



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 24, 2015

TO: Mayor and Councilmembers

FROM: Business Division, Waterfront Department

SUBJECT: Purchase Order For UCP / Work, Incorporated

RECOMMENDATION:

That Council find it in the City's best interest to waive the formal bid procedure as authorized by Municipal Code Section 4.52.070 (L), and authorize the General Services Manager to issue a purchase order to UCP / Work, Incorporated for janitorial services at the Waterfront Department for Fiscal Year 2016 in an amount not to exceed \$291,066 and for Fiscal Year 2017 in an amount not to exceed \$307,541.

DISCUSSION:

UCP/Work, Inc. (Work, Inc.) has provided janitorial services to the Waterfront since 1992. Work, Inc. is a non-profit organization providing vocational rehabilitation services to individuals with mental, developmental, and physical disabilities. These individuals are referred through the Department of Rehabilitation, Tri-Counties Regional Center, and Mental Health Services.

Work, Inc. provides a clean and safe environment for public enjoyment of the Harbor. The company is responsible for cleaning 20 restrooms, the commercial area of the Harbor, and collecting trash in the marinas. Work, Inc. supervisors oversee their employees seven days a week, including holidays. Work, Inc. employees are dependable, courteous and take their work seriously.

On September 25, 2013, Governor Brown signed Assembly Bill 10 which raised the minimum wage. The wage hike goes into effect in two phases: The first rate hike went into effect on July 1, 2014 lifting the minimum wage from \$8 an hour to \$9 an hour. The second rate hike will take place on January 1, 2016 when minimum wage will be raised from the current \$9 an hour to \$10 an hour. These minimum wage increases directly impact Work, Inc. Unlike retail businesses who adjust their pricing to meet the wage increase, state-funded not-for-profit organizations like Work, Inc. must meet the mandated increase while receiving the same State reimbursement rates that have been frozen for the past ten years. The proposed purchase order with UCP / Work,

Incorporated for janitorial services at the Waterfront Department for Fiscal Year 2016 is \$291,066 and for Fiscal Year 2017 is \$307,541

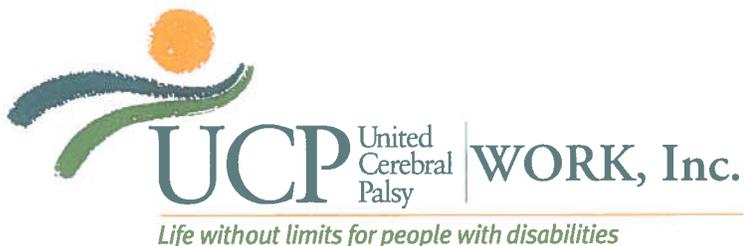
Staff recommends that it is in the best interest of the City to continue providing work opportunities to disabled individuals in the Work, Inc. Vocational Rehabilitation Program. Section 4.52.070 (L) of the Municipal Code authorizes City Council to waive the formal bid procedure and approve the purchase of goods or services without complying with formal bid procedures, "where in the opinion of the Council, compliance with procedure is not in the best interest of the City". Sufficient funds for the Work, Inc contract will be included in the Waterfront Department Fiscal Years 2016 and 2017 budget.

ATTACHMENT: Letter dated January 21, 2015 from Kathy Webb, Executive Director of UCP Work, Inc.

PREPARED BY: Brian J. Bosse, Waterfront Business Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office



January 21, 2015

Mr. Brian J. Bosse
Waterfront Business Manager
City of Santa Barbara, Waterfront Department
P. O. Box 1990
Santa Barbara, CA 93102

Re: Waterfront Department Janitorial Services Contract

Dear Brian,

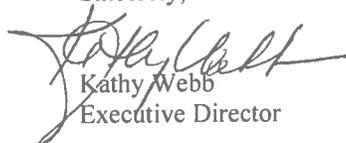
As always, we thank you and the City of Santa Barbara Waterfront Department, for your continued collaboration, in providing meaningful employment opportunities to people with disabilities. The City of Santa Barbara, truly does lead by example, by ensuring that people with disabilities receive the best possible training, to ensure stable employment; this is what Workforce Investment is all about. It is remarkable, that we are moving into our 22nd year at the Harbor. Please know that we continue to be grateful for this incredible partnership – we feel secure, and humbled by your continued investment in the success of Supported Employment and the many people we serve.

Last week, Governor Brown presented his budget for 2015, and the Department of Rehabilitation and Tri-Counties Regional Center providers did not receive any reimbursement rate increases; yet we will be expected to increase minimum wage to \$10.00 per hour, in January of 2016. As you can expect, we were very disheartened by this news, given that our rates have been frozen for 10 years, while our expenses continue to increase. Last year, I hoped for a silver lining ahead of the Governor's proposed budget, but alas, our system was once again placed at the lowest priority.

The current contract is at an annual rate of \$274,590, and given that the increase in minimum wage will not go into effect until January of 2016, we are not asking for an increase for 2015 (7/2-12/31/15). In January of 2016, we are requesting a 6% increase, which will bring the annual budget to \$291,066. Then on July 1, 2016, we are asking for an additional 6% (adjusting to the increase in minimum wage) for the total year, for a new total of \$307,541 for Fiscal Year 2017.

Again, we can't thank you enough for supporting UCP WORK, Inc. We are extremely grateful to be working with all of you. If you have any further questions, please don't hesitate to contact me directly.

Sincerely,



Kathy Webb
Executive Director

Cc: Karl Treiberg, Waterfront Facilities Manager
Scott Riedman, Harbor Master
Judd Conley, Waterfront Maintenance Superintendent