

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: January 13, 2022

TO: Honorable Mitch O'Farrell, Chair
Honorable Paul Koretz, Member
Honorable Kevin de Leon, Member Honorable Paul Krekorian, Member
Energy, Climate Change, Environmental Justice, and River Committee

FROM:  Board of Public Works, President Greg Good  01/13/2022

SUBJECT: Report for the Current Skid Row Cleaning Program and Potential for Expanding to a Citywide Program

On October 5, 2021, the City Council's Energy, Climate Change, Environmental Justice and River Committee approved a Motion (De Leon – O'Farrell – Krekorian, et al) requesting the Board of Public Works, with the assistance of the Bureau of Sanitation, to report on the work performed by the Urban Alchemy Clean Team in Skid Row to reduce litter and bulky item trash, and the potential framework and resources that would be required to expand the Urban Alchemy Clean Team program across the entire City (CF# 21-0953).

This response to CF 21-0953 details the history of the Skid Row Cleaning Program, the work performed by Urban Alchemy, and the feasibility and potential for expanding the program across the City.

Background for the Skid Row Cleaning Program

The State of California's Homeless Emergency Aid Program (HEAP) was a \$500 million block grant program designed to provide direct assistance to cities and Continuums of Care to address the homeless crisis. HEAP was authorized by Senate Bill 850 and signed into law by Governor Jerry Brown in 2018. The City of Los Angeles received a direct allocation of HEAP funding.

Under Mayor and City Council's approval (CF# 18-0628), a \$20 million fund was created for homeless emergency response programs and projects for the Skid Row area (services area as defined in Article 203/Sub-article 1.1 (b)), including temporary crisis and bridge housing, storage, hygiene programs, and reentry services for formerly incarcerated individuals. \$2 million dollars was allocated for establishing a sidewalk sweeping and litter abatement program in Skid Row ("Skid Row Cleaning Program") through June 30, 2020; the service contract also included a workforce development program for the local unsheltered population and formerly incarcerated individuals.

The Board of Public Works was authorized to manage the Skid Row Cleaning Program. Based on the unique nature of the services and successful operation of a similar program in the City of San Francisco, and based on the need for the services provided under the service agreement to be available as soon as possible, it was not practicable or compatible with the City's interest to

utilize a formal competitive selection process. Hunters Point Family with its subcontractor, Urban Alchemy, was selected and awarded a sole-source contract to operate the Skid Row Cleaning Program. After negotiation and upon Board and Mayor's approval, a service contract was executed on September 24, 2019, for one year with two, one-year renewal options.

Based on the success of the first year, Amendment #1 was executed to exercise the renewal option and extend the contract term to July 30, 2021; Amendment #2 was executed to increase service operations to include weekends.

The State of California's Homeless Housing, Assistance and Prevention Program (HHAP) was a \$640 million block grant program designed to provide jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address immediate homelessness challenges. HHAP was authorized by Assembly Bill 101 and signed into law by Governor Gavin Newsom in July 2019. The City received a HHAP allocation of \$117,562,500.

On June 29, 2020, under CF# 19-0914, the Mayor and Council authorized the allocation of funds from the Homeless Housing, Assistance and Prevention Program (HHAP) funding to the Board to continue the Mobile Pit Stop, Mobile Shower, and Skid Row Cleaning Programs.

The Mobile Pit Stop, Mobile Shower and Skid Row Cleaning programs have been successful in improving the cleanliness of local communities, addressing the needs of the local unsheltered population, and reducing the public health risk associated with various factors, such as public human waste.

The Board approved an RFP release on March 8th, 2021 to obtain the best value of services for the aforementioned three programs while also providing contracting opportunities to a broad pool of contractors/providers. Three proposals were received on April 12, 2021. One proposal was for the Skid Row Cleaning Program. The evaluation committee, consisting of staff from the Board of Public Works and LASAN, evaluated the proposal and recommended awarding a contract to the proposer, Urban Alchemy, for the Skid Row Cleaning Program. Upon the Mayor's approval, Contract C-138632 was executed on July 28, 2021 with a term of one year with two one-year renewal options.

Homeless population and area served:

For the Skid Row cleaning program, the Urban Alchemy Skid Row Cleaning Team, consisting of one manager, two supervisors, one pressure washer technician and sixteen cleaning staff performs cleaning and litter abatement services from 6:00 am to 3:00 pm, Monday through Sunday, 7 days a week to cover the designated Skid Row area as follows:

- From 6th Street to 5th Street, West of San Pedro and East of Wall Street
- From 5th Street to 3rd Street, West of San Pedro and East of Los Angeles Street
- On 6th Street, West of San Julian and East of Maple Street
- On San Julian, North of 6th Street, South of 5th Street
- On Wall Street, North of 6th Street, South of 3rd Street
- On Maple, North of 6th Street, South of 5th Street

The above mentioned area covers approximately one-fourth of the total Skid Row area and half of the tent-intensive Skid Row area.

As of July 2021, the cleaning team has achieved the following outcomes for the last two years:

Fiscal Year	Number of Garbage Bags collected	Number of Needles Collected	Tonnage of Trash Collected
19-20	45,386	25,116	965
20-21	41,137	21,584	873
Total:	86,523	46,700	1,838
Monthly Average:	3,762	2,030	80

(The team has been coordinating with LASAN to dispose of the trash collected.

While the contractor maintains normal operations during the COVID-19 pandemic, the reduction of trash collection in FY 20-21 is due to a number of factors, including:

- 1) The positive impact of the first year of service on the baselines of some areas, such as the 5th /San Pedro to 7th /Maple area.
- 2) The increased availability of temporary shelters (in response to COVID-19) resulted in a decrease in tents and local unsheltered populations in some Skid Row areas, which reduced the amount of trash collected. For example, the contractor discovered that in communities like Ceres St. area, which needs heavy lifting and cleaning services, the number of tents has dropped by around 30%, from 15-20 counts per day to 9-12 counts per day.

Also, the community has become more involved in keeping their area clean and contained. More stakeholders, residents and other agencies have joined the contractor to form a coalition focused on trash reduction in the Skid Row Area.)

Number of homeless individuals served:

According to the monthly tent count by the Cleaning Team, there are an average 455 tents in the area serviced by the cleaning team on a daily basis. The program also has a workforce development component to provide access to employment for people experiencing homelessness.

Currently, eighteen (18) cleaning team members have been hired from local individuals experiencing homelessness and/or who are formerly incarcerated.

Contractor's headquarters address, workforce, and current engagement information

Urban Alchemy is located at 1035 Market Street, Suite 150, San Francisco, CA 94103 and 236 South Los Angeles St., #422, Los Angeles, CA 90012. Urban Alchemy has two hundred thirty seven (237) employees living within the City of Los Angeles.

Contract Administration

The responsibility for administering this contract is with the Board of Public Works, Executive Office.

The program is currently managed by one (1) Senior Management Analyst I. This position oversees the Mobile Pit Stop, Mobile Shower, and Skid Row Cleaning Programs and is responsible for full program management, operational issues resolution, and management, procurement, and coordination with other departments, research and data analysis, and budget tracking and cost control.

Based on the continuation of the current Skid Row Cleaning Program and the potential expansion for street cleaning and litter abatement services Citywide, the Board office foresees the potential for a dramatic increase in daily workload. Therefore, in the future, it may become necessary to add resolution authority for one (1) Management Analyst, who would provide assistance to the existing SMA I to oversee the current program and additional services from the program expansion.

Current Program Cost

Skid Row Cleaning Program	
Total Cost 7/1/2021 to 6/30/2022 (12 months)	\$1,336,781.79
Total Cost 7/1/2022 to 6/30/2023 (12 months)	\$1,378,904.65
Total Cost 7/1/2023 to 6/30/2024 (12 months)	\$1,422,392.16
TOTAL 3 Years 5 days a week	\$4,138,078.60
Weekends (Additional 2 Days a Week)	
Total Cost 7/1/2021 to 6/30/2022 (12 months)	\$ 454,240.84
Total Cost 7/1/2022 to 6/30/2023 (12 months)	\$ 468,096.68
Total Cost 7/1/2023 to 6/30/2024 (12 months)	\$ 482,379.64
TOTAL 3 Years 2 additional days a week	\$1,404,717.16
Seven Days a Week	
Total Cost 7/1/2021 to 6/30/2022 (12 months)	\$1,791,022.63
Total Cost 7/1/2022 to 6/30/2023 (12 months)	\$1,847,001.33
Total Cost 7/1/2023 to 6/30/2024 (12 months)	\$1,904,771.79
Total 3 Years 7 days a week	\$5,542,795.75

Expanding the current program to citywide service

The current Skid Row Cleaning Team, consisting of sixteen cleaning staff with two supervisors, one pressure washer technician, and one manager, is servicing a discreet section of Skid Row between the boundaries of 6th Street on the North, 3rd Street on the South, Los Angeles Street on the East and San Pedro Street on the West.

In order to expand the similar cleaning services Citywide, there are two models proposed as the following two pages:

Model 1: TEAM-BASED MOBILE CLEANING (Selected Street Blocks (Spot) Cleaning)

Scope: One Spot Cleaning Mobile Team per Council District, plus an additional on-call team.

Term: 12 months, 5 days of service per week.

One Mobile Team consists of 5 Practitioners, 1 Pressure Wash Technician, and 2 Supervisors (Note: The supervisors also perform the cleaning services in addition to their supervisory duties), and clean 4-6 locations per day to be established in conjunction with Council Offices and to include trash disposal. This model will require sixteen mobile teams. Each Council District will have its own mobile team, plus one extra team will be on-call to assist with high impact areas that require the capacity of two mobile teams to clean. If LASAN can coordinate with the contractor to provide trash disposal services, the \$2,200 monthly trash disposal fee and one purchase of a flatbed truck of approximately \$50,000 can be reduced.

Financial impact: Not to exceed \$774,130 per team with an equipment purchase of approximately \$95,000 at beginning of term, which consists of \$45,000 for a supervisor vehicle (F150 or compatible) and \$50,000 for a flatbed truck for trash removal.

Team-based Mobile Cleaning Program									
Budget Period 07/01/21 - 06/30/22. Five Days Per Week									
Personnel	Notes	Cost per Month or Unit Cost	Quantity (Hours/Units/FTEs)	Number of Months	Total Cost 07/01/21 - 06/30/22	Total Cost 07/01/22 - 06/30/23	Total Cost 07/01/23 - 06/30/24		
Operations Program Manager	0.20 FTE	\$ 7,083.00	0.20	12	\$ 16,999.20	\$ 17,509.18	\$ 18,034.45		
Program Lead Supervisors	0.33 FTE @\$30/hr	\$ 5,200.00	0.33	12	\$ 20,592.00	\$ 21,209.76	\$ 21,846.05		
Supervisors	2 FTE @\$24/hr	\$ 4,160.00	2.00	12	\$ 99,840.00	\$ 102,835.20	\$ 105,920.26		
Pressure Washing Practitioner	1 FTE @ \$21/hr	\$ 3,640.00	1.00	12	\$ 43,680.00	\$ 44,990.40	\$ 46,340.11		
5 Practitioners	5 FTE @\$17/hour	\$ 2,946.67	5.00	12	\$ 176,800.20	\$ 182,104.21	\$ 187,567.33		
1 Transitions Assistant	0.20 FTE @ \$24/hour	\$ 4,160.00	0.20	12	\$ 9,984.00	\$ 10,283.52	\$ 10,592.03		
Total Hourly/Salary		27,189.67	8.73		\$ 367,895.40	\$ 378,932.26	\$ 390,300.23		
Overtime/Sub Factor/Holiday Pay	INCLUDED			1	\$ -	\$ -	\$ -		
Employee Benefits & Taxes (Fringe)	FICA: 7.65%; SUI: 15%; Worker's Comp: 12%; Health: 15%; 403b Retirement: 2%	38.15%			\$ 140,352.10	\$ 144,562.66	\$ 148,899.54		
Total Direct Program Personnel					\$ 508,247.50	\$ 523,494.92	\$ 539,199.77		
Non-Personnel Operating Expenses	Notes	Cost or Unit Cost	Quantity (Hours/Units)	Number of Months	Total Cost	Total Cost	Total Cost		
Liability Insurance	INCLUDED IN INDIRECT				\$ -	\$ -	\$ -		
Vehicle: Maintenance/Registration	2 Vehicle Registrations and \$2,500 for maintenance per vehicle per year	\$ 2,900.00	2		\$ 5,800.00	\$ 6,090.00	\$ 6,394.50		
Vehicle: Insurance	Vehicle per year	\$ 2,900.00	2		\$ 5,800.00	\$ 6,090.00	\$ 6,394.50		
Vehicle: Fuel	\$5,350 per vehicle per year	\$ 5,350.00	2		\$ 10,700.00	\$ 11,235.00	\$ 11,796.75		
Equipment: Communications/Radios	Based on current radios in use with monthly license	\$ 700.00	8		\$ 5,600.00	\$ 5,880.00	\$ 6,174.00		
Occupancy: Lease Costs	Based on square footage for storage and program leader office	\$ 1,000.00		12	\$ 12,000.00	\$ 12,600.00	\$ 13,230.00		
Cleaning Supplies	Used average of \$1k a month for the year based on most recent BTA	\$ 1,000.00		12	\$ 12,000.00	\$ 12,600.00	\$ 13,230.00		
Uniforms (PPE)	Per Practitioner account for transitional employment movement	\$ 200.00	20		\$ 4,000.00	\$ 4,200.00	\$ 4,410.00		
Trash Disposal	CLARTS estimated costs	\$ 2,200.00		12	\$ 26,400.00	\$ 27,720.00	\$ 29,106.00		
Total Non-Personnel OpEx					\$ 82,300.00	\$ 86,415.00	\$ 90,735.75		
Total Direct Costs					\$590,547.50	609,909.92	629,935.52		
Indirect Rate - 15%	Executive Leadership, Accounting Support, HR/Payroll Support, Mailing Expense, Software, Umbrella Insurance, General Office Supplies	15.00%			\$ 88,582.12	\$ 91,486.49	\$ 94,490.33		
Total Projected Operating					\$ 679,129.62	\$ 701,396.41	\$ 724,425.85		
Trucks	Team/Supervisor Vehicle (Ford F150 or Comparable); Flatbed truck for trash removal (Ford F250 or Comparable)			Start-Up Costs	\$ 95,000.00				
Total Operating and Start-Up					\$ 774,129.62				

Model 2: TEAM-BASED GRID CLEANING (Contiguous Street Cleaning)

Scope: One Full Cleaning Team per Council District.

Term: 12 months, 5 days of service per week.

One Full Cleaning Team consists of 12 Practitioners and 2 Supervisors (Note: The supervisors also perform the cleaning services in addition to their supervisory duties) and cleans a large, identified grid of contiguous blocks within each council district. This model will require fifteen cleaning teams to provide citywide service (one dedicated team for each Council District) and assumes collaborating with LASAN for trash disposal.

Financial Impact: Not to exceed \$1,147,395 per team with an equipment purchase of approximately \$45,000 at the beginning of term, which consists of \$45,000 for a supervisor vehicle (F150 or compatible).

Team-based Grid Cleaning Program								
Budget Period 07/01/21 - 06/30/22. Five Days Per Week								
Personnel	Notes	Cost per Month or Unit Cost	Quantity (Hours/Units/FTEs)	Number of Months	Total Cost 07/01/21 - 06/30/22	Total Cost 07/01/22 - 06/30/23	Total Cost 07/01/23 - 06/30/24	
Operations Program Manager	0.20 FTE	\$ 7,083.00	0.20	12	\$ 16,999.20	\$ 17,509.18	\$ 18,034.45	
Program Lead Supervisors	1 FTE @ \$30/hr	\$ 5,200.00	1.00	12	\$ 62,400.00	\$ 64,272.00	\$ 66,200.16	
Supervisors	2 FTE @ \$24/hr	\$ 4,160.00	2.00	12	\$ 99,840.00	\$ 102,835.20	\$ 105,920.26	
Pressure Washing Practitioner	1 FTE @ \$21/hr	\$ 3,640.00	1.00	12	\$ 43,680.00	\$ 44,990.40	\$ 46,340.11	
12 Practitioners	12 FTE @ \$17/hour	\$ 2,946.67	12.00	12	\$ 424,320.48	\$ 437,050.09	\$ 450,161.60	
1 Transitions Assistant	0.20 FTE @ \$24/hour	\$ 4,160.00	0.20	12	\$ 9,984.00	\$ 10,283.52	\$ 10,592.03	
Total Hourly/Salary		27,189.67	16.40		\$ 657,223.68	\$ 676,940.39	\$ 697,248.60	
Overtime/Sub Factor/Holiday Pay	INCLUDED			1	\$ -	\$ -	\$ -	
Employee Benefits & Taxes (Fringe)	FICA: 7.65%; SUI: 15%; Worker's Comp: 12%; Health: 15%; 403b Retirement: 2%	38.15%			\$ 250,730.83	\$ 258,252.76	\$ 266,000.34	
Total Direct Program Personnel					\$ 907,954.51	\$ 935,193.15	\$ 963,248.94	
Non-Personnel Operating Expenses	Notes	Cost or Unit Cost	Quantity (Hours/Units)	Number of Months	Total Cost	Total Cost	Total Cost	
Liability Insurance	INCLUDED IN INDIRECT				\$ -	\$ -	\$ -	
Vehicle: Maintenance/Registration	1 Vehicle Registration and \$2,500 for maintenance per vehicle per year	\$ 2,900.00			\$ 2,900.00	\$ 3,045.00	\$ 3,197.25	
Vehicle: Insurance	1 Vehicle per year	\$ 2,900.00			\$ 2,900.00	\$ 3,045.00	\$ 3,197.25	
Vehicle: Fuel	\$5,350 per 1 vehicle per year	\$ 5,350.00			\$ 5,350.00	\$ 5,617.50	\$ 5,898.38	
Equipment: Communications/Radios	Based on current radios in use with monthly license	\$ 700.00	5		\$ 3,500.00	\$ 3,675.00	\$ 3,858.75	
Occupancy: Lease Costs	Based on square footage for storage and program leader office	\$ 1,000.00		12	\$ 12,000.00	\$ 12,600.00	\$ 13,230.00	
Cleaning Supplies	Used average of \$1k a month for the year based on most recent BTA	\$ 1,000.00		12	\$ 12,000.00	\$ 12,600.00	\$ 13,230.00	
Uniforms (PPE)	Per Practitioner account for transitional employment movement	\$ 200.00	60		\$ 12,000.00	\$ 12,600.00	\$ 13,230.00	
Total Non-Personnel OpEx					\$ 50,650.00	\$ 53,182.50	\$ 55,841.63	
Total Direct Costs					\$ 958,604.51	\$ 988,375.65	\$ 1,019,090.57	
Indirect Rate - 15%	Executive Leadership, Accounting Support, HR/Payroll Support, Mailing Expense, Software, Umbrella Insurance, General Office Supplies	15.00%			\$ 143,790.68	\$ 148,256.35	\$ 152,863.59	
Total Projected Operating					\$ 1,102,395.19	\$ 1,136,632.00	\$ 1,171,954.15	
Truck	Team/Supervisor Vehicle (Ford F150 or Comparable)			Start-Up Costs	\$ 45,000.00			
Total Operating and Start-Up					\$ 1,147,395.19			

Budget:

Type of Model	Service Cost Per Team (including vehicle purchase)	Number of Teams	Total Service Cost	BPW Admin Cost (1 Sr. MA + 1 MA)	Total Budget
#1 (Spot)	\$869,130.00	16	\$13,906,080.00	\$213,859.20	\$14,989,085.20
#2 (Contiguous)	\$1,192,395.00	15	\$17,885,925.00	\$213,859.20	\$19,292,194.20

Personnel:

Program Title	Number of Teams	Number of Supervisors	Number of Cleaning Practitioners	Number of Power Wash Technicians
Skid Row Cleaning Program	1	2	16	1
Cleaning Services Expansion - City wide, Model#1	16	32	80	16
Cleaning Services Expansion - City wide, Model#2	15	30	180	15

Remark: Model #1 (Spot) projects one mobile cleaning team per Council District plus one extra on-call team.

Model #2 projects using one cleaning team for each Council District.

Feasibility of Services Expansion

Based on the capacity of the current contractor (Urban Alchemy), the preferred deployment for Model One would be to add two mobile cleaning teams in three to four weeks increments in order to hire and train new cleaning staff in a timely and effective manner.

For Model Two, the preferred deployment would be to add each cleaning team in three to four week increments in order to hire and train new cleaning staff in a timely and effective manner.

Recommendation:

While Model One (Spot Cleaning) is more cost effective than Model Two (Contiguous Cleaning), Model Two may generate a better cleaning outcome for each Council District as validated by the Skid Row Cleaning Program.

Each Council District has unique geography and diverse stakeholders. The needs of one may not reflect the needs of the others. Therefore, we are recommending a hybrid model predicated on the needs and funding of each Council District.