

Agenda Report

TO: CITY COUNCIL **DATE:** APRIL 21, 2008

FROM: CITY MANAGER

SUBJECT: AMENDMENT TO A CONTRACT WITH U.S. METRO GROUP, INC. TO INCREASE THE TOTAL NOT-TO-EXCEED AMOUNT OF CONTRACT #18,216-4 BY \$642,000 FOR CITYWIDE HOUSEKEEPING SERVICES

RECOMMENDATION

It is recommended that the City Council authorize an amendment to the existing contract number 18,216-4 with U.S. Metro Group, Inc. for an increase of \$642,000 in the not-to-exceed amount of this contract to cover the cost of a six-month extension.

BACKGROUND

In May 2003, the City entered into Contract number 18,216 with U.S. Metro Group, Inc. The term of the contract was for two years with three optional one-year extensions. The base term expired on April 30, 2005.

The three optional one-year extensions were exercised and the current contract is for an annual amount not to exceed \$1,281,195. The current contract expires on April 30, 2008. The specifications for the new bid are currently being developed by staff. The new bid specifications will include requirements for "green cleaning" practices as well as specific penalties for nonperformance. The bid process and contract award will not be completed by the end of the current contract term, therefore, staff recommends continuing Contract number 18,216-4 on a month-to-month basis while a formal bid for a new contract is prepared. For the month-to-month extensions, the City shall pay the Contractor an amount not to exceed \$107,000 per month. It is estimated that this process, including bid preparation, evaluation and award, as well as contract transition (should a new vendor be awarded) will take up to six months.

FISCAL IMPACT:

Funds for this contract are available in the Public Works FY 2008 operating budget, Housekeeping Program account (#8114-502-766400). Funds will be requested during the normal budget process for next fiscal year.


Respectfully submitted:


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