



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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June 15, 2012

To: Supervisor Zev Yaroslavsky, Chairman  
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From: William T Fujioka  
Chief Executive Officer

## **REQUEST FOR PREMIER BUILDING MAINTENANCE TO ASSIGN ITS CONTRACTS TO ELITE BUILDING MANAGEMENT, INC. (MEETING OF JUNE 12, 2012 DURING PUBLIC COMMENT)**

As requested by the Board during Public Comment at the meeting of June 12, 2012, this is to respond to comments made by Steven Whitlock regarding Premier Building Maintenance, Inc. (Premier). Mr. Whitlock requested that the Board assign Premier's County contracts to Elite Building Maintenance, Inc. (Elite). Mr. Whitlock also referenced the assignment of a previous contract.

It should be noted that Premier raised these same issues in a May 10, 2012 letter to the Board. The Internal Services Department (ISD) responded to that letter, explaining that the decision to not assign the Premier contract to Elite is consistent with County policy regarding mergers, acquisitions and assignment of contracts, and with your Board's directive that the County contract with companies that have demonstrated financial responsibility.

Specifically, Elite is a new company and has no financial history by which the County can assess its capability. Additionally, while the individuals at Elite may have previous experience, the history and financial capability of the company or entity is the relevant experience, not that of specific individuals.

Concerning the referenced assignment of a previous contractor by the County, an independent assessment was made at the time of that request for reassignment. The decision was based on the particulars of that request.

On May 17, 2012, Premier notified ISD not to extend their current contract. Premier currently services approximately 60 County facilities. ISD has developed a transition plan for the

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impacted facilities. ISD's transition plan equitably distributes the Premier facilities among the remaining three custodial contractors: Come Land Maintenance Company, Diversified Maintenance Services, and Pride Industries. The distribution plan accounts for current operational, staffing, and geographic considerations. Each of the remaining service contractors was presented with its portion of the proposed transition plan and given the opportunity to accept or reject the proposal. All accepted.

ISD is transitioning Premier's contract employees to other existing contractors that will perform the services at County facilities formerly serviced by Premier. ISD makes every effort to ensure that incumbent employees are absorbed with the successor service contractors. ISD ensures that the successor contractors comply with Sections 1060-1065 of the California Labor Code, Displaced Janitor Opportunity Act (DJOA).

Per the DJOA, incumbent employees are retained for a minimum of a 60-day transition employment period with the successor service contractor unless the successor contractor presents a substantiated cause not to hire an incumbent employee. It should be noted that past experience indicates that the majority of incumbent staff who accept a position with the successor contractor are retained permanently. In addition to the minimum transition period, the DJOA requires that incumbent employees who successfully transition are compensated at the same rate and benefits as the previous contract employer.

Every effort is made to minimize the impact on staff and customer service levels. The timing of the dissemination of the information was carefully coordinated with Premier to ensure that current Premier employees received notification first-hand from Premier management. Both Premier and ISD understand the impacts on the employees and the required sensitivity.

Ultimately, all current Premier employees accepting an offer of employment with the successor contractor are assured employment and will remain in the current facilities that they are assigned. Further, all employees are assured that they will continue to enjoy the benefits and protections provided by applicable law, including the County Living Wage Ordinance.

If you have any questions, please contact Tom Tindall at (323) 267-2101.

WTF:EFS:TT  
JJ:ef

c: Executive Office, Board of Supervisors  
County Counsel