



PUBLIC WORKS DEPARTMENT

CITY HALL

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CITY COUNCIL STAFF REPORT

Meeting: July 3, 2018

Subject

2015 Contractual Janitorial Services – Project No. 2015-23, contract extension.

Recommended Action

Staff recommends Council take the following actions:

1. Authorize the City Manager or designee to negotiate and execute a one-year extension of the 2015 Contractual Janitorial Services contract and increase janitorial services by \$400/month at the Cupertino Library; and
2. Adopt a Resolution approving a Budget Adjustment in the amount of \$4,800 for janitorial services (100-87-828 700-702) (Attachment C).

Description

On June 16, 2015 Council authorized the 2015 Contractual Janitorial Services contract to IMPEC Group. The term of this contract was three years with the option to renew the agreement for up to two one-year terms. Prior to the end of the initial three year term, a first amendment was negotiated and authorized by Council. The primary purpose of the January 24, 2017 amendment was to increase compensation to IMPEC Group due to the October 2016 adoption of the City's Minimum Wage Ordinance (Ordinance No. 2151).

Discussion

The first amendment specified compensation at a minimum wage of \$13.50 per hour and escalates the total monthly value of the contract by \$4,200 per month for every \$1 increase in minimum wage. Per these provisions, staff is recommending that janitorial services be extended with IMPEC Group from July 1, 2018 to June 30, 2019. Labor costs will be unchanged through December 31, 2018 and will increase \$6,300 per month for January through June 30, 2019, based on the minimum wage increase to \$15 per hour that will occur on January 1, 2019. Monthly material costs of \$13,693 will escalate by an increase of the consumer price index (CPI) for all union wage earners by of 3.2% (\$438 per month).

Santa Clara County Library has requested that janitorial services be increased by two additional hours each week due to extended library hours. The cost of this request is

\$400 per month. Per the City's agreement with the County, the County will reimburse the City for this additional service.

Sustainability Impact

Not applicable.

Fiscal Impact

The recently authorized FY18/19 operating budget includes funding for janitorial services adjusted for CPI and minimum wage increase. Due to the Santa Clara County Library request, an additional appropriation to Library Maintenance 100-87-828 of \$4,800 is needed due to extended library hours. These dollars are recovered from the County as a pass-through reimbursement in their entirety.

Prepared by: Roger Lee, Assistant Director of Public Works Department

Reviewed by: Timm Borden, Director of Public Works Department

Approved for Submission by: David Brandt, City Manager

Attachments:

A – 2017 First Amendment & 2015 Contractual Janitorial Services Contract

B – Letter to Extend Term of the Agreement to June 30, 2019

C - Draft Resolution