

CITY OF DANA POINT
AGENDA REPORT

Reviewed By:	
DH	_x_
CM	_x_
CA	X

DATE: MAY 28, 2003

TO: CITY MANAGER/CITY COUNCIL

FROM: ROBERT A. WARREN, DIRECTOR OF PUBLIC WORKS AND
ENGINEERING SERVICES
CINDY ASHER, ADMINISTRATIVE MANAGER

SUBJECT: APPROVAL OF SECOND AMENDMENT TO AGREEMENT
EXERCISING THE SECOND ONE-YEAR RENEWAL OPTION,
INCLUDING A COST OF LIVING INCREASE, FOR THE STREET
SWEEPING MAINTENANCE AGREEMENT FOR FISCAL YEAR
2003-04

RECOMMENDED ACTION:

That the City Council (1) approve the Second Amendment to the Street Sweeping Maintenance Agreement, exercising the second one-year renewal option, including a 3.9 percent CPI increase (per contract) and a 2.1 percent increase for extraordinary insurance cost increases for a total increase of 6 percent, for the period of July 1, 2003 to June 30, 2004; and (2) authorize the City Manager to execute an amendment document.

ISSUES:

The Street Sweeping Maintenance Agreement with CleanStreet (formerly California Street Maintenance) for street sweeping services throughout the City is nearing completion of the first one-year renewal period. It is appropriate to now consider the second one-year renewal option.

BACKGROUND:

Three years ago, in 2000, a Request for Proposal (RFP) process was undertaken to obtain the most responsive and responsible Contractor for the City's street sweeping maintenance. The City Council approved the Agreement with California Street Maintenance (CSM) on April 25, 2000 for the period of July 1, 2000 to June 30, 2002. The Agreement with CleanStreet (formerly California Street Maintenance) allows the provision for three (3) one-year extensions. The first one-year extension was authorized by City Council on June 25, 2002.

DISCUSSION:

In the nearly ten years that CleanStreet has been successful in fulfilling the Street Sweeping Maintenance Agreement, they have consistently provided high-quality service and are very responsive to staff's requests and needs, routinely meeting or exceeding the levels of performance required by the Agreement, as well as that demanded by the community. CleanStreet has been very amenable to changing routes and adjusting sweeping schedules, thus enabling areas to be swept at optimal times, such as near and around schools so as to accommodate dropping off and picking up students. CleanStreet is also sweeping the new medians on Golden Lantern and Del Obispo weekly at no additional charge. Also, beginning in August 2003 CleanStreet will use a new, alternative-fueled Tymco sweeper in the City of Dana Point.

The reason that the current Agreement includes the optional term extensions (as do virtually all of the City's public service agreements) is so that the Contractor's performance can be regularly evaluated, and if it is found lacking, a new RFP process can be pursued in order to find a provider that can meet the City's needs. CleanStreet has clearly met the City's needs during the past one-year term. It is believed by staff that a new RFP process at this time is unnecessary and would not yield better street sweeping services than are now being provided. Therefore, staff strongly recommends that the second one-year extension option be considered.

CleanStreet has notified the City that in the past year they have experienced some operating increases beyond their control due to industry-wide insurance increases in the following areas:

Workman's Comp Insurance – increase of 78.6%
Auto Liability Insurance - increase of 62%

In light of the above increases, CleanStreet is requesting an increase of 2.1 percent above the CPI increase of 3.9 percent. The agreement states: "For the second and subsequent contract years the rates set forth in the contract may be adjusted upward or downward to reflect changes to the net percentage change in the said C.P.I. during the period of time since the last preceding contract adjustment, calculated to the nearest one percent." CleanStreet is requesting a CPI increase for the second one-year renewal period. Staff has verified the calculation of CleanStreet's CPI increase request with the Bureau of Labor Statistics (Supporting Document C).

Staff, therefore, recommends that the City Council approve an Agreement Amendment extending the period of service from July 1, 2003 to June 30, 2004 in

the not-to-exceed amount of \$161,798.40, which includes a 6% (CPI of 3.9% and extraordinary of 2.1%) increase.

NOTIFICATION/FOLLOW-UP:

CleanStreet

STRATEGIC PLAN IMPLEMENTATION

This item is in compliance with the Strategic Plan Initiative to restore and maintain the integrity of our ocean waters and beaches.

FISCAL IMPACT:

Proposed funding for the FY2003-04 street sweeping maintenance services is \$163,000, which includes \$1,000 for extraordinary sweeping for special events, etc.

ALTERNATIVE ACTIONS:

- 1. Other alternatives as identified by the City Council.

ACTION DOCUMENTS:

PAGE #

- A. Agreement [Amendment](#) for the period of July 1, 2003 to June 30, 2004..... 4

SUPPORTING DOCUMENTS:

- B. [CleanStreet letter](#)..... 6
- C. [Bureau of Labor Statistics \(CPI calculation\)](#)..... 7

Action Document A – Second Amendment to Agreement

**SECOND AMENDMENT
TO AGREEMENT BETWEEN CLEANSTREET
(formerly CALIFORNIA STREET MAINTENANCE)
AND THE CITY OF DANA POINT FOR
PROVIDING STREET SWEEPING MAINTENANCE SERVICES**

The **CITY OF DANA POINT** (the "City") and **CLEANSTREET**, formerly California Street Maintenance, (the "Contractor") mutually agree to this Second Amendment to Agreement Between CleanStreet And The City Of Dana Point For Providing Street Sweeping Maintenance Services (the "Second Amendment") as follows:

WHEREAS City and Contractor executed the "City Of Dana Point Contract Agreement For Street Sweeping Maintenance For Period From July 1, 2000 To June 30, 2001 Inclusive" (the "Agreement") on April 25, 2000, and

WHEREAS the Agreement allowed for three one-year extensions for Contractor's street sweeping services, and

WHEREAS the first one-year extension was authorized by City Council on June 25, 2002 pursuant to an amendment to the Agreement (the "First Amendment"), and

WHEREAS City and Contractor intend to provide for a second one-year extension of Contractor's services,

NOW, THEREFORE, in consideration of the above Recitals and the following terms, conditions and promises, the Parties declare as follows:

1. The above Recitals are true and correct and hereby incorporated into the terms of this Second Amendment.

2. The City and Contractor agree to extend the term of the Agreement for one year, beginning July 1, 2003 and ending June 30, 2004.

3. Reimbursement shall include a Cost-of-Living Price Increase (CPI) adjustment of six percent (6%) for a total yearly not-to-exceed amount of \$161,798.40. Contractor shall be solely responsible for any other cost increases affecting its provision of street sweeping services to the City, including but not limited to prevailing wage requirements or other cost increases required under state or federal law.

4. Except as provided above, all other terms and conditions of the Agreement between the City and Contractor remain in effect. City and Contractor understand that Contractor has changed its business name from "California Street

Maintenance” to “CleanStreet.” Notwithstanding Contractor’s change of business name, all terms of the Agreement, the First Amendment, and this Second Amendment shall apply with full force and effect to Contractor.

CITY OF DANA POINT

CLEANSTREET

By _____
Douglas C. Chotkevys, City Manager

By _____
Jere Costello, President

Date _____

Date _____

Attest:

Susan Ramos, City Clerk

Approved As To Form:

Patrick Munoz, City Attorney

Supporting Document B – CleanStreet letter

April 24, 2003

Mr. Bob Warren
CITY OF DANA POINT
33282 Golden Lantern
Dana Point, CA 92629-1805
Fax# 949-248-7372

Re: *Amendment to Agreement for Street Sweeping Maintenance*

Dear Bob,

CleanStreet is requesting that a one year extension of our current agreement for street sweeping with Dana Point be exercised.

As per our agreement, the price may be adjusted by the CPI for the previous year period. The CPI for Orange County from March 2002 to March 2003 was 3.9%. In addition, we are requesting a 2.1% increase to help offset an industry wide increase in insurance. Our Auto and Liability insurance increased 62%. Our Workman's Compensation insurance increased 78.6%. We are hoping that industry wide rates will stabilize this year.

The new medians on Golden Lantern and Del Obispo will be swept weekly at no additional charge.

In August, 2003, CleanStreet will use an alternative fueled, new Tymco 600 in the performance of our contract with the City of Dana Point.

We appreciate your business very much and look forward to continuing our excellent working relationship. Please give me a call if you have any questions.

Sincerely yours,


Rick Anderson

Supporting Document C – Bureau of Labor Statistics



**U.S. Department
of Labor
Bureau of Labor
Statistics**



Bureau of Labor Statistics Data

www.bls.gov

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Data extracted on: April 24, 2003 (3:03:38 PM)

Consumer Price Index - All Urban Consumers

Series Id: CUURA421SA0, CUUSA421SA0
Not Seasonally Adjusted
Area: Los Angeles-Riverside-Orange County, CA
Item: All items
Base Period: 1982-84=100

Year	Mar
2002	181.1
2003	188.2

12 Months Percent Change
Series Id: CUURA421SA0, CUUSA421SA0
Not Seasonally Adjusted
Area: Los Angeles-Riverside-Orange County, CA
Item: All items
Base Period: 1982-84=100

Year	Mar
2002	2.8
2003	3.9

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Bureau of Labor Statistics
4600 International Center
Massachusetts Ave., NE
Washington, DC 20212-0001

Technical

://data.bls.gov/servlet/SurveyOutputServlet