



Information Item

Date: June 6, 2012

To: Mayor and City Council
From: Gigi Decavalles-Hughes, Director of Finance
Marsha Jones Moutrie, City Attorney
Subject: City Contracts with and Enforcement of Car Washes

Introduction

At its [May 22, 2012](#) meeting, Council directed staff to evaluate potential car washing service providers' compliance with applicable federal and state laws and regulations relating to wages and working conditions prior to signing any agreements or purchase orders for such services, and to regularly monitor and review conditions at car washes that provide services to the City.

The City currently has four Purchase Orders to provide vehicle washing services to Santa Monica's fleet, all of which expire on June 30, 2012. The City is currently seeking bids to provide vehicle washing services for Fiscal Year 2012-13, and will evaluate those bids based on price, compliance with applicable laws, ability to provide the services, and the additional criteria prescribed in the Santa Monica Municipal Code. Staff will monitor the selected vendors' compliance with all terms and conditions of doing business with the City during the course of the year, and will work with the City Attorney's Office or other agencies if a complaint is received or a potential violation is identified.

Discussion

Car Wash Contracts

The City of Santa Monica issues Blanket Purchase Orders (BPO) annually to various vendors to provide services or deliver goods multiple times over a fiscal period, as opposed to Purchase Orders, which are used to deliver one-time goods or services. The BPOs are issued after the Purchasing Section receives responses to bids or quotes for

either one year or multiple years, depending on the type of good or service. One such use of a BPO is for vehicle washing services for the 481 cars, pickup trucks and vans in the City's vehicle fleet. In Fiscal Year 2011-12, the City issued four blanket purchase orders as follows:

Big Blue Bus - \$3,250 to Lincoln Car Wash

Fire Administration - \$2,000 to Lincoln Car Wash

Police - \$25,000 to Lincoln Car Wash

Fleet Maintenance - \$12,000 to Silver Wash, Inc. dba Santa Monica Car Wash

In June 2008, staff sought bids to provide car wash services for vehicles managed by Fleet Maintenance and Silver Wash, Inc. was selected as the best bidder. In June 2010, staff sought bids for car wash services for the Police Department and Lincoln Blvd. Car Wash was selected as the best bidder. BBB and Fire Administration Blanket Purchase Orders were issued to Lincoln Blvd. Car Wash based on the same price and terms as the Police Bid. None of the BPOs issued in Fiscal Year 2011-12 were competitively bid for the current fiscal year.

During June 2012, Finance staff is requesting bids to provide car washing services citywide. The bid will be completed before any BPOs are issued for Fiscal Year 2012-13 and will be evaluated based on the criteria outlined in Santa Monica Municipal Code Section 2.24.072:

- a. Price;
- b. The quality of the material or services offered;
- c. The ability, capacity and skill of the bidder to perform or provide the material or services;
- d. The capacity of the bidder to perform the contract or provide the service promptly, within the time specified, and without delay or interference;
- e. The sufficiency of the bidder's financial resources;
- f. The character, integrity, reputation, judgment, training, experience and efficiency of the bidder;

- g. The ability of the bidder to provide such future maintenance or service as may be needed;
- h. Any other factor which will further the intent set forth in Section 608 of the City Charter.

The criteria for selection of best bidder permits evaluation based on compliance with applicable law. Based on the evaluation of all bids received, staff anticipates issuing one Blanket Purchase Order for the best bidder to provide car wash services for all City passenger and light truck vehicles.

Enforcement of Labor Laws

The Consumer Protection Unit of the City Attorney's Office will research and investigate possible violations of State and Federal labor law at car washes in Santa Monica, focusing on the four major car washes. Two of these businesses have been sued for labor law violations recently. A suit by the Attorney General concluded in January with a Stipulated Final Judgment against eleven California car washes, including one in Santa Monica. The companies paid restitution money to workers, civil penalties to the State, and are subject to an injunction to obey the law. MALDEF, the Mexican American Legal Defense and Education Fund, filed suit against a different Santa Monica car wash last month.

Staff intends to confer with other agencies and attorneys, perform an independent assessment, and institute legal proceedings as appropriate. The Consumer Protection Unit will monitor local car wash companies for compliance with the law, and will determine appropriate actions based on what information the initial investigation yields and the time and resources involved.

Next Steps

Once a bid is awarded, staff in each affected department tracks usage and ensures that amounts billed match services rendered and that invoices are paid. Every BPO includes standard terms and conditions, including compliance with labor and other laws, which must be followed during the term of the BPO. If a complaint is received about the

conduct of a business under contract with the City, staff will either investigate the complaint or refer it to the appropriate City department, or the federal or State agency that has jurisdiction over the complaint. If or when a company is convicted of a crime or receives a judgment against it, or if other facts call into question the propriety of the contract, Finance Department staff will consult with the City Attorney's Office and cancel the BPO, if warranted.

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