



Office of the City Manager

CONSENT CALENDAR
November 19, 2024

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Terrance Davis, Director, Public Works

Subject: Contract No. 31900162 Amendment: Pride Industries, Inc. Contract for Custodial Services

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 31900162 with Pride Industries, Inc. for citywide custodial services to: Approve additional appropriations related for performance of this contract and coverage of the Living Wage Ordinance in the amount of \$1,100,000 for a total not-to-exceed amount of \$6,225,735 which includes updated service rates for Year 6 of the agreement.

FISCAL IMPACTS OF RECOMMENDATION

Funds are available in individual departmental budgets. The increase in the not-to-exceed amount is required to complete the current contract year due to an additional year of service being added to the agreement, an additional annual Living Wage Ordinance increase and increases in service rates by the contractor. Funding from Public Works is available in Funds 636 and 673 for FY2025 via appropriation through the FY2025 Annual Appropriations Ordinance.

CURRENT SITUATION AND ITS EFFECTS

Pride Industries, Inc. provides citywide custodial services to multiple City departments. These departments include Public Works; Parks, Recreation and Waterfront; Planning and Development; Health, Housing and Community Services; Police; and Fire. Services are currently performed at approximately 21 City-owned and leased locations. Departments each pay for these services through their own funds.

The original Pride contract was set to expire on June 30, 2024, but was extended to June 30, 2025 to allow City staff to complete a Request for Proposals (RFP) for citywide custodial services, that will be released this Fall. To ensure that there are no delays or interruptions in service, an amendment is needed so departments can pay for custodial services until the RFP can be completed and a new custodial agreement can be executed before the end of FY2025.

This supports the City's Strategic Plan Goal to provide state-of-the-art, well-maintained infrastructure, amenities, and facilities.

BACKGROUND

Pride has been servicing the City since July 1st, 2019. They provide routine daily and weekly custodial services at several locations. Pride also provides special one-time and emergency custodial services as requested by City Departments.

On September 14, 2018 the City released Request for Proposal number 18-11213-C for citywide custodial services. The solicitation was released for 53 days and five proposals were submitted and received. Upon review by City staff, Pride Industries, Inc. was selected as having the most responsive proposal to meet the specifications of the RFP and was thusly awarded Contract No. 31900162. Pride also currently provides custodial services for the City's Library under Contract No. 31900159.

On March 12, 2019 Council approved Resolution 68,789-N.S. for the execution of a contract with Pride for citywide custodial services with a not-to-exceed amount of \$6,414,880 for the total lifetime of the agreement. The initial three-year contract, Contract No. 31900162, was executed with a not-to-exceed amount of \$3,725,735.

Contract No. 31900162 included two optional extension years beyond the three-year contract term and the City excised those options. The contract specifies service rates for each location served under the full five years of the agreement. However, the contract did not specify rates for any year past Year 5. Over the years, the locations serviced by Pride and level of custodial services has changed due to Departments' needs changing, Departments moving staff and services to new locations, and the COVID-19 pandemic necessitating changes in service.

In March, 26, 2024 Council approved an amendment to Contract No. 31900162 to increase the not-to-exceed amount to \$5,125,735. The increase was requested to provide adequate funding to complete the fifth year of the contract and to cover increases in costs due to changes to services after ramping back up post-pandemic, annual Living Wage Ordinance increases and inflation.

Management of Contract No. 31900162 was originally performed by the City's Finance Department, but management was transferred to Public Works in June 2024. Public Works staff assessed the potential timeframe for the City to complete a solicitation for citywide custodial services and found that due the complexity of custodial services needed within the City, a solicitation could not be completed until the second half of FY2025. As such, the City formally extended the agreement to June 30, 2025.

As part of this contract amendment, Year 6 rates will be formally adopted as they were not originally specified in the contract. Additional funding is also needed to cover increased costs due to increases in the City's Living Wage Ordinance, which were not originally built into the contract. After negotiations with Pride and discussions with the

Finance Department and City Attorney's Office, Public Works accepted updated services rates for Year 6 and payment for the estimated \$162,000 in Living Wage Ordinance costs not previously factored into the contract.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Pride Industries complies with the City's environmental requirements and uses cleaning chemicals that are the least toxic on the market, and/or rated as environmentally friendly, where feasible. The paper products supplied by Pride meet or exceed the recycled content percentage required by the City.

RATIONALE FOR RECOMMENDATION

Authorizing this amendment will allow the City to continue receiving custodial services without interruption. Pride services many City-owned and leased locations across multiple Departments. To provide the City adequate time to complete a formal solicitation for custodial services, a vendor for custodial services is needed in the interim. Pride has a current contract with the City and has familiarity with facilities.

ALTERNATIVE ACTIONS CONSIDERED

If not amended, the City will be unable to pay for custodial services through its current agreement with Pride for FY2025. Service delays and interruptions would occur. This would negatively impact not only the health and morale of staff working at those facilities, but also residents who visit and use these facilities. Bringing in another contractor on a temporary basis would lead to increased costs for the City, both in terms of service costs, and time spent by Departments to transitioning to a different vendor.

CONTACT PERSON

Tucker Brofft, Senior Management Analyst, Public Works, 510-981-5375
Peni Basalusalu, Deputy Director, Public Works, 510-981-6485
Joy Brown, Operations Manager, Public Works, 510-981-6629

Attachment:
1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 31900162 AMENDMENT: PRIDE INDUSTRIES, INC. CONTRACT
FOR CUSTODIAL SERVICES

WHEREAS, City Council approved Resolution 68,789-N.S. on March 12, 2019 approving the contract for custodial services with Pride Industries, as a result of Request for Proposals #18-11213-C; and

WHEREAS, City departments require ongoing custodial services without a significant interruption in services, and have departmental budgets to fund these services; and

WHEREAS, the pandemic led to dramatic changes in scopes of services at several city locations, many of which will continue as revised; and

WHEREAS, the original contract with Pride did not specify services for any year of service past five years; and

WHEREAS, City Council approved Resolution 71,248-N.S. on March 26, 2024 approving amendment to the contract to amend the contract with Pride Industries in the amount of \$1,400,000 for a not-to-exceed amount of \$5,125,735; and

WHEREAS, funds are available within individual departmental budgets, including Funds 636 and 673 for Public Works for FY2025 via appropriation through the FY2025 Annual Appropriations Ordinance.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley authorizing the City Manager to execute an amendment to Contract No. 31900162 with Pride Industries, Inc. for citywide custodial services to adopt service rates for Year 6 of the contractual agreement and additional appropriations related to performance of this contract and coverage of the Living Wage Ordinance costs in the amount of \$1,100,000 for a total not-to-exceed amount of \$6,225,735.