



Los Angeles
World Airports

September 6, 2013

LAX

LA/Ontario

Van Nuys

City of Los Angeles

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Gina Marie Lindsey
Executive Director

The Honorable City Council
of the City of Los Angeles
City Hall – Room 395
Los Angeles, CA 90012

Reference: CF 13-1146

This is to hereby transmit for your information the Mayor approved City Administrative Officer's report regarding the Contract with Unisource Worldwide Inc., for miscellaneous cleaning products for Los Angeles World Airports.

Sincerely,

Christine D. Iseri
Government Affairs Representative
Los Angeles World Airports

Attachments



0150-09988-0001

TRANSMITTAL

TO Gina Marie Lindsey, Executive Director Department of Airports	DATE SEP 09 2013	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 6, 11, City of Ontario	

Approval to Award a Three-Year, With One Two-Year Option, Contract to Unisource Worldwide, Inc. for Miscellaneous Cleaning Products as Part of the Custodial Maintenance Program at the Los Angeles International, Los Angeles/Ontario International, and Van Nuys Airports

Transmitted for further processing, including Council consideration. See the City Administrative Officer report attached.

MAYOR



(Ana Guerrero)

MAS:WDC: 10140044t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 30, 2013

CAO File No. 0150-09988-0001
Council File No.
Council District: 6, 11, City of Ontario

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Los Angeles World Airports dated August 14, 2013; referred by the Mayor for report on August 15, 2013

Subject: **APPROVAL TO AWARD A THREE-YEAR, WITH ONE TWO-YEAR OPTION, CONTRACT TO UNISOURCE WORLDWIDE, INC. FOR MISCELLANEOUS CLEANING PRODUCTS AS PART OF THE CUSTODIAL MAINTENANCE PROGRAM AT THE LOS ANGELES INTERNATIONAL, LOS ANGELES/ONTARIO INTERNATIONAL, AND VAN NUYS AIRPORTS**

SUMMARY

The Executive Director of the Los Angeles World Airports (LAWA; Department) requests approval to award a proposed contract (copy attached) to Unisource Worldwide, Inc. (Unisource; Contractor) for three years, with one two-year option (for a total of five years), for the purchase of miscellaneous cleaning products in support of the Department's custodial supplies and maintenance program at the Los Angeles International Airport (LAX), Los Angeles/Ontario International Airport (LA/ONT), and Van Nuys Airport (VNY). The not-to-exceed expenditure limit for the first three years is \$689,518 with an additional \$531,388 proposed for the two-year option bringing the total for five years to a not-to-exceed amount of \$1,220,906. The proposed contract includes a termination clause that allows either party to terminate the agreement, upon 30-days' written notice, for any reason.

The proposed contract with Unisource, Worldwide, Inc. was approved by the Board of Airport Commissioners (Board) at its meeting of August 20, 2013.

Selected through a competitive process in August 2013 where the lowest responsive and responsible bidders were selected in each of four categories—miscellaneous cleaning products, cleaners and degreasers, paper products, and plastic and latex products—Unisource Worldwide, Inc. was determined to be the lowest responsive and responsible bidder in the miscellaneous cleaning products category.

While the proposed contract for miscellaneous cleaning products does overlap with a recently-proposed First Amendment to contract DA-4520 with Unisource, it is meant to partially replace that "umbrella contract" for custodial supplies in the near future, as will successive contracts for paper products, cleaners and degreasers, and plastic and latex products. As a consequence, for a time and

to ensure the availability of critical supplies, LAWA will have both the umbrella contract and separate and distinct contracts for each of four categories of custodial supplies. However, the umbrella contract that LAWA proposes to be continued for six months, on a month-to-month basis, will only be used if there is a delay in awarding one or more of the four contracts for miscellaneous cleaning products, paper products, cleaners and degreasers, and plastic and latex products.

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," Council approval of the proposed contract is required in that the cumulative term of the agreement will exceed three years. In addition, the proposed contract is subject to City Attorney approval as to form. The above-referenced aspects of the proposed contract with Unisource, and this report, incorporate revised information received from the Department subsequent to the initial request submittal.

Background

On September 20, 2010, the Board approved a three-year agreement (that expires October 19, 2013) with Unisource for custodial supplies at the Department's three airports for a not-to-exceed amount of \$17,190,000. Under the current agreement, the Board authorized annual expenditures of up to \$5,000,000 for LAX, \$700,000 for LA/Ont, and \$30,000 for VNY, with a combined expenditure limit of \$17,190,000.

At the time the current Unisource contract was awarded, in October 2010, it was thought to be the best mechanism for purchasing a broad range of custodial supplies for the three airports. Recently, however, LAWA determined that it would be more cost effective to obtain bids for each separate category, with correspondingly separate agreements, rather than one contract for the full range of custodial supplies. With respect to the recent bids for the miscellaneous cleaning products contract, the validity of this decentralized approach seems to be justified (see the following table comparing the three lowest responsive and responsible bidders out of 15 bids submitted by eight bidders):

Vendor	Bid (Cost to LAWA for the First Year)	LBE* Adjustment (8%)**	Adjusted Bid	Percentage Difference from Lowest Bidder (Unisource)
Unisource Worldwide, Inc.	\$216,584.50	(\$17,327.00)	\$199,257.00	
Clean Source, Inc.	\$271,349.85	(\$21,708.00)	\$249,641.85	25.28
Waxie Sanitary Supply, Inc.	\$372,002.55	N/A	\$372,002.55	86.69
*Local Business Enterprise				
**Reflects the percentage of Local Business Preference awarded to local businesses for contracts in excess of \$150,000; the added points are considered as part of the bid				

The proposed contract for miscellaneous cleaning products is one of four related contracts being implemented to procure custodial supplies necessary to address the health and safety of the traveling public at LAWA's three airports. During the bid evaluation process, the Department tested the various products identified in the bid specifications to certify that any item substituted for one that was specified in the bids was acceptable. In view of that testing and certification, and the overall

selection process, Unisource was deemed to be the lowest responsive and responsible bidder for the category of miscellaneous cleaning products. According to LAWA, there were no protests by the losing bidders.

Funding for this contract is available in the Department's 2013-14 Operating Budget within the Maintenance Services Division, Custodial Subdivision, and LSD Flyaway Operations cost centers. Funding for future years will be requested as part of the Department's annual budget process.

Alternatives to Approving the Proposed Contract

In that these custodial supplies are critical to the maintenance of the airports, as well as to the health and safety of the employees and passengers, there is no viable alternative to approving the proposed contract with Unisource for the purchase of miscellaneous cleaning products. While these supplies could be purchased using the current Unisource contract that is being extended for a maximum of six months (by way of the proposed First Amendment to Contract DA-4520), after that time, the Department would still need to address the need for a longer-term contract.

Compliance with City Administrative Requirements

As a result of the specialized custodial products and supplies requirements, the Board of Airport Commissioners determined, pursuant to Charter Section 1022, that the work can be performed more feasibly or economically by an independent contractor than by City employees.

City Council approval of the proposed contract is required in accordance with Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," in that the agreement will exceed three years. In addition, approval of the proposed contract is subject to the approval of the City Attorney as to form.

The Contractor is exempt from the provisions of the Living Wage Ordinance/Service Contractor Worker Retention Ordinances and the First Source Hiring Program provisions. However, compliance with the Affirmative Action program provisions, Child Support Obligations Ordinance, Contractor Responsibility Program, and the contract bidder campaign contribution and fundraising restrictions (Charter Section 470 {c} {12}—CEC Form 55) that became effective in April 2011 is required.

Unisource has been determined by the Department of Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance. In addition, Unisource has approved insurance documents, in the terms and amounts required, on file with LAWA. With respect to the Small Business Enterprise goals for this contract, there were no subcontracting opportunities established.

Compliance with CEQA Guidelines

In terms of the Department's compliance with applicable CEQA (California Environmental Quality Act) guidelines, "continuing administrative, maintenance and personnel-related activities" are exempt from the requirements of the CEQA pursuant to Article II, 2.f of the Los Angeles City CEQA Guidelines.

RECOMMENDATIONS

That the Mayor:

1. Approve, subject to City Attorney approval as to form, the proposed three-year contract, with one two-year option, with Unisource Worldwide, Inc. for a not-to-exceed amount of \$689,518 during the first three years and \$531,388 for the two-year option (for a not-to-exceed total of \$1,220,906 over five years), for miscellaneous cleaning products at the Los Angeles International Airport, Los Angeles/Ontario International Airport, and Van Nuys Airport; and
2. Return the proposed contract to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of the proposed contract will have no impact on the City's General Fund or the Department's capital improvements budget. Funding for this contract is available in the Department's 2013-14 Operating Budget in multiple LAX, LA/ONT, and VNY Cost Centers. Funding for subsequent years will be requested as part of the Department's annual budget process. This project complies with the Department of Airports' adopted Financial Policies.

Time Limit for Council Action

In accordance with Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," the proposed contract must be approved by the Council before it can become effective. Unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract will be deemed approved.

MAS:WDC:10140044

Attachment