



Legislation Text

File #: RES 18-0010, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, Acting City Manager

FROM:

Stephanie Katsouleas, Director of Public Works

Sean Roberts, Facilities Supervisor

Julie Hegvold, Senior Management Analyst

SUBJECT:

Resolution No. 18-0010 Awarding RFP No. 1129-18 to Commercial Cleaning Service for a Three-Year Janitorial Services Contract for an Estimated Value of \$1,584,135 (Public Works Director Katsouleas).

ADOPT RESOLUTION NO. 18-0010

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt Resolution No. 18-0010 awarding a three-year contract to Commercial Cleaning Service for an estimated value (prior to future CPI adjustments) of \$1,584,135;
2. Authorize an additional contingency amount of \$30,000 annually for special event and other unforeseen janitorial support as may be required;
3. Authorize the City Manager to extend the term of the base agreement for up to four additional one-year periods at a rate increase not to exceed 5% annually, with an annual \$30,000 contingency, if deemed in the City's best interest.

FISCAL IMPLICATIONS:

The City has typically expended \$350,000 to \$400,000 per year for public facility janitorial services. However, since the date the last contract was bid-out, the State has adopted new phased-in minimum wage requirements which will impact the City's costs for this service in the coming years. Further, the scope of work under the new contract has been expanded to meet the needs and standards for cleanliness and maintenance, as well as combining services previously provided by another contractor. As a result, the current budget is insufficient to cover the services requested, and a budget adjustment will be necessary for FY 2017/18.

Because the main source of funding for these services is an internal service fund, which is used to spread costs equitably across departments and functions, departmental charge-outs for funding will need to be adjusted as part of any budget modification (this makes the adjustment more complex). As a result, staff will include the adjustment for this contract as part of the mid-year budget report (scheduled for March 6, 2018) along with other needed adjustments for the current year. The

approximate amount of the adjustment will be \$40,665 and will mainly affect the General Fund, although other funds will need to be adjusted as well.

BACKGROUND:

For decades, the City has contracted out janitorial services for all City facilities as the most cost-effective and dependable manner to achieve City standards while meeting the complex demands of our service needs over a 24-hour basis. In addition to core facility services, the City also utilizes “on-demand” janitorial for special events, emergencies and other needs as they arise. And while we have been generally satisfied with the current janitorial service provider, on a regular basis staff releases a Request for Proposals (RFP) to ensure that the City continues to receive the best service at the most competitive price.

Additionally, the scope of work on the janitorial contract is periodically refined to reflect the services actually needed and performed on an annual basis. This includes expanding special event needs, transferring park restroom service currently provided by Merchants (the City’s landscape maintenance contractor) to the new janitorial service provider, and increasing services for the Police/Fire facility due to its high 24/7 use.

Lastly, it is worth noting that since our last RFP was released, Governor Jerry Brown signed legislation (Senate Bill 3) that increases the minimum wage rates from \$10.00 per hour in January, 2017 to \$15.00 per hour in January, 2022. This legislation will impact the escalating rates the City will see over the term of the contract.

DISCUSSION:

The RFP was posted on the City’s website as well as BidSync, a public bid notification board. A total of eight (8) responses were received. The bid comparison (Attachment 1) lists the estimated annual cost from each bidder, as well as other pertinent criteria.

Selection was based upon several factors, including: prior experience, quality control through use of technology, staffing, work hours proposed, references, ability to meet insurance requirements and costs. Staff carefully reviewed each proposal and categorized them individually as Pass or Fail. The two most expensive proposals were failed due to high cost, and one additional proposal failed to meet all RFP requirements (low work hours and no online tracking or work order system.) The remaining five (5) companies were invited for in-person interviews.

Of the five companies interviewed, three organizations were subsequently failed due to no electronic tracking or work order system, poor references, and/or English communication capabilities of the proposed on-site supervisor. The two organizations which met all RFP and City requirements are Commercial Cleaning Service and Haynes Building Service.

Staff has determined the lowest responsive bidder to be Commercial Cleaning Service (CCS). Commercial Cleaning Service has been in business since 1988 and holds a Cleaning Industry Management Standard (CIMS) Janitorial Contractor Certification with Honors, which demonstrates the company’s commitment to delivering green and sustainable cleaning products and programs. CCS utilizes technology for time keeping, staffing scheduling, work orders and tracking; their supervisors are paid above the California minimum wage and are eligible for benefits. Staff found no records or claims of unfair labor or unethical work practices for CCS. Commercial Cleaning Service also received excellent references from other southern California municipalities such as the cities of

Santa Ana, Fullerton and La Mesa. It is worth noting that the contractor is required to provide all cleaning supplies and equipment to complete the work under the terms of this contract, and those expenses have been accounted for in the bid.

The proposed On-site Supervisor dedicated solely to the City of Manhattan Beach will be located at the CCS field office in nearby El Segundo. CCS has a large number of qualified and trained janitorial employees based out of the El Segundo office and, as a result, will be able provide continuous dedicated and floater janitorial coverage for our City facilities.

Scope of Work Change - Police Department

As part of this contract award, the number of day porters needed at the Police Facility is being expanded. The additional porter is needed for the following reasons.

1. Due to the size of the building (two floors) one person is unable to effectively service all areas of the facility within an eight-hour period. These areas include the kitchen, locker rooms, showers, restrooms, Jail, Community Room, gymnasium, lobby and public restrooms.
2. Two porters allows for staggered shifts, which allows for more hours of coverage throughout the day. For example, the Jail often requires a second cleaning during the day as a result of numerous arrests.
3. Two porters allows for a male and female to clean the respective locker rooms and restrooms without causing unnecessary delays while maintaining a professional work environment.
4. When the Police facility was first opened, two porters were budgeted to clean the facility. Since then, one of the contract porter positions was cut and never reinstated. This resulted in a lower level of cleanliness as well as a deficiency in restocking of necessary toiletries, which is unsanitary and unsightly for our employees and visitors alike. Reinstating the second porter will improve service levels and facility cleanliness.

The reinstatement of the second porter has an estimated cost of \$45,700 per year.

Contract Award

Based on the proposals, staff recommends that City Council award a three-year janitorial services contract to the lowest responsive bidder, Commercial Cleaning Service, and authorize an additional contingency of up to \$30,000 for additional services at the contracted hourly rate. Additionally, staff recommends that the City Manager be given the authority to exercise four one-year extensions for both the base rate and contingency if it is determined to be in the City's best interest. The price adjustment for annual extensions will be limited to a maximum of three percent (3.0%) per year unless Federal, State or local mandates dictate higher rates, but under no circumstance would exceed five percent (5.0%). All price increases must be justified with evidence of increased costs borne by the Contractor. Funding would be allocated according to the following annual schedule:

<u>Contract Year</u>	<u>Base Contract Amount</u>	<u>Authorized Contingency</u>
FY 2018/19:	\$489,878	\$30,000
FY 2019/20:	\$528,040	\$30,000
FY 2020/21:	\$566,217	\$30,000

Annual Extensions (With Total Maximum Permitted Increase of 5%)

FY 2021/22:	\$594,528	\$30,000
FY 2022/23:	\$624,254	\$30,000
FY 2023/24	\$655,467	\$30,000
FY 2024/25	\$688,240	\$30,000

PUBLIC OUTREACH/INTEREST:

This request for proposals was advertised on the City's website as well as BidSync, a public bid notification board.

ENVIRONMENTAL REVIEW

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW

The agreement has been reviewed by the City Attorney and is approved as to form.

Attachments:

1. Resolution No. 18-0010
2. CCS Janitorial Services Agreement
3. CCS Summary of Pricing for FY 2018/2019 - FY 2020/2021