



## **PUBLIC WORKS DEPARTMENT**

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## **CITY COUNCIL STAFF REPORT**

Meeting: December 7, 2021

### Subject

Consider authorizing execution of a Custodial Services Contract for Citywide Custodial Services.

### Recommended Action

Authorize the City Manager to execute the Custodial Services Contract between the City of Cupertino and IMPEC Group Inc. (IMPEC) to provide custodial services at various City facilities for three years, at an annual amount not-to-exceed \$1,062,364.61; and if performance is satisfactory, followed by up to two additional years of service at an annual amount adjusted by the Consumer Price Index (CPI.)

### Background

Due to cost efficiency, the City has contracted custodial services for many years at City facilities. These services have included cleaning of restrooms, trash service, general housekeeping, floor care, window washing and disinfecting high-touch surfaces. At the Cupertino Library, a day porter is provided Monday through Friday 9:00 a.m. to 5:00 p.m. and Saturday and Sunday 10:00 a.m. to 6:00 p.m. to service high need areas and to respond to incidents.

During the pandemic, custodial services were suspended at most facilities and have slowly increased as essential and other services have been provided.

City facilities that receive custodial services are listed in Attachment A.

### Discussion

The current custodial service contract was authorized by the City Council on June 16, 2015 and is a three-year contract with the option to extend by two additional years. With satisfactory performance of services, the agreement was extended to December 31. During the earlier stages of the pandemic, it was not practical to competitively solicit a contractor to perform custodial services. As a result, on November 2, 2020, the City Council authorized an extension of the current custodial service contract. The current provider of custodial services is IMPEC. The total time that IMPEC has

provided custodial services to the City has been 14 years.

A Request for Proposal (RFP) to competitively solicit a new contract for custodial services was issued on September 29. A mandatory pre-proposal site visit was held on October 29. Three contractors attended the site visit and two contractors submitted proposals on the due date of November 3. Custodial contractors submitting their proposal amounts were as follows:

Custodial Contractor	Annual Price
Performance First Building Services, Inc. (PFI)	\$798,860
IMPEC	\$1,062,364

Due to the nature of the services provided, cost was not defined in the RFP as the sole method to evaluate proposals. In addition to cost, proposals were evaluated on:

1. Adherence to RFP requirements
2. Technical competence
3. Operational plan
4. Financial conditions

The proposal submitted by PFI was found to not meet the requirements of the RFP on two counts. The RFP required respondents to submit five public agency references in California, ideally in the southern part of the San Francisco Bay Area. PFI provided only one public agency reference with the County of San Joaquin (of the five required in the RFP.) However, due to the lower cost offered by PFI and the flexibility of the RFP to allow staff to follow up on certain deficiencies, PFI was given the opportunity to provide additional information. The City requested PFI to provide the size of past and current accounts, which was also a request as part of the RFP. Unfortunately, the additional information provided by PFI did not assist in the evaluation. Of the 35 businesses listed as receiving their custodial services, only one was a government agency. Additionally, most of their accounts have a monthly contractual value of less than \$10,000. Only one account listed was greater in value than the City's current contract with IMPEC. IMPEC Group received greater points in the evaluation than PFI because the point rating system was focused on non-monetary considerations, rating 75 points out of 100.

The proposed annual cost from IMPEC to provide custodial services is \$1,062,364. This is approximately 18% greater than the current contract amount of \$902,687.55. To determine if this is reasonable, the following factors were considered:

1. Labor was approximately 94% of the contract cost
2. The living wage in the City of San Jose for custodial services was \$24.07 per hour
3. No cost-of-living adjustments were allowed from January 2022 through January 2025

Given these cost factors, staff determined that the proposal from IMPEC was reasonable. IMPEC is experienced at providing custodial services to the City of Cupertino and currently provides these services to the City of Campbell, City of Half Moon Bay, City of Pittsburg, City of Walnut Creek, and the City of San Jose. With IMPEC continuing to provide services, the City retains a qualified, knowledgeable professional contractor.

The initial term of this contract is three years, starting on January 1, 2022, and can be extended on a year-to-year basis, for two additional one-year terms, for a total of five years. After satisfactory performance for the initial three-year period, the contract price will be increased or decreased based on the CPI for the San Francisco/Oakland region for all urban wage earners for each one-year that the contract is extended. The City has the right to terminate the contract at any time if the custodial company does not meet the necessary level of service, as defined in the agreement.

#### Analysis of City of Cupertino Staff Providing Custodial Services

Due to the high cost of a contractor to perform custodial services, an analysis of City staff performing these services was completed. IMPEC currently employs 13 custodial staff to service the various City of Cupertino facilities. The cost to annually employ 16 additional City of Cupertino staff plus the purchase of materials, equipment and vehicles would exceed the cost of the proposed contract with IMPEC. This would not be beneficial for the City of Cupertino. Further, IMPEC provides the ability for the City to increase or decrease janitorial staffing resources as necessary to address the City's needs, as was done to address City facility shutdowns during the early stages of the pandemic. The ability to adjust staffing resources provides the City with additional flexibility in providing these services.

#### Sustainability Impact

The custodial staff is an important partner to execute the City of Cupertino's requirements under GreenBiz certification, including utilizing environmentally preferable products and assisting with facility energy savings efforts, such as switching off lights at the end of day, and the proposed scope of work has been reviewed to align with the relevant operational policies in the Cupertino Climate Action Plan. Custodial services are required to adhere to the sustainability provisions listed in the RFP.

#### Fiscal Impact

For the Operating Budget for custodial services, \$899,171 was budgeted in the Fiscal Year (FY) 21-22. During FY 21-22, service reductions due to the pandemic have caused a reduction in custodial services due to many City facilities not being occupied. A surplus of approximately \$66,500 is projected through December 31.

The Santa Clara County Library District reimburses the City of Cupertino for all custodial services provided to the Cupertino Library. The new annual reimbursement amount for when the Cupertino Library is fully open will be \$316,163.12.

Assuming current City programs requiring the use of City of Cupertino buildings remains constant through February 2022, and that full custodial service is restored starting March 2022, a budget surplus of \$51,300 is projected for FY 2021-22. No additional appropriation is being requested this fiscal year.

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Approved by: Greg Larson, Interim City Manager

Attachments:

A – City of Cupertino Facilities Receiving Custodial Services

B - Draft Contract for Custodial Services