

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY) N/A
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TO: CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): Real Estate Assets	DATE: 05/04/2011
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SUBJECT: Janitorial Maintenance Contract at Qualcomm Stadium

PRIMARY CONTACT (NAME, PHONE): Roy Nail, 619-641-3101	SECONDARY CONTACT (NAME, PHONE): Mike McSweeney, 619-641-3126
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COMPLETE FOR ACCOUNTING PURPOSES

FUND	200115				
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER	1615110011				
OBJECT / GENERAL LEDGER ACCT	512158				
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	\$750,000.00	0.00	0.00	0.00	0.00

FUND					
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE):
Year 1 FY 2012 estimated cost \$750,520
Year 2 FY 2013 estimated cost \$763,000
Year 3 FY 2014 estimated cost \$785,000

Estimated Contract Cost 3 years \$2,298,520.00

Option years:
FY 2015 estimated cost \$808,000
FY 2016 estimated cost \$831,000

Estimated Contract Cost if Options are exercised \$1,639,000.00

ROUTING AND APPROVALS

CONTRIBUTORS/REVIEWERS:	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
Environmental Analysis	ORIG DEPT.	Barwick, James	5/4/2011

Liaison Office		CFO		
Equal Opportunity Contracting		DEPUTY CHIEF		
Financial Management		COO		
Comptroller		CITY ATTORNEY		
		COUNCIL PRESIDENTS OFFICE		
PREPARATION OF:	<input checked="" type="checkbox"/> RESOLUTIONS	<input type="checkbox"/> ORDINANCE(S)	<input type="checkbox"/> AGREEMENT(S)	<input type="checkbox"/> DEED(S)
<p>1. Authorize the Mayor or his representative to enter into a phase funded contract of \$2,298,520 for janitorial services at Qualcomm Stadium, \$750,520 in FY12, \$763,000 in FY13, and \$785,000 in FY14, with option to renew for two additional one-year periods for a cost of \$1,639,000.</p> <p>2. Authorizing the Chief Financial Officer to expend up to \$2,298,520, from Fund #200115, Qualcomm Stadium Fund; \$750,520 in Fy12, \$763,000 in FY13 and \$785,000 in FY14 contingent upon approval of the FY12, Fy13 and Fy14 Appropriation Ordinances and contingent upon the City Comptroller certifying that the funds necessary for expenditure are or will be available. For the purpose of entering into a three year contract for Janitorial Maintenance Services for events and post-events at Qualcomm Stadium with options to renew for two additional one year periods with Jani-king of California, Inc., for FY15 estimated cost \$808,000 and FY16 estimated cost of \$831,000.</p>				
<p>STAFF RECOMMENDATIONS: Approve a three (3) year contract with options to renew for two (2) additional one (1) year periods with Jani-King of California, Inc. to furnish "Janitorial Maintenance Service for Events and Post-Events at Qualcomm Stadium".</p>				
<p>SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)</p>				
COUNCIL DISTRICT(S):	6			
COMMUNITY AREA(S):	Mission Valley			
ENVIRONMENTAL IMPACT:	This activity is not a "project" and is therefore not subject to CEQA pursuant to State CEQA Guidelines Section §15060(c)(3) and as defined in State CEQA Guidelines Section §15378(b)(2).			
CITY CLERK INSTRUCTIONS:	DO NOT RECORD – please deliver documents to Real Estate Assets Department, Attn: Roy Nail, MS 51-A for further handling.			

COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE: 05/04/2011

ORIGINATING DEPARTMENT: Real Estate Assets

SUBJECT: Janitorial Maintenance Contract at Qualcomm Stadium

COUNCIL DISTRICT(S): 6

CONTACT/PHONE NUMBER: Roy Nail/619-641-3101

DESCRIPTIVE SUMMARY OF ITEM:

Jani-King of California, Inc. is the low qualified, responsive and responsible Bidder meeting specifications to provide event cleaning services at Qualcomm stadium under bid number 10013883-11L. Jani-King of California, Inc. operates as a franchisor employing 2,085 people. Three (3) San Diego Jani-King of California, Inc. franchise operators will provide the majority of employees to clean Qualcomm stadium.

Jani-King of California, Inc. has been cleaning the stadium under bid number 8432-07-G which expired February 2011, for a period of approximately four (4) years and has done an excellent job. One (1) renewal option period remained on bid 8432-07-G; however the option to renew was not exercised as it was determined to be in the best interest of the City to re-bid the contract with a major re-write and restructuring of the contract from a "pay per hour pricing" schedule to a "pay not to exceed cost based on attendance type and attendance levels".

It is estimated that the proposed contract will reduce annual janitorial maintenance service costs at Qualcomm stadium by approximately \$51,000. The City practices full cost recovery and all events reimburse the stadium for janitorial maintenance service with exception of the San Diego Chargers (due to existing contractual requirements). Assuming a 3% increase in cost per year, estimated costs for a 3 year contract are \$2,298,520 as follows:

Year 1 FY 2012 estimated cost \$750,520

Year 2 FY 2013 estimated cost \$763,000

Year 3 FY 2014 estimated cost \$785,000

Total estimated contract cost over 3 years is \$2,298,520

Considering full cost recovery of approximately \$ 1,063,000 over 3 years, the net cost of the janitorial contract is estimated at \$1,235,520.

The estimated janitorial costs for FY 2012 of \$750,000 includes an additional soccer event and one miscellaneous event which did not occur in FY 2010. The FY 2012 estimate also includes additional labor costs for two back-to back events where the facility needs to be completely cleaned within 12 hours to meet the event calendar.

STAFF RECOMMENDATION:

Approve a three (3) year contract with options to renew for two (2) additional one (1) year periods with Jani-King of California, Inc. to furnish “Janitorial Maintenance Service for Events and Post-Events at Qualcomm Stadium”.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

Qualcomm Stadium conducts 22- 25 public events per year attracting 10,000 to 70,000 spectators per event. Jani-King of California, Inc. comprised of local San Diego franchise owners had a contract (bid number 8432-07-G) to provide janitorial maintenance service for event and post events at Qualcomm Stadium from February 2007 to February 2009 with options to renew for three (3) additional one (1) year periods. Stadium staff elected not to exercise the last one year option (February 12, 2011 to February 11, 2012) in order to use the competitive bid process to reduce janitorial maintenance service costs at the stadium. Another impetus to bid the contract was to re-structure paying the vendor from an hourly basis to a not-to-exceed cost to clean the venue based on event type and attendance. The new proposed contract has a total not to exceed cost per event based on attendance. Capping the cleaning costs per event provides incentive for the vendor to be efficient with their labor force and provides more efficiency and accuracy for budgeting for the stadium, tenants and event promoters. The vendor is required to provide, maintain and replace all equipment required to conduct the scope of work.

In January 2011, the Purchasing & Contracting Department issued Bid number 10013883-11-L to furnish the City of San Diego with janitorial maintenance service for events and post events at Qualcomm stadium. There is approximately 1.3 million square feet of space inside the stadium. The scope of work includes pre-event, event and post event cleaning services of restrooms, concourses, club level, open press areas, all outside surface areas, trash removal, cleaning of 112 suites or skyboxes and other services as detailed in the scope of work. On March 17, 2011 the Purchasing & Contracting department received seven (7) bid submittals. Although the stadium conducts up to 26 major events annually, the bids were evaluated for 10 Charger games, 6 SDSU games, 1 motocross event, 1 monster jam event, the Holiday Bowl, and the Poinsettia Bowl. The bids ranged from \$601,192 to \$964,936 annually. Jani-King of California, Inc. is the low, qualified, responsible and responsive bidder meeting specifications at \$601,192 per year for the initial term of the contract.

The actual maintenance costs for FY 2010 were \$701,225. Utilizing the actual event schedule for 2010 and applying the new proposed rates, the proposed contract would have reduced the janitorial costs by approximately \$51,000 for the year.

-FISCAL CONSIDERATIONS:

The proposed contract for annual janitorial costs at Qualcomm Stadium are estimated at \$750,000 for FY 2012. The proposed contract allows for increases in contract rates tied to the Consumer Price Index; not to exceed 5% per year. Assuming a 3% increase in cost per year, estimated costs for a 3 year contract are \$2,298,520. If the two (2) additional one (1) year options are exercised, the cost for 5 years is estimated at \$3,937,520.

-EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):

This agreement is subject to the City’s Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

-PREVIOUS COUNCIL and/or COMMITTEE ACTION:
N/A

-COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:
N/A

-KEY STAKEHOLDERS AND PROJECTED IMPACTS

Barwick, James
Originating Department

Deputy Chief/Chief Operating Officer