



City Council Report

Date: January 13, 2020
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Three-Year Term Contract with Two Years of Renewal Options for Custodial Services - Zones 5, 6 and 7 for the Parks, Recreation and Community Facilities Department **(Citywide)**

Recommendation

Council is requested to approve the award as recommended.

A committee representing the Parks, Recreation and Community Facilities Department and Purchasing evaluated responses. The evaluation committee recommends awarding the contract to the highest scored proposal from Varsity Contractors, Inc., dba Varsity Facility Services, A KBS Company, Zone 5 at \$1,096,000 annually; Zone 6 at \$1,169,000 annually; and Zone 7 at \$673,800 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

Parks, Recreation and Community Facilities determined eliminating the single Citywide contract for custodial services and splitting the City's buildings into three Zones (5, 6 and 7) would be advantageous to the City. This model mirrors current practices in the Parks Maintenance. The idea behind this is to create the ability for staff to better enforce contract terms and conditions by isolating locations into separate Zones: lessening the impact if a contractor was terminated due to being deficient in work or if they self-terminated; increasing supervision over a specific set of buildings by the contractor; and creating a manageable situation for a contractor or contractors to be effective partners towards cleaning of the facilities.

Part of this philosophy to enhance services was in the re-write process of the contract to enact stronger enforcement tools City representatives could use to hold the awarded contractor responsible for work not performed. Some major changes between the current contract and new contracts include:

- Outgoing Contract - Does not allow for certain services to be correctable until the next scheduled facility clean. New Contract - Allows for all items to be corrected the day they are reported as deficient. (This change in scenario is advantageous because in some cases, deficient items could not be corrected until the next scheduled clean, which meant some building occupants had to wait one-day to a week for an item such as mopping or vacuuming to occur.)

- Outgoing Contract - Allows for a three-hour correction time on certain pay items that were allowed to be corrected such as refilling dispensers, cleaning restrooms, or emptying trash. New Contract - Forces all deficient work to be remedied within two hours. (This change allows for quicker response times to remedy all deficient work.)
- Outgoing Contract - Monies deducted from the contractor's end of the month billing is through the use of a grading system for services omitted or unsatisfactorily performed. Additionally, the grade reduction for this could not occur until the third notification of deficiency. Essentially, the City representative could not exercise punitive measures until notifying verbally once and in writing twice. The grade reduction only occurred when a third notification was made for repetitive deficiencies. No more than two grade reductions are allowed within a month's billing cycle. New Contract - Will allow for the City representative to deduct monies from a billing statement immediately for deficient work not completed within the correction time limit schedule as defined. (Note- Delays from issuing three different notices to the contractor will now be eliminated by only issuing one notification of deficiency.)
- Outgoing Contract - The Liquidated Damage Table had fees associated with nonperformance that did not recover the City's exposure when addressing deficient performance, ranging from \$10 to \$50. New Contract - The Non-Performance Fee Table was significantly changed concerning Deduction Amounts. For example, Situation A. will deduct \$250 per violation from the monthly statement when there are over four or more recurring deficiencies in any 90-day period. This is in addition to money not paid to the Contractor for work not completed or unsatisfactory in workmanship. (This reinforces the importance of addressing deficiencies and elevating performance over the term of the contract.)

Facilities Maintenance will address current performance with the incumbent Contractor as reported by Building Liaisons prior to commencement of contract. It will be communicated that strict adherence to schedules and the performance of the contracts will be expected for Zones 5, 6, and 7. Deviation from any written specifications will be enforced as written in the contract.

The City received proposals for Zones 5, 6 and 7, of which all met the minimum requirements. The evaluation committee completed the scoring of these proposals based on the criteria stated in the solicitation. Award is recommended to the highest scored respondent of each Zone (5, 6 and 7), Varsity Facility Services, A KBS Company. The evaluation was conducted by and points were awarded by consensus by the evaluation committee (See Proposal Responses and Final Scoring – Zones 5, 6 and 7).

Purchase Information

Action: Award

Procurement Type: Request for Proposals

Contract Numbers: 2020088 – Zone 5; 2020089 – Zone 6; 2020040 – Zone 7

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Initial Contract Term: Three years

Possible Renewals: Up to a maximum of two years, renewals subject to Administrative review and approval

Funding Source: Parks, Recreation and Community Facilities Department – Facilities Maintenance operating budget

Proposal Responses and Final Scoring (Zone 5)

DNL Services, LLC, dba Above All Services - Chandler, AZ
Historic Palm, LLC, dba Oranje Commercial Cleaning - Phoenix, AZ
JB Superior Maintenance Services, LLC - Mesa, AZ
SSCO - Phoenix, AZ
UBM Enterprise, Inc. - Dallas, TX
Varsity Contractors, Inc., dba Varsity Facility Services, A KBS Company - Salt Lake City, UT

Respondent - <u>Contract No. 2020088</u>	Total Points Possible / 550
Varsity Facility Services (Recommended)	<u>521.88</u>
Oranje Commercial Cleaning	483.51
UBM Enterprise, Inc.	463.75
Above All Services	434.24
JB Superior Maintenance Services	277.92
SSCO	123.95

Proposal Responses and Final Scoring (Zone 6)

Historic Palm, LLC, dba Oranje Commercial Cleaning - Phoenix, AZ
SSCO - Phoenix, AZ
UBM Enterprise, Inc. - Dallas, TX
Varsity Contractors, Inc., dba Varsity Facility Services, A KBS Company - Salt Lake City, UT

Respondent - <u>Contract No. 2020089</u>	Total Points Possible / 550
Varsity Facility Services (Recommended)	<u>522.36</u>
Oranje Commercial Cleaning	487.74
UBM Enterprise	463.75
SSCO	123.34

Proposal Responses and Final Scoring (Zone 7)

DNL Services, LLC, dba Above All Services - Chandler, AZ
JB Superior Maintenance Services, LLC - Mesa, AZ
Historic Palm, LLC, dba Oranje Commercial Cleaning - Phoenix, AZ
SSCO - Phoenix, AZ
Trinity Building Services, dba Trinity Public Sector Solutions - South San Francisco, CA
UBM Enterprise, Inc. - Dallas, TX
Varsity Contractors, Inc., dba Varsity Facility Services, A KBS Company - Salt Lake City, UT

No Bid response received from:

Marsden West

LJS Cleaning Solutions

Respondent - <u>Contract No. 2020040</u>	Total Points Possible / 550
Varsity Facility Services (Recommended)	<u>527.81</u>
Oranje Commercial Cleaning	490.93
UBM Enterprise, Inc.	463.75
Above All Sections	438.43
JB Superior Maintenance Services	305.07
Trinity Public Sector Solutions	211.25
SSCO	120.46