

Michael V. Drake, MD

President

January 14, 2022

Office of the President 1111 Franklin St. Oakland, CA 94607

Califaria, Cristocri

The Honorable Nancy Skinner

Chair, Joint Legislative Budget Committee

1020 N Street, Room 553 Sacramento, California 95814

Newly Developed Facilities.

universityofcalifornia.edu

Dear Senator Skinner:

CAMPUSES Berkeley

Davis Irvine UCLA

Merced

Riverside San Diego San Francisco Santa Barbara

Santa Cruz

Sincerely,

MEDICAL CENTERS

Davis Irvine UCLA San Diego San Francisco

Enclosure

President

Michael V. Drake, MD

NATIONAL LABORATORIES

Lawrence Berkeley Lawrence Livermore Los Alamos

DIVISION OF AGRICULTURE AND NATURAL RESOURCES

cc: Senate Budget and Fiscal Review

The Honorable John Laird, Chair

9113, or by e-mail at David.Alcocer@ucop.edu.

Senate Budget and Fiscal Review Subcommittee #1

Pursuant to Section 92611.9 of the Education Code, enclosed is the University of

California's annual report to the Legislature on 2021 Contracting Out for Services at

If you have any questions regarding this report, Associate Vice President David Alcocer

would be pleased to speak with you. David can be reached by telephone at (510) 987-

(Attn: Mr. Christopher Francis) (Attn: Ms. Jean-Marie McKinney) The Honorable Kevin McCarty, Chair Assembly Budget Subcommittee #2

> (Attn: Mr. Mark Martin) (Attn: Ms. Carolyn Nealon)

Mr. Hans Hemann, Joint Legislative Budget Committee

Ms. Erika Contreras, Secretary of the Senate

Ms. Amy Leach, Office of the Chief Clerk of the Assembly Ms. Sue Parker, Office of the Chief Clerk of the Assembly

Mr. Chris Ferguson, Department of Finance Ms. Rebecca Kirk, Department of Finance Mr. Brian Rutledge, Department of Finance Page 2

Mr. Gabriel Petek, Legislative Analyst Office
Ms. Jennifer Pacella, Legislative Analyst Office
Mr. Jason Constantouros, Legislative Analyst Office
Provost and Executive Vice President Michael Brown
Executive Vice President and Chief Operating Officer Rachael Nava
Executive Vice President and Chief Financial Officer Nathan Brostrom
Senior Vice President Brent Colburn
Vice President Cheryl Lloyd
Associate Vice President David Alcocer
Associate Vice President and Director Kieran Flaherty

#### UNIVERSITY OF CALIFORNIA

# 2021 Contracting Out for Services at Newly Developed Facilities Reporting Period: Calendar Year 2021 (1/1/21 - 12/31/21)

Section 92611.9 of the Education Code states:

It is the intent of the Legislature that the University of California carefully monitor the use and effects of the contracting of services at newly developed facilities. In order to assist in an improved understanding of such impacts, the university is requested to report annually to the fiscal committees of the Legislature, on or before January 15 of each year, the extent to which it has chosen to contract for services, the rationale for those decisions, the cost implications of those decisions, the impact on hiring, and the extent to which the hiring and contracting practices are at variance with the practices at existing facilities.

The University of California submits this report in response to the above request of the Legislature. This report covers activities from January 1, 2021 through December 31, 2021 for newly developed facilities defined as those that opened or began operations on or after January 1, 2021.

Campuses and medical centers view contracting out for services as an essential supplement to existing resources. Maintaining a balance of contract and campus-based services assists locations in meeting operational needs and maximizing efficiency within resource constraints, while allowing for the introduction of new methods and best practices in service delivery.

Certain limits apply to when the University can contract for services. Considerations that must be taken into account are:

- compliance with applicable Business and Finance Bulletins governing service contracts and professional agreements,
- · compliance with requirements of personnel policies,
- compliance with collective bargaining agreements,
- business and financial necessity,
- level and quality of service required (including special skills and expertise),
- impact on the local business community, and
- impact on the core University functions of teaching, research, service, and patient care.

#### **Report Results**

Per University guidelines on contracting activities, contracts that may result in the displacement of University staff and that exceed \$100,000 per year, require advance review by the Office of the President prior to any contracting commitments. In calendar year 2021 no contracts were sent by locations for review.

During calendar year 2021, UC locations reported a total of 20 contracts for services at newly developed/leased facilities in the University system and no University staff were displaced as a result of contracting out activities.

The 20 contracts (excluding lease agreements with pre-determined services) for services at newly developed facilities for 2021 are as follows:

- Agriculture and Natural Resources (ANR) reported one (1) newly developed/leased facility with (2) contracts in place for janitorial and security alarm monitoring services.
- UC Davis reported one (1) newly developed/leased facility with one (1) contract in place for janitorial services.
- UC Los Angeles reported two (2) newly developed/leased facilities with five (5) contracts in place for janitorial, landscaping, and security guard services.
- UC Merced reported two (2) newly developed/leased facilities with two (2) contracts in place for pest control.
- UC Office of the President reported one (1) newly developed/leased facility with three (3) contracts in place for cleaning, landscaping and pest control services.
- UC San Diego reported two (2) newly developed/leased facilities with two (2) contracts in place for cleaning, and custodial services.
- UC San Francisco reported four (4) newly developed/leased facilities with four (4) contracts in place for custodial and stationary engineering services.
- UC Santa Barbara reported one (1) newly developed/leased facility with one (1) contract in place for janitorial services.

Brief summaries of these contracts for service are found in Appendix A attached to this report.

No services were reported to be contracted out at newly developed facilities at UC Berkeley, UC Irvine, UC Riverside, and UC Santa Cruz.

Additionally, four (4) locations reported 33 total newly leased facilities that included predetermined services in the overall lease agreement. No University staff were displaced at the campuses or medical centers as a result of these contracting out activities.

**UC Berkeley** reported five (5) newly leased facilities which included predetermined services (such as ground maintenance, and janitorial/ custodial services) as part of the overall lease:

- 2465 Le Conte Avenue, Berkeley, CA 94709
- 2150 Shattuck Avenue, Ste. 230, Berkeley, CA 94704
- 1798 Scenic Avenue, Berkeley, CA 94709
- 2001 Addison Street, Berkeley, CA 94704
- 160 Spear Street, Ste. 500, San Francisco, CA 94105

**UC Los Angeles** reported twenty-one (21) newly leased facilities which included predetermined services (such as ground maintenance, building maintenance, and janitorial/ custodial services) as part of the overall lease:

- UCLA Health Beverly Hills Primary & Specialty Care 9675 Brighton Way, Ste. 422, Beverly Hills, CA 90210
- UCLA Health Santa Monica Family Medicine 1304 15th Street, Ste. 202, Santa Monica, CA 90404
- UCLA Health Santa Monica Family Medicine 1304 15th Street, Ste. 213, Santa Monica, CA 90404
- UCLA Center for Health Policy Research 10960 Wilshire Blvd., Ste. 1925, 1950 & 1955, Los Angeles, CA 90024
- UCLA Health Montecito Primary & Specialty Care 1187 Coast Village Rd., Ste. 10-N & 10-O, Montecito, CA 93108
- UCLA Health Hematology 201 S. Buena Vista Street, Ste. 240, Burbank, CA 91505
- UCLA Health Avenida Mariscal La Mar 422 Departmento 306, Miraflores, Lima Peru 18

- UCLA Center for Behavioral & Addictive Medicine 10880 Wilshire Blvd., Ste. 1800, Los Angeles, CA 90024
- UCLA Health West Washington Internal Medicine 11303 Washington Blvd., Ste. 100, Los Angeles, CA 90066
- UCLA Health Manhattan Beach Primary Care 2501 N. Sepulveda Blvd., Ste. 100, Manhattan Beach, CA 90266
- UCLA Health Manhattan Beach Primary Care 2501 N. Sepulveda Blvd., Ste. 101, Manhattan Beach, CA 90266
- UCLA Health Brentwood Internal Medicine & Pediatrics 11980 San Vicente Blvd., Ste. 200, Los Angeles, CA 90049
- UCLA Health MPTF Santa Clarita 23861 McBean Parkway, Ste. E-23, Santa Clarita, CA 91355
- UCLA Health MPTF Santa Clarita 23861 McBean Parkway, Ste. E-24, Santa Clarita, CA 91355
- UCLA Health Torrance Primary & Specialty Care 3500 Lomita Blvd., Ste. 102, Torrance, CA 90505
- UCLA Audiology & Speech Pathology 10880 Wilshire Blvd., Ste. 920, Los Angeles, CA 90024
- UCLA Center for Health Policy 10911 Weyburn Ave., 2nd Floor, Los Angeles, CA 90024
- UCLA Center for Health Policy 10911 Weyburn Ave., 3rd Floor, Los Angeles, CA 90024
- UCLA Health Santa Barbara Cardiology 504 W. Pueblo St., Ste. 101, Santa Barbara, CA 93105
- UCLA Health Santa Maria Cardiology 220 S. Palisade Dr. Ste. 100, Santa Maria, CA 93454
- UCLA Health Montecito Primary & Specialty Care 1187 Coast Village Rd., Ste. 10-M, Montecito, CA 93108

**UC San Diego** reported five (5) newly leased facilities which included predetermined services (such as ground maintenance, building maintenance, and janitorial/ custodial services) as part of the overall lease:

- Vista Internal Medicine 910 Sycamore Street, Ste. 200, Vista, CA 92081
- Andrology Lab 9333 Genesee Avenue, San Diego, CA 92121
- Dove Canyon Psychiatry 16918 Dove Canyon Road, Ste. 100, San Diego, CA 92127
- Vascular Chancellor Park 4510 Executive Drive, Ste. 215, San Diego, CA 92121
- UPC Element Internal and Geriatric Medicine 8899 University Park Drive, Ste. 400, San Diego, CA 92121

**UC San Francisco** reported two (2) newly leased facilities which included predetermined services (such as ground maintenance, building maintenance, and janitorial/ custodial services) as part of the overall lease:

- 290 Redwood Shores Parkway, Redwood City, CA 94065
- 2900 Whipple Avenue, Ste. 130, Redwood City, CA 94062

In these situations, the University is not contracting out for services directly.

#### Amendment to 2020 Report:

One (1) location reported one (1) contract (excluding lease agreements with pre-determined services) for services at newly developed facilities in the University system that should have been reported in 2020. These totals are not included in the 2021 contract counts. No University staff were displaced at the campuses or medical centers as a result of these contracting out activities.

• UC Office of the President reported one (1) newly developed/leased facility with one (1) contract in place for indoor plant watering services.

A brief summary of this contract for service can be found in Appendix B attached to this report.

In addition, two (2) locations reported three (3) total newly leased facilities that included predetermined services in the overall lease agreement which should have been reported in 2020. These totals are not included in the 2021 contract counts. No University staff were displaced at the campuses or medical centers as a result of these contracting out activities.

**UC Office of the President** reported one (1) newly leased facility which included predetermined services (such as building engineering (HVAC), security services, elevator service & repairs, window cleaning, and custodial) as part of the overall lease:

• 1100 Broadway, Oakland, CA 94607

**UC San Francisco** reported two (2) newly leased facilities which included predetermined services (such as ground maintenance, building maintenance, and janitorial/ custodial services) as part of the overall lease:

- 39141 Civic Center Drive, 425, Fremont, CA 94538
- 2800 N. California Street, 15B, Stockton, CA 95204

In these situations, the University is not contracting out for services directly.

#### **APPENDIX A**

#### **Agriculture and Natural Resources**

Agriculture and Natural Resources (ANR) entered into two (2) contracts at (1) newly developed/leased facility:

- 1. UCCE SB County 1105 E. Foster Road, Ste. F., Santa Maria, CA 93455
  - a. The location entered into a contract for janitorial services with Rich & Famous dba Big Green Cleaning Co. (vendor) based on the fact that this facility is located more than 326 miles from the ANR's headquarters in Davis, CA. Due to the location and the limited scope of services, it does not merit a janitorial team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run from July 1, 2021 on an on-going monthly basis. No UC staff were laid off or reassigned as a result of this contract.
  - b. The location entered into a contract for security alarm monitoring services with Integrity Systems (vendor) based on the fact that this facility is located more than 326 miles from the ANR's headquarters in Davis, CA. Due to the location and the limited scope of services, it does not merit a team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run from November 1, 2021 on an on-going monthly basis. No UC staff were laid off or reassigned as a result of this contract.

#### **UC Davis**

UC Davis (UCD) entered into one (1) contract at one (1) newly developed/leased facility:

1. Elk Grove Physical Therapy - 9390 Big Horn Blvd Ste. 120 Elk Grove, CA 95758

The location entered into a contract for janitorial services with Esterley Managed Services (vendor) based on the fact that this facility is located 27 miles from the UCD campus. Due to the location and the limited scope of services, it does not merit a janitorial team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run from September 1, 2021 through September 1, 2024. No UC staff were laid off or reassigned as a result of this contract.

## **UC Los Angeles**

UC Los Angeles (UCLA) entered into five (5) contracts at two (2) newly developed/leased facilities:

- UCLA Health Simi Valley Specialty Care 2755 Alamo St. Suite 100, Simi Valley, CA 93065
   The location entered into a contract for janitorial services with Calico Building Services (vendor) based on the fact that this facility is located 33 miles from the UCLA campus. Due to the location and the limited scope of services, it does not merit a janitorial team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run from January 15, 2021 through November 1, 2023. No UC staff were laid off or reassigned as a result of this contract.
- 2. UCLA Labor Center, MacArthur Park 675 S. Park View Ave. St., Los Angeles, CA 90060
  - a. The location entered into a contract for landscaping services with Abraham Acuna (vendor) based on the fact that this facility is located 13.3 miles from the UCLA campus. Due to the location and the limited scope of services, it does not merit a landscaping team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run from February 2, 2021 on an on-going monthly basis. No UC staff were laid off or reassigned as a result of this contract.
  - b. The location entered into a contract for trash services with Athens Services DBA Arakelian

Enterprises Inc. (vendor) based on the fact that this facility is located 13.3 miles from the UCLA campus. In this situation, UC engaged an existing contractor to avoid a disruption in services. Due to the location and the limited scope of services, it does not merit a team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run from January 25, 2021 through December 31, 2021. No UC staff were laid off or reassigned as a result of this contract.

- c. The location entered into a contract for security services with Alarmtron Security Services (vendor) based on the fact that this facility is located 13.3 miles from the UCLA campus. In this situation, UC engaged an existing contractor to avoid a disruption in services. Due to the location and the limited scope of services, it does not merit a security team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run from February 9, 2021 on an on-going monthly basis. No UC staff were laid off or reassigned as a result of this contract.
- d. The location entered into a contract for janitorial services with Crown Building Maintenance Co. Inc. DBA Able Building Maintenance (vendor) based on the fact that this facility is located 13.3 miles from the UCLA campus. In this situation, UC engaged an existing contractor to avoid a disruption in services. Due to the location and the limited scope of services, it does not merit a janitorial team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run from August 26, 2020 through August 31, 2023. No UC staff were laid off or reassigned as a result of this contract.

#### **UC Merced**

UC Merced (UCM) entered into two (2) contracts at two (2) newly developed/leased facilities:

## 1. Administration Building - 5200 N. Lake Road, Merced, CA 95343

The location entered into a contract for pest control services with EagleShield Pest Control (vendor) based on the fact that UCM is unable to provide a specialist with the required skills in animal trapping and pest control on site in this specialized area. Eagleshield personnel have the required skill and experience in complying with the EPA pest eradication requirements in alignment with the UC Merced Environmental Health and Safety (EH&S) standards. The services are contracted to run from July 1, 2020 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.

## 2. <u>BioMedical Science and Physics - 5200 N. Lake Road, Merced, CA 95343</u>

The location entered into a contract for pest control services with EagleShield Pest Control (vendor) based on the fact that UCM is unable to provide a specialist with the required skills in animal trapping and pest control on site in this specialized area. Eagleshield personnel have the required skill and experience in complying with the EPA pest eradication requirements in alignment with the UC Merced Environmental Health and Safety (EH&S) standards. The services are contracted to run from July 1, 2020 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.

#### **UC Office of the President**

UC Office of the President (UCOP) entered into three (3) contracts at one (1) newly developed/leased facility:

#### 1. 2821 Claremont Ave, Berkeley, CA 94705

a. The location extended a contract for cleaning services with Merry Maids (vendor) for the President's residence in Berkeley. UCOP engaged UCB to provide support of available staff though UCB was unable due to staffing issues on campus. Due to the limited scope of services, it does not merit a cleaning team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal

- practice. The services are contracted to run from June 1, 2021 on an on-going monthly basis. No UC staff were laid off or reassigned as a result of this contract.
- b. The location extended a contract for landscaping services with Cagwin and Doward (vendor) for the President's residence in Berkeley. UCOP engaged UCB to provide support of available staff though UCB was unable due to staffing issues on campus. Due to the limited scope of services, it does not merit a landscaping team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run from June 1, 2021 on an on-going monthly basis. No UC staff were laid off or reassigned as a result of this contract.
- c. The location extended a contract for pest control services with Crane (vendor) for the President's residence in Berkeley. UCOP engaged UCB to provide support of available staff though UCB was unable due to staffing issues on campus. Due to the limited scope of services, it does not merit a pest control team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run from June 1, 2021 on an on-going monthly basis. No UC staff were laid off or reassigned as a result of this contract.

## **UC San Diego**

UC San Diego (UCSD) entered into two (2) contracts at two (2) newly developed/leased facilities:

- UTC Digestive Disease; 4303 La Jolla Village Drive, Ste. 2110, San Diego, CA 92121
   The location entered into a contract for custodial services with Vortex (vendor) due to staffing shortage issues which has prevented UCSD Health EVS and Campus EVS servicing the remote clinic at time of opening. These services are in progress of being in-sourced through UCSD Health EVS at the conclusion of the 90-day contract. The services are contracted to run from October 6, 2021 through December 31, 2021. No UC staff were laid off or reassigned as a result of this contract.
- 2. 2205 North Torrey Pines Living and Learning Center 9605 Scholars Dr. North, La Jolla, CA 92093
  The location entered into a one-time contract for janitorial services with Haynes/Encore Cleaning (vendor) based on needed expertise in specialized COVID-19 Level 4 cleaning. Specifically, the service was to be performed in areas of known COVID-19 exposure. Due to staffing issues and the risk of exposure of non-skilled staff conducting the cleanings, UCSD elected to contract out rather than mandating HDH perform these duties. The services were contracted to run October 2, 2021. No UC staff were laid off or reassigned as a result of this contract.

### **UC San Francisco**

UC San Francisco (UCSF) entered into four (4) contracts at four (4) newly developed/leased facilities:

- 1. Faculty Housing 2130 Post Street, San Francisco, CA 94115
  - The location extended a contract for custodial services with LMS via Workforce Logiq (vendor). Due to the sporadic nature of needing non-routine power-washing services it is not efficient to send a team out to the location nor assign an individual or team full time for the location. The services are contracted to run from July 1, 2021 through November 30, 2021. No UC staff were laid off or reassigned as a result of this contract.
- 2. Two North Point 2001 Embarcadero, San Francisco, CA 94133
  - The location extended a contract for stationary engineers with CBRE via International Union of Operating Engineers Local 39 of San Francisco (vendor). The practice of employing stationary engineers through a unionized third party is consistent with UCSF's historical practice to meet the needs of the operation. UCSF does not employ stationary engineers in their local Skilled Trades bargaining unit. The services are contracted to run from July 1, 2021 through August 31, 2025. No UC staff were laid off or reassigned as a result of this contract.

- 3. Joan and Sanford I. Weill Neurosciences Building 1651 4th Street, San Francisco, CA 94158
  The location extended a contract for stationary engineers with CBRE via International Union of Operating
  Engineers Local 39 of San Francisco (vendor). The practice of employing stationary engineers through a
  unionized third party is consistent with UCSF's historical practice to meet the needs of the operation.
  UCSF does not employ stationary engineers in their local Skilled Trades bargaining unit. The services are
  contracted to run from March 1, 2021 through August 31, 2025. No UC staff were laid off or reassigned as
  a result of this contract.
- 4. 290 Redwood Shores Parkway, Redwood City, CA 94065

The location extended a contract for interior custodial services with Genesis Janitorial (vendor) based on the fact that this facility is located 27 miles from the UCSF Parnassus location. Due to the location and the limited scope of services, it does not merit a custodial team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run December 1, 2021 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.

#### **UC Santa Barbara**

UC Santa Barbara (UCSB) entered into one (1) contract at one (1) newly developed/leased facility:

### 1. 1021 Anacapa Street, Santa Barbara, CA 93101

The location entered into a contract for janitorial services with Big Green Cleaning Co (vendor) based on the fact that this facility is located 11 miles from the UCSB campus. Due to the location and the limited scope of services, it does not merit a janitorial team to be dispatched to or established. The practice of using contracted suppliers to provide services efficiently to small, scope-limited locations is a normal practice. The services are contracted to run from July 21, 2021 through July 20, 2022. No UC staff were laid off or reassigned as a result of this contract.

#### **APPENDIX B**

## **UC Office of the President**

UC Office of the President (UCOP) entered into one (1) contract at one (1) newly developed/leased facility:

## 1. <u>1100 Broadway, Oakland, CA 94607</u>

The location entered into a contract for indoor plant watering services with Barbary Coast Botanicals (vendor) based on the fact that UCOP does not have the staff to accomplish this work. The decision to contract for this service at this location is consistent with the practice for contracting out services at UCOP's Franklin building location. The services are contracted to run from June, 2020 and are ongoing. No UC staff were laid off or reassigned as a result of this contract.

#### **Contact information:**

Office of the President University of California 1111 Franklin Street Oakland, CA 94607-5200