



City of Culver City

Staff Report

File #: 20-643, Version: 2

Item #: C-1.

CC - (1) Approval of an Amendment to the Existing Five-Year General Services Agreement with Image Property Services for Additional Services and Supplies in an Additional Amount Not-to-Exceed \$383,137 (for Contract Years Two through Five), and to Modify Contract Years to Coincide with Calendar Years; and (2) FOUR FIFTHS VOTE REQUIREMENT: Approval of Related Budget Amendment

Meeting Date: February 3, 2020

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 (01/28/20)

Department Approval: Charles D. Herbertson, Director of Public Works/City Engineer (01/23/20)

RECOMMENDATION

Staff recommends the City Council (1) approve an amendment to the existing general services agreement with Image Property Services for additional services and supplies in an additional amount not-to-exceed \$383,137 (for contract years two through five), and to modify contract years to coincide with calendar years; and (2) approve a related budget amendment (**requires four fifths vote**).

BACKGROUND/DISCUSSION

At its February 11, 2019 meeting, the City Council approved a five-year general services agreement with Image Property Services (Image) 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.

Since inception of the current agreement, Staff has identified the need to amend the agreement to incorporate additional cost for consumable supplies (i.e. paper towels, toilet seat covers, toilet paper),

as well as additional scope of work to include basic janitorial services at the City's Purchasing Warehouse. The proposed amendment will also include a minor revision to the terms of the agreement.

During the Request for Proposals (RFP) process that was conducted, Image, along with other firms that submitted proposals for this service were required to include cost figures to provide consumable supplies at all facilities within the scope of the RFP based on historical usage data provided by the City's original janitorial firm (Haynes Building Services). During evaluation of this first year of the current agreement with Image, Staff determined the historical usage data provided was significantly below the actual usage and the amount of consumable supplies being currently provided by Image is not adequate to cover the actual usage of these supplies at the various City facilities, especially considering the increased number of events taking place at some of the City's larger facilities such as City Hall, Veteran's Memorial Auditorium and the Senior Center. Staff from Parks, Recreation & Community Services confirmed approximately 5,000 rentals between Veteran's Memorial Auditorium, Senior Center and Teen Center last year, which is an increase from the previous year. For example, there was an increase of approximately 11% in the number of events at the Senior Center between 2018 and 2019.

Additionally, the proposed amendment to the agreement would include janitorial services at the Purchasing Division Warehouse five days per week at the request of the Finance Department. Until recently, this area was excluded from any previous scope of work in terms of janitorial services.

The proposed amendment would also modify the terms of the agreement to have the contract years coincide with calendar year in order to allow Image to meet compensation requirements of their employees due to the new minimum wage laws passed by the State of California effective in 2020. As reference, State legislation (Senate Bill No. 3-2016) was passed that requires minimum wage increases January 1 of each year between 2017 and 2023. For budgeting purposes, City departments that utilize janitorial services will need to budget accordingly each fiscal year for the services at their respective facilities. When the agreement was first executed, the contract years were from April 1 through March 30. The amendment would reflect calendar years going forward (January 1 through December 31).

Below is a summary of the proposed cost increases for additional consumable supplies and services:

	<u>Amend. Cost (Orig. Proposal Amount)</u>	<u>Purchasing-Add.</u>	<u>Total Amend.</u>
Year 2	\$75,456.00 (\$12,750.00)	\$16,211.00	\$91,667.00
Year 3	\$77,719.00 (\$12,800.00)	\$16,860.00	\$94,579.00
Year 4	\$80,051.00 (\$12,850.00)	\$17,028.00	\$97,079.00
Year 5	\$82,453.00 (\$12,900.00)	\$17,359.00	\$99,812.00

The proposed amendment represents approximately a 50% increase in supplies compared to the proposal submitted by Commercial Cleaning Systems (CCS), whom Image replaced after the contract with CCS was terminated due to several reasons including inadequate quality of work, high employee turnover and insufficient response to issues. It should also be noted the consumable supplies provided by CCS were inferior products. As a result, the City requested Image provide consumable supplies of better quality and durability. This resulted in an increase in the unit cost of consumables which further contributes to the increase in the proposed amendment.

At the time of the RFP process, potential proposers were only provided with estimated quantities of consumable supplies. The proposers were tasked with providing specific brands at their discretion.

While Staff is recommending the City Council approve the proposed amendment to the agreement as presented, the increase in usage and cost of consumable supplies highlights the need for Public Works Staff to explore alternatives that will reduce the consumption of these supplies including the installation of sensor operated hand dryers at City facility restrooms. Staff will be exploring this along with other options and make recommendations during future budget discussions.

FISCAL ANALYSIS

The proposed amendment to the agreement will result in an increased cost to the City of \$91,667.00 (Year 2); \$94,579.00 (Year 3); \$97,079.00 (Year 4); and \$99,812.00 (Year 5), for an aggregate contract increase of \$383,137. Funding for janitorial services is appropriated within the operating budgets of various City departments that utilize these services and their respective budgets will be impacted.

Approval of the additional funding needed for Jan 2020 - Jun 2020 is \$45,834 (one half of Year 2 cost) and a budget amendment requires a four-fifths vote of City Council. The future funding needs for the remainder of Year 2 - Year 5 will be included in the respective fiscal year citywide budget documents.

ATTACHMENTS

1. 2020-02-03_ATT - Image Property Services Proposal for Increased Cost of Consumable Supplies
2. 2020-02-03_ATT - Image Property Services Proposal for Additional Services at the Purchasing Warehouse

MOTION

That the City Council:

1. Approve an amendment to the existing general services agreement with Image Property Services for additional services and supplies in an additional amount not-to-exceed \$383,137 (for contract years two through five), and to modify contract years to coincide with calendar years; and,
2. Approve a related budget amendment (**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.