



Agenda Report

23-436

Agenda Date: 4/18/2023

REPORT TO COUNCIL

SUBJECT

Action on Agreement with Impec Group, Inc. for Janitorial Services Citywide

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The City contracts out janitorial services at multiple City facilities including City Hall buildings, Senior Center, Silicon Valley Power offices, Police Station, Libraries, Emergency Operations Center, several Fire Stations, and the Corporation Yard. Services provided by the vendor include various items such as vacuuming, mopping, restroom cleaning, window cleaning, wiping down counters, deep cleaning, and other related work efforts. Current contracts are set to expire on June 30, 2023.

On November 15, 2022, staff provided an update to the City Council on requirements that would be incorporated into the Request for Proposals (RFP) for janitorial services to specifically address concerns raised by the Service Employees International Union (SEIU) related to wage theft, prevailing wage, collective bargaining, and labor peace (Attachment 2).

On December 21, 2022, staff released the janitorial services RFP which included the following requirements:

- Wage Theft - Proposers were required to have a valid Janitorial Service Provider and Contractor Registration with the State of California Department of Industrial Relations (DIR) Labor Commissioner's Office. The registration requires companies to disclose any wage claims.
- Prevailing Wage - Proposers were required to pay prevailing wages. Although payment of prevailing wage was not legally required for this contract, the City voluntarily approved SEIU's request to require prevailing wage pursuant to California Public Utilities Code Section 465-466. In addition, they were required to complete the Employee Work Environment Questionnaire which included providing information on employee wages as well as other benefits including paid time off.
- Collective Bargaining - Proposers were required to provide their employee handbook or policy that addresses their dispute resolution process with regard to wages, benefits, working conditions, and disciplines.
- Labor Peace - Proposers were required to provide assurances that an environment of labor

peace exists. Additionally, the requirements of registration with DIR and submission of their employee handbook, proposers were required to disclose information related to harassment, workplace violence, and working conditions.

DISCUSSION

Pursuant to City Code Section 2.105.140(c), a formal Request for Proposals (RFP) was conducted as the solicitation method for this procurement, with the final award recommendation based on “best value.” The factors considered in the evaluation were quality and completeness of proposal, experience, service capability, operations, and adherence to the additional requirements of this RFP as stated above.

A total of eleven proposals were received from the following firms:

- 3H & 3H, Inc.
- CCS Facility Services
- Central Maintenance Co.
- Impec Group, Inc.
- Imperial Maintenance Services
- Karla’s Janitorial Services
- PRIDE Industries One, Inc.
- Quality Cleaning Professionals, LLC
- SWA Services Group, Inc.
- UBM Enterprise, Inc.
- Z&C Services, Inc.

Two firms did not submit all the requirements of the RFP and were subsequently deemed nonresponsive and disqualified from further consideration. The remaining nine proposals were evaluated by a three-member team comprised of representatives from the Department of Public Works, the Parks & Recreation Department, and Silicon Valley Power. CCS Facility Services, Impec Group, PRIDE Industries One, Quality Cleaning Professionals, and SWA Services Group were asked to participate in oral interviews to introduce their key personnel and demonstrate their experience, capacity, and service capability to meet the City’s requirements.

Staff recommends awarding the agreement(s) to Impec Group, Inc. (Impec) for having submitted the best value proposal. Impec’s proposal included a mix of various services including moving and relocation, cubicle workstation installation, general maintenance, and repair in addition to the window cleaning, floor and specialty detail cleaning availability as part of the requirements of the RFP. Impec demonstrated experience in janitorial services for many other municipalities and a strong understanding of the City’s requirements and needs. References were checked with the City of Cupertino, City of Half Moon Bay, and Mills College.

Under the proposed agreement, Impec will provide janitorial services citywide. The agreement includes a detailed scope of services, frequency of services by site, monthly service fee by site, and hourly rates for additional services. The initial term of the agreement is five years plus three additional one-year options to extend the term of the agreement for a total of eight years. Pricing is fixed for year one of the initial term. Thereafter, price adjustments are allowable subject to verification

by the Contractor and approval by the City.

The proposed agreement contains a provision that allows additional sites to be added. However, in the event a site is managed by a department other than the Public Works Department, staff is requesting authorization for departments to enter into their own separate agreement with Impec. The agreements will be managed by their respective departments. Lastly, Impec will comply with the City's Labor Retention Ordinance which requires for existing employees under the current agreement the opportunity to continue their employment under the new agreement with Impec.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The amount to be paid to Impec over the proposed initial five-year term shall not exceed \$7,830,683 which includes a 10 percent contingency, subject to future budget appropriations. The amount includes an estimated 4 percent increase per year for years two - five of the initial term. This percentage is based on the historical prevailing wage increase average. The agreement includes three, one-year options, to extend the term of the agreement after the initial term, at the City's discretion.

Fiscal Year	Contract Amount	Notes
2023/2024	\$1,314,324	Initial Term Year 1 of 5
2024/2025	\$1,366,897	Initial Term Year 2 of 5 (Estimated)
2025/2026	\$1,421,573	Initial Term Year 3 of 5 (Estimated)
2026/2027	\$1,478,436	Initial Term Year 4 of 5 (Estimated)
2027/2028	\$1,537,573	Initial Term Year 5 of 5 (Estimated)
Contingency	\$711,880	10% of the total contract to cover unexpected costs
Total	\$7,830,683	

Staff anticipates the option years, if executed, would include a potential 4 percent increase each year. Any price adjustment request by the Contractor is pursuant to City approval.

Sufficient funding for the contract is budgeted in the FY 2023/24 Proposed Biennial Operating Budget in the Facility Services Program (2223- Janitorial). Future years of funding are subject to the appropriation of funds.

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a

Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Authorize the City Manager to execute an agreement with Impec Group, Inc. for janitorial services citywide for an initial five-year term, with maximum compensation not-to-exceed \$7,830,683, subject to the appropriation of funds;
2. Authorize the City Manager to amend the agreement with Impec Group, Inc. to add new sites or to revise pricing in the event a price adjustment is approved, subject to the appropriation of funds;
3. Authorize the City Manager to execute additional agreements with Impec Group, Inc. as required for other City departments not-to-exceed \$250,000 each, such agreements shall contain the same terms and conditions as the agreement with Impec Group, Inc. for Department of Public Works and shall be subject to appropriation of funds; and
4. Authorize the City Manager to exercise up to three one-year options to extend the term of the agreement(s) after the initial term, subject to the appropriation of funds.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Office of the City Manager

ATTACHMENTS

1. Agreement with Impec Group, Inc. for Department of Public Works
2. RTC 22-1299