



# ADMINISTRATION COMMITTEE

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## Agenda Report

**File #:** 2026-4862

**Agenda Date:** 5/13/2026

**Agenda Item No:** 12.

**FROM:** Robert Thompson, General Manager  
Originator: Lorenzo Tyner, Assistant General Manager

**SUBJECT:**

**JANITORIAL & FLOOR MAINTENANCE SERVICES, SPECIFICATION NO. S-2024-646BD**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a one-time contingency increase of \$63,697 (4.6%) to the General Services Contract with Gamboa Services Inc., DBA Corporate Image Maintenance, for Janitorial & Floor Maintenance Services at Headquarters and Plant Nos. 1 and 2, Specification No. S-2024-646BD, for the period April 1, 2026, through March 31, 2027, for a revised contingency amount not to exceed \$203,859 (14.6%), resulting in a new annual contract amount of \$1,605,482; and
- B. Approve an annual contingency not to exceed 20% for all remaining renewal periods and tie each to General Prevailing Wage Determination made by the Director of Industrial Relations, pursuant to California Public Utilities Code Sections 465, 466, and 467.

**BACKGROUND**

In February 2025, the Orange County Sanitation District (OC San) Board of Directors approved a General Services Contract with Gamboa Services Inc., dba Corporate Image Maintenance, for Janitorial & Floor Maintenance Services at Headquarters and Plant Nos. 1 and 2, Specification No. S-2024-646BD, for a total amount not to exceed \$1,401,623 for the period April 1, 2025, through March 31, 2026, with four (4) one-year renewal options for cleaning the civil infrastructure at OC San treatment facilities and pump stations, and approved an annual contingency amount of \$140,162 (10%).

Janitorial services are one of the industries where prevailing wage rates apply when employed by Special Districts. The applicable prevailing wage rate and benefits are determined by the State of California Department of Industrial Relations (DIR) and are adjusted periodically.

**RELEVANT STANDARDS**

- Ensure the public's money is wisely spent
- Commitment to safety & reducing risk in all operations
- Provide a safe and collegial workplace

**PROBLEM**

The State of California DIR recently increased the prevailing wage and benefit levels for the subject services. The current contract amount and contingency are not enough to cover these increased costs.

**PROPOSED SOLUTION**

Approve a contract and contingency increase to the current General Services Contract and any remaining renewal periods to cover the increased prevailing wage, benefit requirements, payroll taxes, and insurance.

**TIMING CONCERNS**

The new prevailing wage rates will take effect on May 1 of this term, so increased funds are necessary.

**RAMIFICATIONS OF NOT TAKING ACTION**

Adequate funds are needed to address the new prevailing wage rates that will take effect May 1 to continue current janitorial services.

**PRIOR COMMITTEE/BOARD ACTIONS**

February 2025 - Approved a General Services Contract to Gamboa Services Inc. DBA Corporate Image Maintenance for janitorial and floor maintenance services at Headquarters and Plant Nos. 1 and 2, Specification No. S-2024-646BD, for a total amount not to exceed \$1,401,623, for the period beginning April 1, 2025, through March 31, 2026, with four (4) one-year renewal options; and approved a contingency of \$140,162 (10%).

**ADDITIONAL INFORMATION**

The original General Services Contract was proposed in November 2024, and since then, the DIR has increased the applicable prevailing wage rate and benefits and has announced a second increase to be effective on May 1, 2026, and a third on May 1, 2027. The table below shows the wage rate applicable to this contract:

Effective Date Craft: Janitor Reference: 22-187-14	Prevailing Wage Hourly Rate
May 1, 2023	\$17.50
May 1, 2025	\$20.00
May 1, 2026	\$20.50
May 1, 2027	\$21.00

Staff were able to negotiate a 10% increase for the first three (3) months of the annual renewal (April-June); however, the remaining nine (9) months will require a 14.6% increase due to the increased prevailing wage rate. Overall, the additional funding will increase the contingency for this period from 10% to 14.6%, with a total annual contract amount of \$1,605,482; and a not to exceed contingency of \$203,859 in the current period.

All remaining renewal periods will have a total annual contract amount of \$1,605,482 with an annual not to exceed 20% contingency; and tie each to General Prevailing Wage Determination made by the Director of Industrial Relations, pursuant to California Public Utilities Code Sections 465, 466, and 467.

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget FY 2024-25 and 2025-26, Section 6, Page 108) and is included in the proposed FY 2026-27 and 2027-28 Budgets. The budgets are sufficient for the recommended action.

<b><u>Date of Approval</u></b>	<b><u>Contract Amount</u></b>	<b><u>Contingency</u></b>
2/26/25	\$1,401,623	\$140,162 ( 10%)
5/27/26	\$ 203,859 contingency increase	\$ 63,697 (4.6%) increase
Total Contract	\$1,605,482	\$ 203,859 (14.6%)

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

N/A