

**CITY OF COOS BAY CITY COUNCIL**  
**Agenda Staff Report**

<b>MEETING DATE</b>	<b>AGENDA ITEM NUMBER</b>
March 5, 2013	

**TO:** Crystal Shoji, Mayor and City Councilors

**FROM:** Jim Hossley, Public Works and Development Director

**Through:** Rodger Craddock, City Manager

**ISSUE:** Consideration to Award a Janitorial Service Contract

**BACKGROUND:**

The City currently contracts with Bay Area Enterprise (BAE) for janitorial service for City Hall, Visitor Information Center and the city maintenance shops. The current 2-year contract is set to expire in March 2013. BAE is a nonprofit organization, therefore under ORS 279C.335 (1) (a) 279C.335 Competitive bidding; exceptions; exemptions. (1) All public improvement contracts shall be based upon competitive bids except: (a) Contracts made with qualified nonprofit agencies providing employment opportunities for individuals with disabilities under ORS 279.835. BAE has done a good job for the City over the term of the contract. Thus staff is recommending continuing with BAE without going through the bidding process for janitorial services. In January 2011, the City Council authorized staff to negotiate with BAE for janitorial services for the three locations for a price not to exceed \$39,900 per year. Staff was able to negotiate the annual cost to \$32,981.49. Labor is the bulk of the cost for custodial services. For this new contract period, BAE is proposing increasing labor costs while decreasing materials costs over all. Since the last contract with BAE was signed, minimum wage has been raised twice and additional work is required at City Hall.

**ADVANTAGES:**

BAE provides very good and dependable janitorial services for City facilities. BAE provides employment opportunities for local residents that might not otherwise find work.

**DISADVANTAGES:**

None

**BUDGET:**

Funds for the janitorial services come from the general fund, gas tax fund and the hotel motel tax fund. With annual expenditure from the General Fund estimated to be \$27,000; Gas Tax \$3,400; and Hotel Motel Tax Fund \$12,000. Total annual cost is estimated to be \$42,400.

**RECOMMENDATION:**

Authorize City staff to negotiate a new agreement with Bay Area Enterprise to include the Visitor Information Center, City Hall and Public Works Shop not to exceed \$42,400 annually for custodial services.

**ATTACHMENT:**

Cost Sheets

## SUMMARY OF ANNUAL COSTS

Oregon Department of Administrative Services  
Project Costing Worksheet

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Bay Area Enterprises  
Project Coos Bay City Hall 5 x week 13-14

Executive Director Signature: \_\_\_\_\_

**Raw Materials**

Per Time Use - Supplies  
Equipment, Tools & Subcontracting

(from supplies worksheet)  
(from small equipment worksheet)

Subtotal 1

\$	144.08
\$	21.60
\$	165.68

**Labor**

Direct Labor

(from labor daily worksheet)

\$	20,047.47
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**Overhead**

See Overhead Worksheet

\$	5,120.67
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**Delivery**

Transportation

(from Trans & Reserve worksheet)

\$	-
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Total Before Margin \$ 25,333.82

**Reserve**

Margin Held in Reserve

(from Trans & Reserve worksheet)

\$	1,617.05
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Total Bid Yearly \$ 26,950.87  
Monthly \$ 2,245.91

PROPOSED  
COST FOR  
2013-2015

COST 2011-2013  
CONTRACT

\$252.23

\$ 67.60

319.63

\$ 14,553.00

\$ 3,913.85

\$ 18,786.48

\$ 782.77

\$ 19,569.25

\$ 1,630.77

# VISITOR INFORMATION CENTER

## SUMMARY OF ANNUAL COSTS

Oregon Department of Administrative Services  
Project Costing Worksheet

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QRF Name Bay Area Enterprises  
Project Coos Bay Visitor Center 6 x week 13-14

Executive Director Signature: \_\_\_\_\_

### Raw Materials

Per Time Use - Supplies (from supplies worksheet)  
Equipment, Tools & Subcontracting (from small equipment worksheet)

*PROPOSED  
COST FOR  
2013 - 2015*

\$	222.40
\$	26.60
<b>Subtotal 1</b>	<b>\$ 249.00</b>

*COST 2011-2013  
CONTRACT*

*NO Change  
NO Change*

### Labor

Direct Labor (from labor daily worksheet)

\$ 8,748.32 *\$7,956.63*

### Overhead

See Overhead Worksheet

\$ 2,279.32 *\$1,765.77*

### Delivery

Transportation (from Trans & Reserve worksheet)

\$ -

**Total Before Margin** \$ 11,276.64 *\$9,711.40*

### Reserve

Margin Held in Reserve (from Trans & Reserve worksheet)

\$ 719.79 *\$415.47*

**Total Bid Yearly** \$ 11,996.42 *\$10,386.87*  
**Monthly** \$ 999.70 *\$865.57*

# CITY SHOPS

## SUMMARY OF ANNUAL COSTS

## Oregon Department of Administrative Services Project Costing Worksheet

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QRF Name **Bay Area Enterprises**  
Project **Coos Bay City Shops 13-14 Draft**

Executive Director Signature: \_\_\_\_\_

### Raw Materials

Per Time Use - Supplies (from supplies worksheet)  
Equipment, Tools & Subcontracting (from small equipment worksheet)

Proposed COST FOR 2013-2015	
\$	170.65
\$	21.60
<b>Subtotal 1</b>	<b>\$ 192.25</b>

COST 2011-2013  
CONTRACT

No Change  
No Change

### Labor

Direct Labor (from labor daily worksheet)

\$ 2,342.59

\$ 2,197.80

### Overhead

See Overhead Worksheet

\$ 642.16

\$ 514.31

### Delivery

Transportation (from Trans & Reserve worksheet)

\$ -

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**Total Before Margin** \$ 3,176.99

\$ 2,904.36

### Reserve

Margin Held in Reserve (from Trans & Reserve worksheet)

\$ 202.79

\$ 121.01

**Total Bid Yearly** \$ 3,379.78

\$ 3,025.37

**Monthly** \$ 281.65

\$ 252.11