



AGENDA STAFF REPORT

ASR Control 20-001196

MEETING DATE: 02/09/21
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): 2
SUBMITTING AGENCY/DEPARTMENT: John Wayne Airport (Approved)
DEPARTMENT CONTACT PERSON(S): Barry A. Rondinella (949) 252-5183
 Kevin Flynn (949) 252-6038

SUBJECT: Renew Contract with Flagship Airport Services Inc.

CEO CONCUR
Pending Review

COUNTY COUNSEL REVIEW
Approved Agreement to Form

CLERK OF THE BOARD
Discussion
3 Votes Board Majority

Budgeted: Yes

Current Year Cost: \$1,597,624

Annual Cost:
FY 2021-22 \$4,742,873

Staffing Impact: No

of Positions:

Sole Source: N/A

Current Fiscal Year Revenue: N/A

Funding Source: Fund 280:100%

County Audit in last 3 years: No

Prior Board Action: 02/26/2019 #23, 02/14/2017 #25

RECOMMENDED ACTION(S):

Authorize the County Procurement Officer or authorized Deputy to execute Amendment Number Three to renew the contract with Flagship Airport Services Inc. to provide custodial maintenance services for John Wayne Airport, effective April 1, 2021, through March 31, 2022, and to increase the one-year contract amount by \$738,200 for a new not-to-exceed amount of \$6,340,497 and a five-year cumulative not-to-exceed amount of \$27,682,890.

SUMMARY:

Approval of Amendment Number Three to renew the contract with Flagship Airport Services Inc. will allow for continued custodial maintenance services for John Wayne Airport's Thomas F. Riley Terminal and outlying buildings.

BACKGROUND INFORMATION:

Janitorial services at John Wayne Airport (JWA) are performed 24 hours a day, seven days a week, 365 days a year. Areas covered by these services encompass public and County spaces including the Thomas F. Riley Terminal Building, exterior walkways, the Eddie Martin Administrative Office Building, the JWA Maintenance Building, parking structure elevator lobbies and stairways.

On February 14, 2017, the Board of Supervisors (Board) authorized the County Procurement Officer or authorized Deputy to execute Contract MA-280-17010947 for Janitorial Services between County of Orange, John Wayne Airport and Flagship Airport Services Inc. (Flagship), effective April 1, 2017 through March 31, 2019, with the option to renew for two years (Contract). The Contract included all labor, equipment and materials, including restroom paper supplies and other cleaning products required for on-site janitorial services at JWA.

The Contract was amended on April 24, 2018, to increase the insurance Automobile Liability from \$1 million to \$10 million.

On February 26, 2019, the Board authorized Amendment Number Two to renew the Contract for two additional years. The two-year, not-to-exceed Contract amount was \$11,204,593, which reflected an increase of \$1,066,793 over the first two-year term. The cost increase was primarily attributable to mandated increases in wages, vacation accrual rates and employee medical benefits pursuant to the Service Employees International Union agreement covering large facilities for Los Angeles and Orange counties. A smaller portion of the increase was due to increases in the cost and consumption rates of disposable and consumable custodial products.

JWA seeks Board approval to execute Amendment Number Three to renew the custodial maintenance services Contract for one additional year in the amount of \$6,340,497. The Contract reflects an increase of \$788,200 from the previous year. A portion of this cost increase is due to an 8.48 percent annual escalation in union-mandated medical coverage costs, vacation accrual rates for staff, sick time accrual rates for staff, trust fund pension increases, an escalation of the hourly minimum wage and associated position pay differentials and supply cost increases. However, the largest single component of the annual amount increase, \$313,224, is attributed to the new service protocols that require JWA to provide daily cleaning for all three passenger security screening checkpoints, checked baggage screening areas and other Transportation Security Administration (TSA) occupied administrative spaces throughout the terminal. The cleaning of these TSA operational spaces was previously performed by the TSA until the responsibility was transferred to airports, through a congressional mandate, effective May 2020. The amended Contract ensures Flagship's level of service meets this new responsibility. This renewal also includes \$75,000 for unanticipated work within the scope of the Contract.

Flagship separately maintains an agreement with the County for COVID-related on-call services and special process cleanings. The costs for that agreement are separate from the regularly recurring service items included in this Contract.

This Contract includes subcontractors. See Attachment B for information regarding the subcontractors and the Contract Summary Form.

Flagship's performance has been confirmed as at least satisfactory. JWA has verified that there are no concerns that must be addressed with respect to Flagship's ownership/name, litigation status, or conflicts with County interests. Flagship has provided JWA with above-standard service in maintaining facility cleanliness. Flagship has been extremely responsive and consistent in rapidly resolving JWA's concerns during the current Contract period. Particularly with the current public health challenges, retaining continuity and quality of janitorial services is a critical component of providing a safe and effective airport in Orange County.

This is the final renewal year under the existing agreement. A new Request for Proposal solicitation for custodial maintenance services at JWA will be conducted in the summer of 2021.

Performance Metrics

JWA uses a Computerized Maintenance Management System to track Flagship's activities and service results and coordinates task completion with Flagship. Pursuant to the Contract scope, there are 402 different Preventative Maintenance (PM) items per year assigned to Flagship at various frequencies (daily, monthly, quarterly, semi-annually and annually) throughout the Contract term. These PM tasks encompass specialty cleaning of a variety of surfaces as well as routine cleaning and maintenance. The following chart summarizes Flagship's performance of these metrics:

Performance Metrics			
Tasks	Assigned (01/01/2020 – 12/31/2020)	Completed (01/01/2020 – 12/31/2020)	Percentage
Janitorial Daily PM	365	365	100
Janitorial Monthly PM	12	12	100
Janitorial Quarterly PM	4	4	100
Carpet Cleaning Monthly PM	12	12	100
Marble Maintenance Quarterly PM	4	4	100
High Glass Clean Semi-Annual PM	2	2	100
Clean Vents HVAC Semi-Annual	2	2	100
High Cleaning Annual PM	1	1	100

Compliance with CEQA: The proposed project was previously determined to be Categorical Exempt from CEQA pursuant to Section 15301 (Class 1) of the CEQA Guidelines, on February 14, 2017, when it was originally approved. CEQA Guidelines Section 15301 provides for the exemption of projects involving the operation, maintenance and repair of existing public facilities.

FINANCIAL IMPACT:

Appropriations for this Contract are included in Airport Operating Fund 280 FY 2020-21 Budget and will be included in the budgeting process for future years.

The Contract includes provisions allowing JWA to terminate the Contract, reduce the level of services, and/or renegotiate the levels of services provided, as necessary.

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A - Amendment Number Three (MA-280-17010947) with Flagship

Attachment B - Contract Summary Form



**AMENDMENT NUMBER THREE
CONTRACT MA-280-17010947
FOR
JANITORIAL SERVICES**

This Amendment Number Three (“Amendment”) is made between the County of Orange, a political subdivision of the State of California, through its department John Wayne Airport (“County” or “JWA”), and Flagship Airport Services Inc. (“Contractor”), which are sometimes individually referred to as “Party” or collectively referred to as “Parties.”

RECITALS

WHEREAS, the Parties entered into Contract MA-280-17010947 for Janitorial Services, effective April 1, 2017 through March 31, 2019, in an amount not to exceed \$10,137,799.70 (the “Contract”); and,

WHEREAS, pursuant to Amendment Number One, the Parties amended the Contract to reflect changes in the Automobile Liability coverage limit; and

WHEREAS, pursuant to Amendment Number Two, the Parties renewed the Contract for two (2) additional years, effective April 1, 2019 through March 31, 2021, with a Contract Amount not to exceed \$11,204,592.62, and amended the Contract to reflect revised County policy, include additional items to Contract’s Scope of Work, and update Contractor’s Pricing; and

WHEREAS, the Parties now desire to renew the Contract for one (1) additional and final year, effective April 1, 2021 to March 31, 2022, in an amount not to exceed \$6,340,496.75; and

WHEREAS, the Parties now desire to remove the Child Support Enforcement Requirements provision of the Contract; and

WHEREAS, the Parties now desire to include additional items to the Contract’s Scope of Work; and

WHEREAS, the Parties now desire to update the Parties’ notice information; and

WHEREAS, the Parties now desire to update Attachment B, Section II, Fees and Charges; and

NOW THEREFORE, the Parties mutually agree as follows:

ARTICLES

1. Section 2 of the Contract’s Additional Terms and Conditions shall be amended to read in its entirety as follows:

2. **CONTRACT Term:** This CONTRACT shall be renewed, commencing on April 1, 2021, and shall continue for one (1) year from that date; unless otherwise terminated as provided herein.

2. Section 7 of the Contract’s Additional Terms and Conditions shall be removed and reserved as follows:

7. **RESERVED**

3. Section 49 of the Contract's Additional Terms and Conditions shall be amended to read in its entirety as follows:

49. Notices: Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the course of the County's project coordinator and Contractor's project coordinator routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four calendar days after being mailed by us certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

County: JWA, Maintenance
Attn: Richard Flores, Project Coordinator
3180 Airway Avenue
Costa Mesa, CA 92626
Phone: (949) 252-5208
Email: rflores@ocair.com

cc: JWA, Maintenance
Attn: Roger Yee, Project Coordinator
3180 Airway Avenue
Costa Mesa, CA 92626
Phone: (949) 252-5095
Email: ryee@ocair.com

cc: JWA, Procurement
Attn: Thang Bernard, DPA
3160 Airway Avenue
Costa Mesa, CA 92626
Phone (949) 252-6074
Email tbernard@ocair.com

Contractor: Flagship Airport Services
Attn: Jim Mikacich
21720 S. Wilmington Avenue, Ste. 301-302
Long Beach, CA 90810
Phone: (310) 328-8221
Email: jmm@flashipinc.com

4. Attachment A-2 Cleaning Schedule shall be amended to add the following line item to table
Shift 1 – 7 Days per Week – 6:30am-2:30pm:

TSA Passenger Screening Checkpoints in Terminals A, B, C					
Service Description	Daily	Wkly	Mnthly	Qtrly	Yrly
Service cleaning for floor, equipment, and surface cleaning of the TSA Passenger Screening Checkpoints in Terminals A, B, C, service cleaning for Terminals A, B, C TSA Checked Baggage screening areas, and service cleaning for TSA occupied administrative spaces.	1x				

5. Attachment A-2 Cleaning Schedule shall be amended to add the following line item to table
Shift 2 – 7 Days per Week – 2:00pm-11:30pm:

TSA Passenger Screening Checkpoints in Terminals A, B, C					
Service Description	Daily	Wkly	Mnthly	Qtrly	Yrly
Service cleaning for floor, equipment, and surface cleaning of the TSA Passenger Screening Checkpoints in Terminals A, B, C, service cleaning for Terminals A, B, C TSA Checked Baggage screening areas, and service cleaning for TSA occupied administrative spaces.	1x				

6. Attachment A-2 Cleaning Schedule shall be amended to add the following line item to table
Shift 3 – 7 Days per Week – 11:00pm-6:30am:

TSA Passenger Screening Checkpoints in Terminals A, B, C					
Service Description	Daily	Wkly	Mnthly	Qtrly	Yrly
Service cleaning for floor, equipment, and surface cleaning of the TSA Passenger Screening Checkpoints in Terminals A, B, C, service cleaning for Terminals A, B, C TSA Checked Baggage screening areas, and service cleaning for TSA occupied administrative spaces.	1x				

7. Attachment B – Contractor’s Pricing, Section II shall be amended to read in its entirety as follows:

II. **FEES AND CHARGES** - County will pay the following fees in accordance with the provisions of this Contract.

The fixed price shall include all requirements and expenses related to the performance of work and services set forth in the Scope of Work.

Payment terms: Payment shall be made in accordance with the provisions of this Contract regardless of the number of days in the month:

ONE-YEAR CONTRACT TOTAL AMOUNT NOT TO EXCEED \$6,340,496.75

Description	Unit	2021 Year 5 Proposed	No. of Units	Total Annual Cost 5-Year Budget
Janitorial Cost	Monthly	\$ 383,859.21	12	\$ 4,606,310.46
Supplies, Materials & Equipment (includes scope changes)	Monthly	\$ 61,306.18	12	\$ 735,674.16
Carpet Cleaning	Monthly	\$ 30,782.42	12	\$ 369,389.09
Marble Maintenance	Quarterly	\$ 32,208.64	4	\$ 128,834.55
Linear Vents and HVAC Diffusers	Semi-annual	\$ 4,635.19	2	\$ 9,270.38
Carpet Cleaning Outer Buildings	Semi-annual	\$ 1,776.82	2	\$ 3,553.65
Terminal Interior & Exterior High Glass Cleaning Above 10 Feet	Semi-annual	\$ 31,970.93	2	\$ 63,941.87
High Cleaning Above 30 ft	Annual	\$ 35,298.76	1	\$ 35,298.76
			Total Annual Amount	\$ 5,952,272.91
TSA addition	Monthly	\$ 26,101.99	12	\$ 313,223.84
Additional Services (lump sum)				\$ 75,000.00
			Total Annual Contract Amount	\$ 6,340,496.75

8. Except as amended herein, all other terms and conditions of the Contract, including any prior amendments or modifications, shall remain unchanged and in full force and effect.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Amendment to the Contract on the dates shown opposite their respective signatures below.

Flagship Airport Services Inc.*

Signature	Name	Title	Date
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Signature	Name	Title	Date
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**If Contractor is a corporation, signatures of two specific corporate officers are required as further set forth:*

- *The first signature must be one of the following: a Chairman of the Board; b President; c any Vice President.*
- *The second signature must be one of the following: a Secretary; b Chief Financial Officer; c any Assistant Secretary; or d any Assistant Treasurer.*
- *In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signature to bind the company.*

County Authorized Signature

Signature	Name	Deputy Purchasing Agent Title	Date
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Approved by the Board of Supervisors on: _____

Approved as to Form:
County Counsel

By: _____
Deputy

Contract Summary Form

Flagship Airport Services Inc.

SUMMARY OF SIGNIFICANT CHANGES

The scope of this contract was revised to include the cleaning of the TSA passenger screening areas in Terminals A, B, and C, which was previously cleaned by the TSA. Page 4.

SUBCONTRACTORS

This contract allows for subcontracting with John Wayne Airport's consent pursuant to Attachment B, Section B, Fees and Charges within the contract amount for the term specified. Should the addition of a subcontractor impact the scope of work and/or contract amount, the department will bring the item back to the Board of Supervisors for approval.

This contract includes the following subcontractors or pass through to other providers.

Subcontractor Name	Service(s)	Amount
Master Machine & Maintenance	Marble Restoration	Unknown
South Shore	Window Cleaning	Unknown

CONTRACT OPERATING EXPENSES

FEES AND CHARGES - County will pay the following fees in accordance with the provisions of this Contract.

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Payment terms: Payment shall be made in accordance with the provisions of this Contract regardless of the number of days in the month:

ONE-YEAR CONTRACT TOTAL AMOUNT NOT TO EXCEED \$6,340,496.75

Description	Unit	2021 Year 5 Proposed	No. of Units	Total Annual Cost 5-Year Budget
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Appropriations for this Contract are included in the FY 2020-21 Budget and will be included in the budgeting process for future years.