



Agenda Report

May 16, 2016

TO: Honorable Mayor and City Council

FROM: Department of Finance

SUBJECT: AUTHORIZATION TO AMEND CONTRACT NO. 30130 WITH UNIFIRST CORPORATION FOR CITYWIDE UNIFORM RENTAL SERVICE

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. Authorize the Interim City Manager to amend Contract No. 30130 with UniFirst Corporation to increase the annual not-to-exceed amount for fiscal years 2016 and 2017 to \$148,493 for a total not-to-exceed amount of \$421,986 for the first three years of the contract; and increase the amount of the optional one, three-year extension from \$375,000 to \$445,481 at the discretion of the City Manager without further City Council approval. The unit prices in the annual contract amount may be held constant or increased by an amount equal to the change in the Consumer Price Index (CPI) for the Los Angeles-Orange-Riverside counties for the preceding 12-month period.

BACKGROUND:

The City of Pasadena provides uniforms to employees in various departments throughout the City. In 2014, staff prepared and issued a bid specification for a citywide uniform contract. The *Notice Inviting Bids* was published in the *Pasadena Journal*, as well as the City's bid notification website. At the bid opening on April 22, 2014, the City received two responses. The bids were evaluated based upon the total cost for uniform rental, mats, lockers, fender covers, and shop towels. As a result of the competitive bid process, the lowest responsive and responsible bidder was determined to be UniFirst Corporation.

On June 9, 2014, the City Council authorized the Department of Finance to enter into a purchase order contract with UniFirst Corporation for citywide uniform rental services. The contract term was for a not-to-exceed amount of \$125,000 per year for three years, with one optional, three-year extension subject to the approval of the City Manager for a not-to-exceed amount of \$125,000 annually, or \$375,000 for three years, without further City Council approval.

At the time of the award, the purchase contract covered the uniform requirements for 434 City employees in the departments of Water and Power, Public Works, Information Services, and for the Heliport function of the Police Department.

In 2015, Purchasing staff initiated a review with each City department currently utilizing UniFirst uniform services to determine current and future needs. The review revealed that the initial annual amount of \$125,000 would not be sufficient to meet citywide uniform service needs. Consequently, staff is requesting an increase to the not to exceed amount of the contract. The increased costs were due to 18 additional employees and various supply purchases of towels, mats, fender covers, and lockers. Furthermore, staff is requesting a 10 percent contingency be added to this purchase, to accommodate the possible addition of other City departments, staff, and need for various supplies provided in this service.

Below is a summary of current allocations and contract increases.

Description	FY 2015	FY 2016	FY 2017	Optional 3 Year Extension	Total Contract Value
Original Allocation	\$ 125,000	\$ 125,000	\$ 125,000	\$ 375,000	\$ 750,000
Increased Staffing, Supplies, and Departments	\$ -	\$ 9,994	\$ 9,994	\$ 29,983	\$ 49,971
Subtotal	\$ 125,000	\$ 134,994	\$ 134,994	\$ 404,983	\$ 799,971
10% Contingency	\$ -	\$ 13,499	\$ 13,499	\$ 40,498	\$ 67,496
Total Amounts	\$ 125,000	\$ 148,493	\$ 148,493	\$ 445,481	\$ 867,467
Total Increase	\$ -	\$ 23,493	\$ 23,493	\$ 70,481	\$ 117,467

The proposed amendment is necessary to accommodate increased expenditures and to fund future service needs. The unit prices submitted in the original UniFirst proposal will be used for the remainder of this contract, subject to a change in the Consumer Price Index (CPI) for the Los Angeles-Orange-Riverside counties for the preceding 12-month period.

COUNCIL POLICY CONSIDERATION:

This action meets the City Council's strategic planning goal to improve the City's financial stability.

ENVIRONMENTAL IMPACT:

This action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (b) (3), the General Rule that CEQA only applies to projects that may have an effect on the environment.

FISCAL IMPACT:

The cost of this action is \$117,467 to increase the contract amount for the two remaining years from \$250,000 to \$296,986, and to increase the option for one, three-year extension at the discretion of the City Manager from \$375,000 to \$445,481. The unit prices in the annual contract amount may be held constant or increased by an amount equal to the change in the Consumer Price Index (CPI) for the Los Angeles-Orange-Riverside counties for the preceding 12-month period.

Funding for this contract will be addressed by the use of existing budgeted appropriations from Water & Power, Police, Public Works, Information Technology, Information Services, and Finance. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



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Approved by:



STEVE MERMELL
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