December 15, 2023

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 2023 Contracting for Services at Newly Developed Facilities.

If you have any questions regarding this report, Interim Associate Vice President and Director Cain Diaz would be pleased to speak with you. Cain can be reached by telephone at (510) 987-9350, or by e-mail at Cain.Diaz@ucop.edu.

Sincerely,

Michael V. Drake, MD
President

Enclosure

cc:
Senate Budget and Fiscal Review
The Honorable John Laird, Chair
Senate Budget and Fiscal Review Subcommittee #1
(Attn: Mr. Christopher Francis)
(Attn: Mr. Kirk Feely)
The Honorable Kevin McCarty, Chair
Assembly Budget Subcommittee #2
(Attn: Mr. Mark Martin)
(Attn: Ms. Sarah Haynes)
Mr. Hans Hemann, Joint Legislative Budget Committee
Mr. Chris Ferguson, Department of Finance
Ms. Rebecca Lee, Department of Finance
Ms. Jennifer Louie, Department of Finance
Ms. Gabriela Chavez, Department of Finance
Mr. Gabriel Petek, Legislative Analyst Office
Ms. Jennifer Pacella, Legislative Analyst Office
Executive Vice President and Chief Operating Officer Rachael Nava
Executive Vice President and Chief Financial Officer Nathan Brostrom
Interim Senior Vice President Michael Reese
Vice President Cheryl Lloyd
Associate Vice President and Chief Procurement Officer Paul Williams
Associate Vice President and Director Kathleen Fullerton
Interim Associate Vice President and Director Cain Diaz
UNIVERSITY OF CALIFORNIA

2023 Contracting for Services at Newly Developed Facilities
Reporting Period: Calendar Year 2023 (1/1/23 - 12/31/23)

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, 2023 through December 31, 2023 for newly developed facilities defined as those that opened or began operations on or after January 1, 2023. 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 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: Policy Generally Prohibiting Contracting for Services,
- compliance with other 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 2023 no such contracts were sent by locations for review.

During calendar year 2023, UC locations reported a total of 18 contracts for services at newly developed/leased facilities in the University system and no University staff were displaced as a result of these activities.

The 18 contracts (excluding lease agreements with predetermined services) for services at newly developed facilities for 2023 are as follows:
• UC Irvine reported two (2) newly developed/leased facilities with seven (7) contracts in place for janitorial, landscape, fire extinguisher inspection, fume hood, and sprinkler/hydrant inspection services.

• UC Los Angeles reported one (1) newly developed/leased facility with three (3) contracts in place for janitorial, parking, and security services.

• UC Riverside reported one (1) newly developed/leased facility with one (1) contract in place for custodial services.

• UC Santa Barbara reported two (2) newly developed/leased facilities with three (3) contracts in place for security alarm installation/maintenance and pest control.

• UC Santa Cruz reported four (4) newly developed/leased facilities with four (4) contracts in place for food service workers and transport services.

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

No service contracts were reported at newly developed facilities at UC Merced and UC Office of the President.

Additionally, eight (8) locations reported twenty-four (24) 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 activities.

**UC Agriculture and Natural Resources** reported one (1) newly leased facility which included predetermined services (such as janitorial services and groundskeeping) as part of the overall lease:
- UCCE San Mateo/San Francisco CFHL - 400 Oyster Point Blvd. Suite #208, South San Francisco, CA 94080

**UC Berkeley** reported three (3) newly leased facilities which included predetermined services (such as janitorial, trash, compost pick up, security, and landscaping services) as part of the overall lease:
- 2400 Ridge Rd, Berkeley, CA 94709
- 733 Allston, Berkeley, CA 94710
- 2701 Eighth St, Berkeley, CA 94710

**UC Davis** reported four (4) newly leased facilities which included predetermined services (such as janitorial services and groundskeeping) as part of the overall lease:
- UCDH (UCDMG - Stockton Prenatal) - 5757 Pacific Ave, Suite A132, Stockton, CA 95207
- Student Affairs (SAYS) - 950 Fulton Ave #225, Sacramento, CA 95825
- College of L&S (HArCS) - 628 Cantrill Drive, Davis, CA 95618
- Food Science & Technology - 12647 Alcosta Blvd, Suite 195, San Ramon, CA 94583

**UC Irvine** reported one (1) newly leased facility which included predetermined services (such as janitorial services) as part of the overall lease:
- Fountain Valley Medical Office Building V - 11190 Warner Avenue, Fountain Valley, CA 92708

**UC Los Angeles** reported three (3) newly leased facilities which included predetermined services (such as janitorial and groundskeeping services) as part of the overall lease:
- DOM - Internal Medicine - 5383 Hollister Ave., Goleta, CA 93111
- Emergency Medicine - 1100 Glendon, #1200 Los Angeles, CA 90024
- Head & Neck Surgery - 3701 Skypark, #240 Torrance, CA 90505

**UC San Diego** reported seven (7) newly leased facilities which included predetermined services (such as groundskeeping services) as part of the overall lease:
• 2131 Third Ave, Suite 300 & 400, San Diego, CA 92101
• 2131 Third Ave, Suite 200, San Diego, CA 92101
• 4510 Executive Dr, Suite 111, San Diego, CA 92121
• 4510 Executive Dr, Suite 300, San Diego, CA 92121
• 2131 Third Ave, First Flr South, San Diego, CA 92101
• 9310 Athena Circle, Suite 130 & 200, La Jolla, CA 92037
• 2111 Morena Boulevard, San Diego, CA 92110

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

• 535 Mission St, San Francisco, CA 94105
• 2320 Sutter St #101, San Francisco, CA 94115
• 3100 San Pablo Ave., Suite 420. Berkeley, CA 94702
• 2350 Saratoga St., #102 & #105, Alameda, CA 94501

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

• S.C. Harbor - Lower West Harbor, Santa Cruz, CA 95062

In these situations, the University is not contracting for services directly.
Amendment to 2022 Report:
One (1) location reported two (2) contracts (that do not include pre-determined services) for services at newly developed facilities in the University system which should have been reported in 2022. These totals are not included in the 2023 contract counts. No University staff were displaced at the campuses or medical centers as a result of these activities.

- UC Los Angeles reported two (2) newly developed/leased facilities with two (2) contracts in place for maintenance, custodial, groundskeeping, and security services.

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

In addition, one (1) location reported one (1) total newly leased facility that included predetermined services in the overall lease agreement which should have been reported in 2022. These totals are not included in the 2023 contract counts. No University staff were displaced at the campuses or medical centers as a result of these contracting activities.

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

- Neuromodulation - Psychiatry & Biobehavioral Sciences - 630 S. Raymond Avenue, #336 Pasadena, CA 91105

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

UC Irvine
UC Irvine (UCI) entered into seven (7) contracts at two (2) newly developed/leased facilities:

1. Plumwood House - 1003 Health Sciences Road, Irvine, CA  92617
   a. The location entered into a contract for monthly fire extinguisher inspections with Mobile Fire, to ensure that the extinguishers are present and ready for use. Monthly checks are required by code. The decision to obtain Fire Extinguisher annual inspections from Mobile Fire is based on the fact that the location'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, and there are more than 3,000 extinguishers on campus. This is a required service that is provided to all University facilities by an external company and as new facilities are built, these services are added to the contract. The services are contracted to run from July 1, 2023 through June 30, 2024. No UC staff were laid off or reassigned as a result of this contract.
   b. The location entered into a contract for annual fire extinguisher inspections with Mobile Fire, to ensure that the extinguishers are present and ready for use. The decision to obtain Fire Extinguisher annual inspections from Mobile Fire is based on the fact that the location'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, and there are more than 3,000 extinguishers on campus. This is a required service that is provided to all University facilities by an external company and as new facilities are built, these services are added to the contract. The services are contracted to run from July 1, 2023 through June 30, 2024. No UC staff were laid off or reassigned as a result of this contract.
   c. The location entered into a contract for fume hood annual certification with Zaretsky Engineering Solutions. It is required by code to have a third party certify Fume Hoods to ensure compliance with Cal-OSHA. UC Irvine lacks the personnel, equipment, and certification ability to conduct these annual certifications. As new facilities are added on campus, they must be added to the contract. The services are contracted to run from July 1, 2023 through June 30, 2024. No UC staff were laid off or reassigned as a result of this contract.

2. American Heart Association Building - 4600 Campus Drive, Irvine, CA  92617
   a. The location entered into a contract for monthly fire extinguisher inspections with Mobile Fire, to ensure that the extinguishers are present and ready for use. Monthly checks are required by code. The decision to obtain Fire Extinguisher annual inspections from Mobile Fire is based on the fact that the location'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, and there are more than 3,000 extinguishers on campus. This is a required service that is provided to all University facilities by an external company and as new facilities are built, these services are added to the contract. The services are contracted to run from July 1, 2023 through June 30, 2024. No UC staff were laid off or reassigned as a result of this contract.
   b. The location entered into a contract for annual fire extinguisher inspections with Mobile Fire, to ensure that the extinguishers are present and ready for use. The decision to obtain Fire Extinguisher annual inspections from Mobile Fire is based on the fact that the location'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, and there are more than 3,000 extinguishers on campus. This is a required service that is provided to all University facilities by an external company and as new facilities are built,
these services are added to the contract. The services are contracted to run from July 1, 2023 through June 30, 2024. No UC staff were laid off or reassigned as a result of this contract.

c. The location entered into a contract for janitorial services with B&B Services, as part of the purchase agreement. Contract terminated after previous tenant vacated the building on 9/29/23. The services were contracted to run from August 22, 2023 through September 29, 2023. No UC staff were laid off or reassigned as a result of this contract.

d. The location entered into a contract for landscape/irrigation services with My Sprinkler, as part of the purchase agreement. Contract terminated after previous tenant vacated the building on 9/29/23. The services were contracted to run from August 22, 2023 through September 29, 2023. No UC staff were laid off or reassigned as a result of this contract.

UC Los Angeles
UC Los Angeles (UCLA) entered into three (3) contracts at one (1) newly developed/leased facility:

1. The Trust Building - 433 S. Spring Street, Los Angeles, CA 90013
   a. The location entered into a contract for janitorial services with ABM Janitorial, as the contract was assumed as a part of the real estate purchase. The employee is being hired as a UCLA career FTE. The services were contracted to run from July 7, 2023 through November 14, 2023. No UC staff were laid off or reassigned as a result of this contract.

   b. The location entered into a contract for parking services with PCAM, as the contract was assumed as a part of the real estate purchase. The employees are in the process of being hired as UCLA Career FTE. The services were contracted to run from July 7, 2023 through November 30, 2023. 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 Allied Universal, as the contract was assumed as a part of the real estate purchase. The employees are in the process of being hired as UCLA Career FTE. The services were contracted to run from July 7, 2023 through December 15, 2023. No UC staff were laid off or reassigned as a result of this contract.

UC Riverside
UC Riverside (UCR) entered into one (1) contract at one (1) newly developed/leased facility:

1. School of Medicine Building II – 836 900 University Ave, Riverside, CA 92521
   a. The location entered into a contract for custodial services with AppleOne, as staffing support was needed while permanent hires were onboarded for new building turnover. The 2 temporary custodial staff that are placed in the building will be replaced by new permanent full time hires starting Monday, October 30, 2023. The services were contracted to run from September 1, 2023 through November 1, 2023. No UC staff were laid off or reassigned as a result of this contract.

UC Santa Barbara
UC Santa Barbara (UCSB) entered into three (3) contracts at two (2) newly developed/leased facilities:

1. Interactive Learning Pavilion - 1180 Kerr Hall, University of California, Santa Barbara, CA 93106
   a. The location entered into a contract for security alarm installation and maintenance services with Bay Alarm, as security alarm installation and maintenance services are provided by Bay Alarm for the entire campus. The services are contracted to run from May 1, 2023 through April 30, 2024. No UC staff were laid off or reassigned as a result of this contract.

   b. The location entered into a contract for pest control services with Ventura Pest Control, as a temporary measure while the work is in the process of being insourced. The services were
contracted to run from August 1, 2023 through September 30, 2023. No UC staff were laid off or reassigned as a result of this contract.

2. **Associated Students Bike Shop - UCSB Building 344, Ocean Road, North of Bus Loop, Adjacent to 4041 SAASB, Santa Barbara, CA 93106**
   a. The location entered into a contract for security alarm installation and maintenance services with Bay Alarm, as security alarm installation and maintenance services are provided by Bay Alarm for the entire campus. The services are contracted to run from September 1, 2023 through August 30, 2024. No UC staff were laid off or reassigned as a result of this contract.

**UC Santa Cruz**

UC Santa Cruz (UCSC) entered into four (4) contracts at four (4) newly developed/leased facilities:

1. **Rachel Carson Dining - 356 Rachel Carson Road, Santa Cruz, CA 95064**
   a. The location entered into a contract for food service workers with Manpower, while recruitment for career staff is ongoing. As newly hired career staff are onboarded, they will replace temporary workers. The services were contracted to run from September 21, 2023 through December 15, 2023. No UC staff were laid off or reassigned as a result of this contract.

2. **Kresge College Residence Hall - C - 541 Porter-Kresge Road, Santa Cruz, CA 95064**
   a. The location entered into a contract for moving and transport services with Liebrandt Moving and Transport, to support campus movers that were already working on the residence move-in. Assistance is particularly critical when elevators break down (which happened multiple times during move-in). The services were contracted to run from September 21, 2023 through September 24, 2023. No UC staff were laid off or reassigned as a result of this contract.

3. **Kresge College Residence Hall B, 535 Porter-Kresge Road, Santa Cruz, CA 95064**
   a. The location entered into a contract for moving and transport services with Liebrandt Moving and Transport, to support campus movers that were already working on the residence move-in. Assistance is particularly critical when elevators break down (which happened multiple times during move-in). The services were contracted to run from September 21, 2023 through September 24, 2023. No UC staff were laid off or reassigned as a result of this contract.

4. **Kresge College Residence Hall A, 527 Porter-Kresge Road, Santa Cruz, CA 95064**
   a. The location entered into a contract for moving and transport services with Liebrandt Moving and Transport, to support campus movers that were already working on the residence move-in. Assistance is particularly critical when elevators break down (which happened multiple times during move-in). The services were contracted to run from September 21, 2023 through September 24, 2023. No UC staff were laid off or reassigned as a result of this contract.
APPENDIX B

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

1. **UCLA South Bay Campus - 30800 Palos Verdes Dr E, Rancho Palos Verdes, CA 90275**
   a. The location entered into a contract for maintenance, custodial, groundskeeping, and security services with TKC Management Services. The UCLA South Bay Campus is located 40 miles from the UCLA campus and was recently purchased by UCLA in January 2023. The campus was previously operated by the former owner using an Operations Contract that was continued after purchase by UCLA. The Campus is remotely located without adequate onsite maintenance shop space, material storage space, and/or operational office space. Establishing an on-site, in-house operational presence would be cost prohibitive compared to the existing Operations Contract. The services were contracted to run from November 15, 2022 through November 14, 2023. No UC staff were laid off or reassigned as a result of this contract.

2. **UCLA South Bay Villas - 1600 W Palos Verdes Dr N, San Pedro, CA 90731**
   a. The location entered into a contract for maintenance, custodial, groundskeeping, and security services with TKC Management Services. The UCLA South Bay Villas are located 40 miles from the UCLA campus and were recently purchased by UCLA in January 2023. The villas were previously operated by the former owner using an Operations Contract that was continued after purchase by UCLA. The villas are remotely located from UCLA without adequate onsite maintenance shop space, material storage space, and/or operational office space. Establishing an on-site, in-house operational presence would be cost prohibitive compared to the existing Operations Contract. The services were contracted to run from November 15, 2022 through November 14, 2023. No UC staff were laid off or reassigned as a result of this contract.

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