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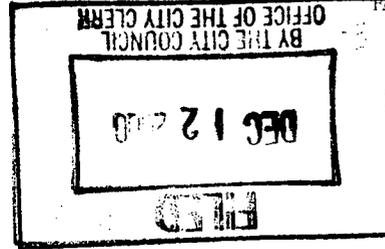
DEPARTMENT OF
FINANCE
PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA
December 1, 2000
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City Council
Sacramento, California



Honorable Members in Session:

SUBJECT: ONE-YEAR EXTENSION OF JANITORIAL SERVICES CONTRACT

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to execute a one-year extension of the current janitorial services contract with Somers Building Maintenance, 2410 Manning Street, Suite "E", Sacramento, CA 95815, in a total amount not to exceed \$525,000 for the period from January 1, 2001, through December 31, 2001.

CONTACT PERSONS: Jim Johnston, Maintenance Services General Supervisor, 433-2288
Steve Alstrom, Senior Buyer, 433-6343

FOR COUNCIL MEETING: December 12, 2000

SUMMARY:

This report recommends that the City Council authorize a one-year extension of the current janitorial services contract with Somers Building Maintenance, through December 31, 2001, in a total amount not to exceed \$525,000.

BACKGROUND:

On June 20, 2000, City Council suspended formal competitive bidding and awarded an interim janitorial services contract to Somers Building Maintenance for a six month period, from July 1, 2000 through December 31, 2000. This report recommends that the Council authorize an extension of the contract for one year, through December 31, 2001.

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In December 1997, as a result of formal competitive Bid No. 1764, the Council awarded a janitorial services contract to River City Building Maintenance, Inc., the lowest responsible bidder, in a total amount not to exceed \$280,000 per contract year, which allowed for the addition of facilities, changes in scope of work and price adjustments in subsequent contract years. The range of responses to Bid No. 1764 showed estimated annual costs ranging from \$230,904 to \$436,162. In May 2000, River City Maintenance, Inc. notified City staff that the firm would no longer be able to provide janitorial services to the City after June 30, 2000. Subsequently, the City Council approved the current interim janitorial services contract with Somers Building Maintenance.

The interim contract with Somers authorized expenditures in a total amount not to exceed \$215,000 for required janitorial services at City facilities, including the Convention Center Complex (which includes the Community Center Theater and Memorial Auditorium) for the six-month term of the contract. This amounted to slightly less than the pro-rated six-month cost of the contract with River City Maintenance. However, since assuming the contract responsibilities, Somers has determined that a larger staff than was originally anticipated is necessary to properly maintain the City facilities. Consequently, Somers has requested their contract compensation be increased to accommodate the necessary increased staffing during the coming year. Staff recommends authorization of a contract amount not to exceed \$525,000 for the entire year, which includes \$215,000 for the Convention Center Complex. This will allow for sufficient staffing to provide the level of services required under the contract. While this amount represents costs that are slightly higher than those of the lowest bid received in formal Bid No. 1764, the costs compare favorably with the second through fourth bids, which ranged from \$298,728 to \$436,160 and which did not include costs for services at the Convention Center Complex. It is also important to note that the low bidder ultimately withdrew from performing the contract.

Historically, the City's janitorial services contract has proven difficult to administer, supervise and manage, due to the numerous and diverse facilities and the large area of coverage. In the past, in an attempt to mitigate these problems, and to maximize participation of M/WBE and E/SBE firms, the janitorial services were divided into zones, resulting in four separate janitorial services contracts. However, instead of reducing the problems, the problems were compounded when contract performance issues continued and staff then had to deal with four contractors instead of one.

While Somers Building Maintenance has experienced some difficulties during the transition of services to their firm, there are several advantages to having Somers continue to perform janitorial services for the City. Somers has a large amount of work in the Sacramento area, thus bringing considerable experience and resources to the City. Somers' management has also worked with City staff to improve the quality of janitorial services in City facilities. When shortcomings have occurred, the Somers staff has worked diligently to take corrective actions and has been pro-active in attempting to meet the service standards set forth in the contract. Having now performed janitorial services for the City for nearly six months, Somers' staff has overcome many of the obstacles commonly encountered during the training curve period that occurs whenever a new janitorial contractor assumes responsibilities for the City's janitorial services contract.

During the recommended one-year contract extension period, Maintenance Services staff intends to review specifications for janitorial services and develop facility drawings that properly and accurately describe each required service. Factors such as the number of staff needed and estimates of work required, as well as the age and condition of the facilities, should provide more accurate bids for the needed janitorial services. In addition, it will allow time to complete a cost/quality evaluation of using "in-house" janitorial services for all or part of City facilities compared with the use of the contract janitorial services currently utilized in the majority of these facilities. Staff will also assess possible staffing for a service contract inspector to ensure that performance of any contracted janitorial services complies with contract specifications.

As noted above, the current interim contract and this recommended extension also include provisions for janitorial services to be provided to the Convention Center Complex. These services augment work done by City employees before and after events that are held in these facilities. Due to the unique nature of Convention Center operations, unpredictable level of event bookings, and recent staffing shortages, the precise level of janitorial services required is difficult to project. Accordingly, during the period of this proposed contract extension Convention Center staff intends to fill currently vacant staff positions and to examine the types and scope of pre and post event services necessary to support event bookings. Based on the results of these efforts, the Convention Center may in the future elect to make changes in their utilization of janitorial services under this contract.

FINANCIAL CONSIDERATIONS:

Funding for janitorial services for City facilities other than the Convention Center Complex is included annually in the Maintenance Services budget that is brought to the City Council for approval. Estimated costs for non-Convention Center facilities for the year are \$310,000 and sufficient funds for these services are available for FY00/01 in the approved Maintenance Services budget. Costs of janitorial services at the Convention Center Complex for the year are estimated at \$215,000 and are paid from the Council-approved Convention Center budget.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

POLICY CONSIDERATIONS:

In June 2000, the City Council suspended formal competitive bidding for janitorial services, in accordance with the provisions of City Code Section 3.56.230(c), which authorizes suspension of formal competitive bidding upon two-thirds vote by City Council, and awarded a six-month interim janitorial service contract. This recommendation authorizes a one-year extension of that contract.

E/SBE CONSIDERATIONS:

Somers Building Maintenance does not qualify for certification as an E/SBE firm. Public Works has exceeded the City Council established ESBD goal of 20% for the first quarter of this fiscal year. The City's E/SBE policies will be included in future competitive solicitations for janitorial services.

Respectfully Submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager