



UNIVERSITY  
OF  
CALIFORNIA

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Michael V. Drake, MD  
President

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December 21, 2022

The Honorable Nancy Skinner  
Chair, Joint Legislative Budget Committee  
1020 N Street, Room 553  
Sacramento, California 95814

Dear Senator Skinner:

Pursuant to Section 92611.9 of the Education Code, enclosed is the University of California's annual report to the Legislature on 2022 Contracting Out for Services at Newly Developed Facilities.

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) 987-9113, or by e-mail at [David.Alcocer@ucop.edu](mailto:David.Alcocer@ucop.edu).

Sincerely,

Michael V. Drake, MD  
President

Enclosure

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CAMPUSES

Berkeley  
Davis  
Irvine  
UCLA  
Merced  
Riverside  
San Diego  
San Francisco  
Santa Barbara  
Santa Cruz

MEDICAL CENTERS

Davis  
Irvine  
UCLA  
San Diego  
San Francisco

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  
Senate Budget and Fiscal Review Subcommittee #1  
(Attn: Mr. Christopher Francis)  
(Attn: Ms. Jean-Marie McKinney)  
The Honorable Kevin McCarty, Chair  
Assembly Budget Subcommittee #2  
(Attn: Mr. Mark Martin)  
(Attn: Ms. Sarah Haynes)  
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  
Ms. Tammy Weis, Office of the Chief Clerk of the Assembly  
Mr. Chris Ferguson, Department of Finance  
Mr. Jack Zwald, Department of Finance

Ms. Gabriela Chavez, Department of Finance  
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

### **2022 Contracting Out for Services at Newly Developed Facilities Reporting Period: Calendar Year 2022 (1/1/22 - 12/31/22)**

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, 2022 through December 31, 2022 for newly developed facilities defined as those that opened or began operations on or after January 1, 2022. The university is dedicated to the insourcing principles articulated in its policies and collective bargaining agreements (CBAs).

Within the parameters of applicable rules, policies, and CBAs, 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:

- Regent's Policy 5402
- compliance with university policies and CBAs,
- compliance with applicable Business and Finance Bulletins governing service contracts and professional agreements,
- compliance with requirements of personnel policies,
- 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 2022 no contracts were sent by locations for review.

During calendar year 2022, UC locations reported a total of 13 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 13 contracts (excluding lease agreements with predetermined services) for services at newly developed facilities for 2022 are as follows:

- UC Irvine reported two (2) newly developed/leased facilities with twelve (12) contracts in place for janitorial, pest control, HVAC, industrial hygiene, maintenance, and safety services.
- UC Los Angeles reported one (1) newly developed/leased facility with one (1) contract in place for janitorial services.

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

No services were reported to be contracted out at newly developed facilities at Agriculture and Natural Resources, UC Berkeley, UC Office of the President, UC Riverside, and UC Santa Cruz.

Additionally, five (5) locations reported fifteen (15) 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 Davis** reported three (3) newly leased facilities which included predetermined services (such as ground maintenance and janitorial services) as part of the overall lease:

- UCDH Admin Services - 10850 White Rock Road, Rancho Cordova, CA 95670
- School of Medicine: Neurology - 202 Cousteau Pl, Suite 160, Davis, CA 95618
- UC Hastings Academic Village - 200 McAllister St, San Francisco, CA 94102

**UC Merced** reported one (1) newly leased facility which included predetermined services (such as security services) as part of the overall lease:

- 15th Street Warehouse - 1507 O Street, Merced, CA 95343

**UC Santa Barbara** reported four (4) newly leased facilities which included predetermined services (such as ground maintenance, pest control, building maintenance, and janitorial services) as part of the overall lease:

- UCSB Design, Facilities, & Safety Services – 6759, 6765, 6789 Navigator Way, Goleta, CA 93117
- UCSB Design, Facilities, & Safety Services - 289 Coromar Drive, Goleta, CA 93117
- UC Education Abroad Program - 420 South Fairview Avenue, Suite 200 (portion), Goleta, CA 93117
- UCSB Media Arts & Technology - 513 Garden St., Santa Barbara, CA 93101

**UC San Diego** reported three (3) newly leased facilities which included predetermined services as part of the overall lease:

- 4520 Executive Dr, Suite 111, San Diego, CA 92121
- 3252 Holiday Court, Suite 221, La Jolla, CA 92037
- 3830 Park Blvd, San Diego, CA 92103

**UC San Francisco** reported four (4) newly leased facilities which included predetermined services (such as ground maintenance, building maintenance, security, and janitorial/custodial services) as part of the overall lease:

- 1100 Van Ness Avenue, 8th Floor, San Francisco, CA 94109
- 1800 Owens, 4th Floor, San Francisco, CA 94158
- 3100 San Pablo Avenue, Suite 280, Berkeley, CA 94702
- Pritzker Building - 675 18th Street, San Francisco, CA 94107

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

**Amendment to 2021 Report:**

Three (3) locations reported four (4) total newly leased facilities that included predetermined services in the overall lease agreement which should have been reported in 2021. These totals are not included in the 2022 contract counts. No University staff were displaced at the campuses or medical centers as a result of these contracting out activities.

**UC Los Angeles** reported two (2) newly leased facilities which included predetermined services as part of the overall lease:

- UCLA Health Department of Medicine - 248 Hampshire Road, Sherman Oaks, CA 91361
- UCLA Health Department of Medicine: Oncology - 219 Nogales Ave, #E, Santa Barbara, CA 93105

**UC Santa Barbara** reported one (1) newly leased facility which included predetermined services (such as ground maintenance, building maintenance, and janitorial services) as part of the overall lease:

- UCSB Marine Science Institute - 1819 Aston Avenue, Suite 103, Carlsbad, CA 92008

**UC San Diego** reported one (1) newly leased facility which included predetermined services (such janitorial and security services) as part of the overall lease:

- Park & Market - 1100 Market Street, San Diego, CA 92101

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

**APPENDIX A**

**UC Irvine**

UC Irvine (UCI) entered into six (6) contracts at two (2) newly developed/leased facilities:

1. College of Health Sciences - 856 Medical Sciences, Irvine, CA 92697
  - a. The location entered into a contract for chiller maintenance with Air Treatment (vendor) to perform the maintenance of the newly installed chillers because the Heat Recovery Chillers are the first of their kind installed on campus and the in-house technicians do not have the knowledge or the expertise in performing these services. Technicians requested agreement for the first year of operation to assist them with gaining knowledge of this system. The services are contracted to run from August 10, 2022 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.
  
2. Campus Housing Verano 8 - 70000 Verano Road, Irvine, CA 92617
  - a. The location entered into a contract for trash chute services with All Start Property Services (vendor) to perform the preventive maintenance of the trash chute based on the fact that this type of work is out of scope of Housing operations staff. The services are contracted to run from September 1, 2022 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.
  
  - b. The location entered into a contract for HVAC services with Trane (vendor) based on the fact that the system requires specialized training and is required to be performed by the supplier as part of the new building project. The services are contracted to run from July 1, 2022 through June 30, 2027. No UC staff were laid off or reassigned as a result of this contract.
  
  - c. The location entered into a contract for pest control services with Innovative Pest Control (vendor) based on the fact that it is a specialized pest control service which is regulated by the state and requires specific licensure which University staff does not possess. The services are contracted to run from September 1, 2022 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.
  
  - d. The location entered into a contract for electric fire pump testing with VFS Fire & Security Services (vendor) based on the fact that they hold and maintain the required certifications/licenses to complete the necessary inspections. The campus is unable to provide these services due to its lack of expertise, necessary equipment, certifications, and licenses to complete the fire pump inspections. The services are contracted to run from August 10, 2022 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.
  
  - e. The location entered into a contract for elevator servicing with Kone Inc (vendor) based on the fact that the elevator servicing requires specialized training and is required to be performed by the supplier as part of the new building project. The services are contracted to run from July 1, 2022 through June 30, 2027. No UC staff were laid off or reassigned as a result of this contract.

UC Irvine (UCI) added six (6) services to existing contracts at the same two (2) newly developed/leased facilities:

1. College of Health Sciences - 856 Medical Sciences, Irvine, CA 92697  
Campus Housing Verano 8 - 70000 Verano Road, Irvine, CA 92617
  - a. The location added the facilities to an existing contract for fire extinguisher monthly inspections with Mobile Fire (vendor) based on the fact that the UCI's Fire Safety team lacks specialized equipment, expertise, and proper certification credentialing to provide this service itself. It requires monthly chemical weight and pressure verification, and more than 3,000 extinguishers

on campus cannot effectively be completed by current staff. The services are contracted to run from July 1, 2022 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.

- b. The location added the facilities to an existing contract for fire extinguisher annual weight recharge and 5 year hydro test with Mobile Fire (vendor) based on the fact that UCI's Fire Safety team lacks specialized equipment, expertise, and proper certification credentialing to provide this service itself. It requires hydrodynamic pressure tests, chemical weight, and pressure equipment. The services are contracted to run from July 1, 2022 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.
- c. The location added the facilities to an existing contract for industrial hygiene services with PW Stevens (vendor) based on the fact that UCI is unable to provide a specialist with the required skills in this specialized area. External companies are engaged in the investigation of indoor air quality submissions, as needed, when incumbent staff are not qualified or an independent third party is required to perform the tasks. They also include access to laboratory sampling and processing that campus does not have the capacity to complete, for example, asbestos monitoring and characterization, 24/7 air monitoring, or certain types of mold characterization. The services are contracted to run from July 1, 2022 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.
- d. The location added the facilities to an existing contract for industrial hygiene services with OMNI Environmental (vendor) based on the fact that UCI is unable to provide a specialist with the required skills in this specialized area. External companies are engaged in the investigation of indoor air quality submissions, as needed, when incumbent staff are not qualified or an independent third party is required to perform the tasks. They also include access to laboratory sampling and processing that campus does not have the capacity to complete, for example, asbestos monitoring and characterization, 24/7 air monitoring, or certain types of mold characterization. The services are contracted to run from July 1, 2022 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.
- e. The location added the facilities to an existing contract for industrial hygiene services with Cape Environmental (vendor) based on the fact that UCI is unable to provide a specialist with the required skills in this specialized area. External companies are engaged in the investigation of indoor air quality submissions, as needed, when incumbent staff are not qualified or an independent third party is required to perform the tasks. They also include access to laboratory sampling and processing that campus does not have the capacity to complete, for example, asbestos monitoring and characterization, 24/7 air monitoring, or certain types of mold characterization. The services are contracted to run from July 1, 2022 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.
- f. The location added the facilities to an existing contract for safety, ergonomic, and equipment research services with Pelletier & Associates (vendor) to investigate any injuries or safety concerns from campus employees, which requires a specialist as incumbent staff are not qualified for performing the services. The services are contracted to run from July 1, 2022 through June 30, 2023. No UC staff were laid off or reassigned as a result of this contract.

**UC Los Angeles**

UC Los Angeles (UCLA) entered into one (1) contract at one (1) newly developed/leased facility:

1. UCLA Health SCN - Radiology Oncology - 1338 S. Hope St, #A, Los Angeles, CA 90015
  - a. The location entered into a contract for janitorial services with Calico (vendor) based on the fact that this facility is located more than 13 miles from the medical center. 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 May 4, 2022 through May 31, 2025. No UC staff were laid off or reassigned as a result of this contract.

**Contact information:**

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