



AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: May 21, 2013

Agenda Item 6-F

Approvals:

City Manager PS

Dept. Head DR

Attorney _____

Finance JW

Department: Public Works / Engineering
Prepared By: Tom Bonigut, Assistant City Engineer

Subject: ***APPROVAL OF RENEWED CONTRACT WITH CANNON PACIFIC SERVICES, INC., FOR STREET SWEEPING SERVICES.***

Fiscal Impact: Yes. Approval of the contract will result in a first-year savings of \$15,300. Funds for contract sweeping have been included in the proposed FY14 Clean Ocean budget.

Summary: Staff recommends City Council approval of a contract with Cannon Pacific Services, Inc., at a first-year amount not to exceed \$431,600 (includes 10% contingency). This Agreement is to continue providing contract street sweeping of the City's public streets, alleys and parking lots.

Discussion: Cannon Pacific Services, Inc., has been providing street sweeping services since 2008, when the City switched from force account to contract street sweeping services. The original five-year Agreement will expire on July 31, 2013 and must be renewed to continue receiving contract street sweeping services.

Cannon Pacific has requested renewal of the current Agreement for an additional five-year period, and has offered to begin the new period with a reduction in the unit cost from the current cost of \$18.59 per curb mile to \$18.25 per curb mile. At 21,500 curb miles, this represents a reduced cost of about \$7,300. The reduced starting cost for a new contract term also avoids a Consumer Price Index (CPI) adjustment that would otherwise have been due, saving an additional \$8,000 for a total first-year savings of about \$15,300. Staff reviewed a recent analysis by the City of Orange of street sweeping program costs throughout the County. Based on this analysis, the average unit cost of 22 Orange County cities with contract street sweeping is \$20.12 per curb mile. Cannon Pacific's current and lower proposed unit costs are below the countywide average unit cost.

Cannon Pacific's service to the City over the past five years has been excellent, both in terms of the quality of sweeping provided and the responsiveness of their staff. The change from force account to contracted street sweeping was significant, but Cannon Pacific's efforts resulted in a seamless transition. The City has received very few complaints about Cannon Pacific's performance, and those were immediately corrected. Cannon Pacific has also been a good partner in helping to reduce costs to the City. Even though the current agreement allows an annual CPI adjustment, Cannon Pacific gave up and did not request CPI increases three times. Cannon Pacific also frequently provides extra as-needed sweeping services at no charge.

Given Cannon Pacific's very competitive cost, demonstrated high performance, willingness to reduce costs and provide extra services for the City, and familiarity with the City's street sweeping route system and schedule, staff believes the City would be well-served to continue forward for another five-year term with Cannon Pacific for street sweeping services. Therefore, staff does not recommend public bidding of this contract, and instead recommends approval of a renewed agreement with Cannon Pacific. The renewed Agreement will have the same terms as the existing Agreement, except that the starting unit cost will be \$18.25 per curb mile as discussed above.

Recommended

Action: STAFF RECOMMENDS THAT the City Council approve and authorize the Mayor to execute Contract No. _____ by and between the City of San Clemente and Cannon Pacific Services, Inc., to provide street sweeping services from July 1, 2013 to June 30, 2018.

Attachments: None. The proposed Professional Services Agreement with Cannon Pacific Services, Inc., is available for review in the City Clerk's office.

Notification: None.

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