6. ADJOURNMENT

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
WEDNESDAY, AUGUST 28, 2019**

**RECONSIDERATION OF AWARD OF
JANITORIAL SERVICES CONTRACT AND ASSOCIATED OFFICE LEASE**

SUMMARY

The award of a janitorial services contract and associated office lease to United Maintenance Company, Inc. ("United Maintenance") are being resubmitted because the firm has not satisfied the contingency specified by the Commission, namely execution of a collective bargaining agreement ("CBA") with SEIU United Service Workers West (SEIU-USWW). Staff seeks the following Commission actions:

1. Cancellation of the janitorial services contract conditionally awarded to United Maintenance and the associated office lease.
2. Award of a new janitorial services contract to Diverse Facility Solutions Inc. ("DFS"), which is the incumbent firm.

BACKGROUND

On July 15, 2019, following an RFP process that included two Best and Final Offer ("BAFO") solicitations, the Commission conditionally awarded United Maintenance a janitorial services contract. The contract was to be for a three-year period at a fixed price of \$4,248,390.32 excluding supplies and included two one-year extension options with a fixed annual cost of \$1,498,765.42 and \$1,529,959.97 respectively.

In response to objections raised by SEIU-USWW, the Commission made the award contingent on United Maintenance's execution of a CBA with SEIU-USWW. United Maintenance then provided Staff with a signed term sheet memorializing deal points agreed to in principle with SEIU-USWW. In reliance on that term sheet, Staff finalized the janitorial services contract with a September 1, 2019 start date and allowed United Maintenance to execute the agreement. On August 19, 2019, the Commission awarded United Maintenance a month-to-month office lease for an area to be used as an employee break room and support space. The office lease also has a September 1, 2019 start date. Four shortlisted firms, which had been determined during the RFP process to be qualified to perform the services, were invited to submit a BAFO. The recommendation to award resulted from the BAFO scoring summarized below, which was developed by an evaluation panel based on the following Selection Criteria:

- SC-1 Proposed Staffing Level – 40 Points
- SC-2 Proposed Price – 40 Points (cumulative all 5 years)
- SC-3 Quality of Supplemental Written Response – 20 Points

Importantly, the short-listed firms were aware of the employees' existing healthcare coverage and cost before the BAFO submission deadline. On June 10, 2019, Staff e-mailed United Maintenance information obtained from the incumbent janitorial services provider (DFS) including: (i) its May 1, 2018 Memorandum of Agreement with SEIU-USWW; and (ii) a Maintenance Contractors Los Angeles/Orange County Agreement with SEIU-USWW for May 1, 2016 through April 30, 2020. Additionally, on June 19, 2019, the Revised BAFO solicitation specifically stated that janitorial personnel are SEIU-USWW members covered by a CBA and proposing firms were given the opportunity to revise their fee schedule accordingly.

On August 13 and 15, 2019, during scheduled transition activities and status updates, United Maintenance informed Staff of a healthcare benefits "sticking point" in its CBA negotiations with SEIU-USWW. Union members raised this issue with the Commission at the August 19, 2019 meeting in connection with the United Maintenance office lease agenda item. At that time, the Commission reiterated that the janitorial services contract award was contingent upon United Maintenance executing a CBA with SEIU-USWW.

On August 20, 2019, in order to ensure a smooth transition of janitorial services, Staff sent United Maintenance a letter setting an August 26, 2019 deadline for submission of an executed CBA. On August 25, 2019, United Maintenance and SEIU-USWW sent staff a joint letter indicating that healthcare coverage remains an open issue and that a CBA will not be signed unless the janitorial services contract is modified to provide for an "additional \$378.11 per employee per month this year, with a projected 6% annual increase for the life of the agreement."

On August 26, 2019, in response to Staff's request for clarification, United Maintenance submitted a new BAFO. That BAFO proposed a fixed price of \$4,669,445 excluding supplies for the three-year base period and a fixed annual cost of \$1,656,301 and \$1,696,946 respectively for the two one-year extension periods. This represents a change of \$745,577 from the fee schedule in the janitorial services agreement that the Commission conditionally approved, and that United Maintenance signed. In its transmittal, United Maintenance stated: "If the additional funds are not provided by the Burbank Airport Commission then United Maintenance will offer the minimum value ACA plan to the staff at the Burbank Airport."

PROPOSER REVALUATION

Had United Maintenance's new BAFO been submitted originally, Staff would not have ranked that firm the highest and would not have recommended that it receive the contract award. Rather, based on United Maintenance's new BAFO, the proposers would have been ranked as follows:

	SC-1	REVISED SC-2	SC-3	REVISED Total
Maximum Points Possible	40	40	20	100
FIRM:				
United Maintenance	40	35	17	92
DFS	39	35	20	94
PRIDE Industries	38	37	17	92
Uniserve	34	40	15	89

Based on these rankings, Staff recommends that the Commission cancel the award to United Maintenance and instead award the janitorial services contract and associated office lease to DFS. This janitorial services contract will incorporate the fee schedule in the BAFO submitted by DFS. Specifically, the contract will be for a three-year period at a fixed price of \$4,644,948 excluding supplies and will include two one-year extension options with a fixed annual cost of \$1,686,077 and \$1,732,654 respectively.

FUNDING

Appropriations for the Janitorial Services and Supplies were included in the adopted FY 2020 budget, however with this proposed agreement, it is estimated that additional appropriation in the amount of approximately \$50,000 will be required for the additional contract costs.

RECOMMENDATION

Staff recommends that the Commission: (i) cancel the janitorial services contract conditionally awarded to United Maintenance and the associated office lease; and (ii) award a new janitorial services contract to DFS.