



City of Culver City

Staff Report

File #: 19-792, Version: 2

Item #: C-4.

CC - (1) Approval of a Five-Year Agreement with Image Property Services to Provide Citywide Janitorial Services at City Facilities in the Amounts of \$811,450 (Year 1); \$862,273 (Year 2); \$896,083 (Year 3); \$903,950 (Year 4); and \$928,405 (Year 5); and Event Service Workers as Needed at the Hourly Rates of \$21.00 (Year 1); \$24.07 (Year 2); \$25.60 (Year 3); \$25.87 (Year 4); and \$26.63 (Year 5); and (2) FOUR-FIFTHS VOTE REQUIREMENT: Approval of a Related Budget Amendment

Meeting Date: February 11, 2019

Contact Person/Dept: Eric Mirzaian/Public Works

Phone Number: 310-253-6444

Fiscal Impact: Yes No

General Fund: Yes No

Public Hearing: **Action Item:** **Attachments:**

Commission Action Required: Yes No **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (02/06/19)

Department Approval: Charles D. Herbertson (02/03/19)

RECOMMENDATION

Staff recommends the City Council (1) approve a five-year agreement with Image Property Services (Image) to provide Citywide janitorial services at City facilities in the amounts of \$811,450 (Year 1); \$862,273 (Year 2); \$896,083 (Year 3); \$903,950 (Year 4); and \$928,405 (Year 5); and event service workers as needed at the hourly rates of \$21.00 (Year 1); \$24.07 (Year 2); \$25.60 (Year 3); \$25.87 (Year 4); and \$26.63 (Year 5); and (2) approve a related budget amendment (**budget amendment requires a 4/5th vote**).

BACKGROUND/DISCUSSION

At its November 6, 2017 meeting, the City Council approved the award of a five-year agreement with Commercial Cleaning Systems (CCS) to provide citywide janitorial services to City facilities and Event Service Workers for special events that take place at the Veteran's Memorial Auditorium and the Senior Center. The award of this agreement was made after Staff conducted a Request for

Proposal (RFP) process to solicit competitive proposals from numerous janitorial firms. The current agreement with CCS went into effect January 1, 2018 and after careful evaluation and consideration of their services, Staff has determined the service level and quality of work provided by CCS is not meeting City standards. During the first year, there has been a high rate of employee turnover both at the management and front line staff levels for CCS which has impacted the quality of service provided, in addition to general janitorial duties not being done adequately. City staff has spent a considerable amount of time to work with CCS to resolve ongoing issues but has seen very minimal progress or improvement.

Pursuant to Culver City Municipal Code Section 3.07.065.A, these general services are exempt from formal bid procedures, provided the contract is based upon competitive quotations, whenever practical, as determined by the City Manager. Given the recent RFP process that was conducted for these services, it was determined that competitive quotations from other proposers during the RFP process would be sufficient for purposes of getting the best quality and value for the City’s janitorial services.

As such, Staff contacted three other firms that provided a response to the 2017 RFP in an attempt to negotiate their original proposal amounts with the hope of reaching an agreement with one of them to begin providing the services that CCS is providing. After several meetings with these three firms and careful evaluation of reference checks, Staff from Public Works and Parks, Recreation & Community Services determined Image to have the necessary resources and capabilities to provide such services. One major advantage that Image has over the other firms is employing management staff that are familiar with our City facilities because they used to work for the City’s previous janitorial firm, Haynes Building Services. This would ensure a smooth transition and improvement in quality of service. In addition, of all the firms that Staff negotiated with, Image was able to revise their original proposal and lower their cost considerably and thus make it more favorable to the City compared to the other firms.

The proposed change from CCS to Image will present a higher cost to provide these services; therefore, a related budget amendment is necessary to cover the additional cost. Below is a summary of the annual cost for Image to begin providing services (the amount in parenthesis is the City’s current costs under the existing CCS agreement):

	<u>Janitorial Services</u>	<u>Event Service Workers</u>
*Year 1	\$811,450 (\$637,022)	\$21.00 per hour (\$22.66)
Year 2	\$862,273 (\$678,242)	\$24.07 per hour (\$24.44)
Year 3	\$896,083 (\$725,721)	\$25.60 per hour (\$26.22)
Year 4	\$903,950 (\$773,227)	\$25.87 per hour (\$28.00)
Year 5	\$928,405	\$26.63 per hour

**year 1 represents 2019, year 2 represents 2020, etc.*

There will be a significant increase for Image to provide the janitorial services but a lower hourly rate to provide assistance through the event service workers. The cost amounts for janitorial services above reflect the cost to provide janitorial services at all the facilities identified in the RFP, as well as, the Downtown parking structures, cost of site maintenance at the Transfer Station to prevent contaminants from entering the drainage system of the facility, and the cost to provide necessary janitorial supplies. The cost amounts do not reflect the total annual cost to provide event service

workers at the Senior Center and the Veteran's Memorial Auditorium as this is dependent on the number of events held annually at these facilities; however, the Parks, Recreation & Community Services Department has allocated funding to cover the anticipated costs for these services.

In addition, as an optional item, Image is also proposing the following annual costs for pressure washing in certain areas of the downtown area including Town Plaza: \$25,858 (Year 1), \$26,560 (Year 2), \$26,755 (Year 3), \$26,590 (Year 4) and \$26,929 (Year). If these services become necessary, they would be included in the proposed agreement at a later date via a contract amendment.

If the City Council approves the proposed agreement with Image, formal notification will be provided to CCS to terminate its agreement with the City.

FISCAL ANALYSIS

For Fiscal Year 2018-19, approximately \$637,022 in funding (excluding event service workers) has been appropriated within the operating budgets of various City departments that utilize janitorial services. For the purposes of this staff report, the new proposed agreement with Image will go into effect April 1, 2019. Thus, the requested budget amendment will be in the amount of approximately \$45,000 to cover the remainder of this current fiscal year. Budget enhancements will be prepared for subsequent years' budgets to cover the full costs of janitorial services and event service workers. The requested budget amendment requires a 4/5th vote.

ATTACHMENTS

1. Revised cost summary proposal of Image Property Services.
2. Power Washing-Optional

MOTION

That the City Council:

1. Approve a Five-Year Professional Services Agreement with Image Property Services (Image) to Provide Citywide Janitorial Services at City Facilities in the Amounts of \$811,450 (Year 1); \$862,273 (Year 2); \$896,083 (Year 3); \$903,950 (Year 4); and \$928,405 (Year 5); and Event Service Workers as Needed at the Hourly Rates of \$21.00 (Year 1); \$24.07 (Year 2); \$25.60 (Year 3); \$25.87 (Year 4); and \$26.63 (Year 5); and (2) Approve the Necessary Budget Amendment to Cover the Additional Cost Needed for Such Services; and,
2. Approval of a related budget amendment in the amount of \$45,000 from the General Fund unappropriated reserve (**requires a four-fifths vote**); and,
3. Authorize the City Attorney to review/prepare the necessary documents; and,

4. Authorize the City Manager to execute such documents on behalf of the City.