

REPORT OF GENERAL MANAGER

NO. 01-261

DATE July 11, 2001

CD _____

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: RESCINDING BR 311-98 FOR PERSONAL SERVICES
CONTRACT WITH CENTURY MAINTENANCE COMPANY FOR
CUSTODIAL SERVICES FOR GRIFFITH OBSERVATORY

J. Combs _____
*A. Corrales *[Signature]*
J. Duggan _____
H. Fujita _____

J. Kolb _____
M. Tamuri _____
M. Matthews _____

[Signature]

General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

It is recommended that the Board

1. Rescind the action taken on July 15, 1998 (BR 3-11-98), approving a five-year agreement with Century Maintenance Company for such custodial services;
2. Ratify that the custodial services for which Century Maintenance Company was paid in the interim period were completed appropriately and in accordance with the provisions of the previous agreement;
3. Approve a one-year contract, with a one-year renewal option, to be effective retroactively to January 1, 2001, with Century Maintenance to provide custodial services for Griffith Observatory, and,
4. The new agreement be processed by the Department and executed by the Board President and Secretary, subject to the approval by the City Attorney as to form and legality.

SUMMARY:

In September, 1996, the Department of Recreation and Parks circulated a request for proposals (RFP) for comprehensive custodial services at the Griffith Observatory. The RFP indicated

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that the contract would be for one year with four, one-year renewals at the City's option. Century Maintenance Company was the lowest bidder to meet all specifications.

After review and approval of the low bidder, the Department, following the procedure used in awarding all previous custodial services contracts, forwarded the contract to General Services Department for award as a purchasing contract. General Services Purchasing Division, however, considers this to be a personal services contract and has returned it to the Department for awarding as a personal services contract. This required the contract to be processed through the Mayor and City Council.

The proposed contract was then considered and approved by the Board of Recreation and Park Commissioners. The Board determined at this time, the scope of work set forth in the agreement could be performed more economically and feasibly by an independent contractor. At the request of SEIW-Local 347, the Department conducted a cost analysis to evaluate the feasibility of using City maintenance forces versus contract personnel for this activity. The information compiled by the Department of General Services and the Department of Recreation and Parks indicated it to be more feasible and economical to continue to contract the work.

The personal services contract was forwarded to the Mayor's Office for approval and transmittal to the City Council. The contract was referred by the Mayor to OARS for a report and recommendation.

Because the original contract expired, the incumbent contractor has continued to provide custodial services to the Observatory and has been paid on a monthly basis through a purchase order by the Department of General Services. The Department of General Services and the City Attorney, however, have recently informed the Department that this method of payment is no longer permitted and an executed contract is required to continue the monthly payments to the contractor for services. The contractor has not received payment this calendar year (2001) and is now owed approximately \$36,000 (through June, 2001). Execution of this contract will allow continued payment to the contractor. The Department reports that sufficient funds are available in the Department's contractual services account to meet the expected expenses.

In the interim period since proposals were submitted, the annual contract amount has been increased from the low bid amount of

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\$88,715 to approximately \$139,000, in order to conform with Living Wage. At the City Attorney's suggestion, all bids were adjusted by substitution of the Living Wage rate for the hourly wage included in the proposals and Century Maintenance Company remained the lowest bidder. The Department indicates that the contractor agrees that the new rate will not go into effect until execution of the contract, and shall not be retroactive to the contract effective date. Compensation to the contractor during the 2001 calendar year is expected to be approximately \$110,000.

The Observatory is scheduled to close for renovation in January, 2002; renovation is expected to last approximately two and one half years. Sufficient funds are included in the 2001-02 budget to partially cover the expected costs in that fiscal year. Any shortfall will be paid from other identified savings realized in the operations.

The Office of Administrative and Research Services, in its report dated June 11, 2001, has concluded that it is in the City's best interests to continue maintenance of the Observatory through this contractual arrangement; however, inasmuch as the Observatory will be closing in January 2002, and the contractor has been paid through December 2000, it appears unnecessary to execute a contract for more than one year with an option year in case the closing of the Observatory is extended beyond January 2002. Both the City Attorney and the Department agree with this proposal. The contract date would then be January 1, 2001, to December 31, 2001, with a one-year renewal at the option of the City.

This report prepared by Ken Warren, Observatory Business Manager.