



## **CITY OF COMMERCE AGENDA REPORT**

**TO:** Honorable City Council

**FROM:** City Administrator

**SUBJECT:** Exercise Options to Extend the Existing Catch Basin Maintenance and Street Sweeping Services Agreements for Five Years, and to Authorize a 3.5% Cost of Living Increase with Nationwide Environmental Services, a Division of Joe's Sweeping, Inc.

**MEETING DATE:** May 15, 2018

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### **RECOMMENDATION:**

That the City exercise its options to extend the catch basin maintenance and street sweeping services agreements with Nationwide Environmental Services, a Division of Joe's Sweeping, Inc. (Nationwide) for an additional five years and to amend the agreements to include an additional option to extend the agreements for five years pursuant to both parties' written consent.

The City approve Nationwide's request for a 3.5% cost of living increase for its street sweeping services and catch basin maintenance agreements.

### **ANALYSIS/BACKGROUND:**

The City of Commerce entered into two separate five-year agreements with Nationwide on October 1, 2014. The agreements are set to expire on October 1, 2019 for street sweeping and catch basin maintenance services.

On January 16, 2018, the City Council authorized City staff to prepare and execute amendments to Nationwide Environmental Services' street sweeping services and catch basin maintenance agreements pursuant to Nationwide Environmental Services' request.

### **Request to Exercise Five Year Option**

Subsequently in letters dated April 17, 2018, Nationwide Environmental Services has requested the City to consider exercising its option to extend the street sweeping services and catch basin maintenance agreements for five years. Nationwide Environmental Services is also requesting to amend the street sweeping services and catch basin maintenance agreements to include an additional five-year option which can be exercised pursuant to both parties' written consent.

The attached First Amendment to the street sweeping services agreement and the attached First Amendment to the catch basin maintenance agreement includes the previously approved amendments and the amendments recently proposed by Nationwide Environmental Services in the April 17, 2018 letters. Accordingly, City staff requests the City Council to consider approving the attached First Amendments to the street sweeping

services and catch basin maintenance agreements and authorize City staff to execute the same.

### **Consumer Price Index/Cost of Living Increase**

The Nationwide street sweeping services and catch basin maintenance agreements each include provisions allowing Nationwide to request CPI/Cost of Living increases which are subject to City Council approval. In letters dated February 20, 2018, Nationwide requested the City Council to authorize 3.5% cost of living increases effective July 1, 2018 through June 30, 2019 for both the street sweeping services agreement and the catch basin maintenance agreement.

### **ALTERNATIVES:**

1. Exercise the five-year options and approve Nationwide's cost of living increase.
2. Keep Nationwide's agreement as is and make no change.
3. Provide further direction to staff.

### **FISCAL IMPACT:**

If the City Council approves the recommendation, the following amounts will be incorporated into the FY 2018/19 Proposed General Fund Operating budget:

- |                            |           |
|----------------------------|-----------|
| ➤ Catch Basin Maintenance  | \$85,000  |
| ➤ Street Sweeping Services | \$184,700 |

### **RELATIONSHIP TO STRATEGIC GOALS:**

This item is related to a specific 2016 Strategic Goal to *"improve and maintain infrastructure and beautify our community."*

Approved by: Maryam Babaki, Director of Public Works and Development Services  
Prepared by: Noel Tapia, City Attorney and Gina Nila, Deputy Director of Public Works Operations

Fiscal impact reviewed by: Vilko Domic, Director of Finance

Approved as to form: Noel Tapia, City Attorney

Respectfully submitted: Edgar P. Cisneros, City Administrator

### **ATTACHMENTS:**

1. Nationwide letters CPI increases dated February 20, 2018
2. Nationwide letters dated April 17, 2018 requesting the City to exercise its five-year option to extend the street sweeping services agreement and the catch basin maintenance agreement