



Staff Report

File #: REPORT 18-0549, Version: 1

Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of September 25, 2018

**SECOND AMENDMENT TO THE CONTRACT FOR STREET
SWEEPING SERVICES BETWEEN THE CITY OF HERMOSA BEACH
AND ARAKELIAN ENTERPRISES (ATHENS SERVICES)**
(Public Works Director Glen W.C. Kau)

Recommended Action:

Staff recommends that the City Council:

1. Authorize the Mayor to execute the SECOND AMENDMENT TO THE AGREEMENT FOR STREET SWEEPING SERVICES BETWEEN THE CITY OF HERMOSA BEACH AND ARAKELIAN ENTERPRISES (Athens Services) that includes enhanced scrubber services to The Strand, Hermosa Avenue and Pier Avenue, sidewalks, Parking Lots A, B, and C, Beach Drive from 10th Street to 14th Street, and three additional days of eight (8) hour porter service to the downtown area;
2. Approve an additional appropriation of \$2,200 from Prospective Expenditures to cover enhanced porter costs; and
3. Authorize the Director of Public Works to make changes as necessary within the budgeted amount.

Background:

In October 2010, City Council awarded a three-year contract for street sweeping services to Athens Services for the period beginning November 1, 2010 and ending 2013 for a total of \$681,807.44.

In March 2012, a change order was issued to Athens Services to perform all downtown steam cleaning that was previously performed by Ellis Enterprise for the amount of \$23,180.

In 2013, the City entered into an exclusive solid waste franchise agreement with Athens Services for a term of eight (8) years beginning July 2013. During the development of the franchise agreement, it was determined advantageous to extend the term of the street sweeping contract to coincide with the trash contract for a 5% reduction in service costs. At the March 26, 2013 meeting, City Council approved the first amendment to the street sweeping contract that extended the term of the street sweeping contract to coincide with term of the proposed franchised agreement for waste disposal services (Attachment 1).

In the FY 13-14 Midyear Budget, the City Council approved enhanced steam cleaning services that added a winter and summer schedule and increased cleaning frequencies for a cost of \$83,555.

Street sweeping services and service levels were also modified to \$266,397. Although the budget was increased to fund the change in costs and the change in services were implemented, the contract was not amended to reflect the changes in costs or scope of services (Attachment 2).

For FY 18-19, steam cleaning costs will be \$89,340 and \$293,386 for street sweeping if service levels are kept at the FY 17-18 level. This amount includes the contract's annual 3% increase and the 5% discount. However, the Athens contract needs to be modified to a higher amount because Council approved funding the attached Enhanced Services as part of the FY18/19 Budget (Attachment 3 and 4).

Since a contract change order, or contract amendment, was not executed for these services, they are subsequently included in the second amendment.

Analysis:

Staff considered several concerns from the downtown subcommittee, Police Department, business owners, and residents regarding cleanliness in the downtown area and The Strand. Staff coordinated with Athens Services staff to develop an enhanced cleaning plan to improve cleanliness on The Strand, Plaza, sidewalks, parking lots, and Beach Drive in the downtown area. The enhanced plan (Attachment 3) includes:

1. Replacing steam cleaning services in some existing areas including the Strand with scrubber service because of noise concerns. The scrubber is quieter and can be operated later in the day. The Strand will be scrubbed and deodorized weekly.
2. Adding scrubber service to several existing locations as well as some new locations not previously serviced such as Beach Drive from 11th Street to 13th Street, and 12th Court from Beach Drive to Hermosa Avenue.

Athens Services estimated these enhanced cleaning services to cost \$98,077.90, and this amount was approved in the FY 18/19 adopted budget. The total cost for implementing the new scrubber service and existing steam cleaning services for FY 18/19 is \$162,797.05.

Furthermore, staff is recommending an additional twenty-four (24) hours of porter service to improve cleanliness on Pier Plaza and the surrounding parking lots. To achieve the desired impact, Athens staff recommended three (3) additional eight (8) hour evening shifts, Friday 2:00pm to 10:00pm and Saturday and Sundays 6:00pm to 2:00am. Porter service will include:

1. Trash and litter pickup
2. Emptying of overflowing trash cans
3. Vomit and dog feces clean up
4. By hand clean-up of sand, spills, etc.

This enhanced porter service will cost an additional \$49,967.90, of which \$47,768 has already been approved by Council in the FY18/19 budget. Therefore, an additional appropriation of \$2,200 is necessary to cover the total costs for this service in FY 18/19.

The total cost for street sweeping and porter services is \$343,353.78 (Attachment 4). Athens anticipates implementing the modified service 30 days following City Council approval of the second contract amendment (Attachment 5).

Fiscal Impact:

The Adopted Budget for FY18/19 funded the proposed enhanced cleaning services with General Funds with the exception of \$2,200 noted above that resulted from a minor change to the porter hourly rate used at budget. The porter hourly rate was adjusted to the latest quoted rate provided by Athens.

Payment for the enhanced cleaning plan that includes new scrubber service and additional porter as well as existing sweeping and steam cleaning costs will be amended as shown in Attachment 3 and 4. Anticipated annual contract costs for the remaining contract period that include the provision for an annual cost escalation factor comprised of an agreed flat rate of 3% and the 5% discount are depicted in the Contract Costs Projection spreadsheet (Attachment 6). The appropriations necessary to fund the contract costs for FY 19/20 and FY 20/21 will be requested as part those annual budgets.

Attachments:

1. First Amendment to the contract for street sweeping services
2. Current steam cleaning schedule and cost
3. Proposed steam cleaning/ scrubber schedule and cost
4. Proposed street sweeping/ porter service cost
5. Second amendment to the agreement for street sweeping services between the City of Hermosa Beach and Arakelian Enterprises
6. Contract Cost Projection

Respectfully Submitted by: Ells Freeman, Public Works Superintendent and
Kristy Morris, Environmental Analyst

Concur: Glen W.C. Kau, Public Works Director/City Engineer

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved: Suja Lowenthal, City Manager