CITY OF COOS BAY CITY COUNCIL Agenda Staff Report

MEETING DATE March 5, 2013	AGENDA ITEM NUMBER
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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

CITY HALL

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		PROPOSED	
Executive Director Signature:		COST FOR 2013-2015	COST 2011-2013
Raw Materials		2015 2015	CONTRACT
Per Time Use - Supplies	(from supplies worksheet)	\$ 144.08	\$ 252.23
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 21.60 Subtotal 1 \$ 165.68	\$ 67,60
Labor			319.63
Direct Labor	(from labor daily worksheet)	\$ 20,047.47	\$ 14,553.00
Overhead			\$ 3,913,85
See Overhead Worksheet		\$ 5,120.67	4 3,715,03
Delivery			
Transportation	(from Trans & Reserve worksheet)	\$ -	
	Total E	Before Margin \$ 25,333.82	\$ 18,786.48
Reserve Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 1,617.05	\$ 782.77
	То	tal Bid Yearly \$ 26,950.87 Monthly \$ 2,245.91	\$ 19,569.25 \$ 1,630.77

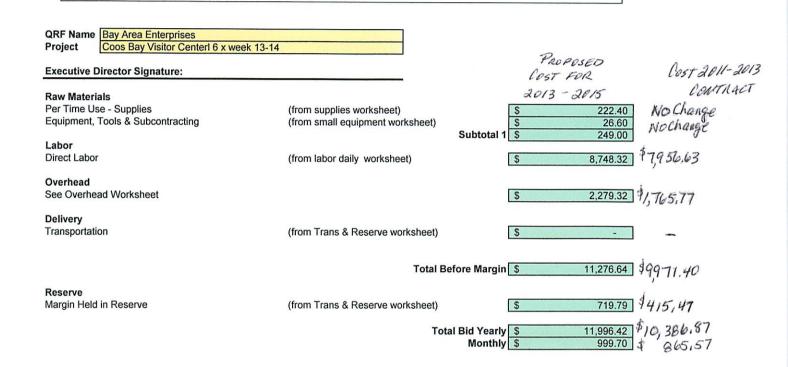
Summary Sheet

VISITOR INFORMATION CENTER

SUMMARY OF ANNUAL COSTS

Oregon Department of Administrative Services Project Costing Worksheet

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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:		Proposed COST FOR	COST 2011-2013 CONTRACT
Raw Materials		2013 -2015	CONTRACT
Per Time Use - Supplies Equipment, Tools & Subcontracting	(from supplies worksheet) (from small equipment worksheet)	\$ 170.65 \$ 21.60 Subtotal 1 \$ 192.25	No Change No Change \$2,197.80
Labor			0 0 11 - 00
Direct Labor	(from labor daily worksheet)	\$ 2,342.59	72,191.00
Overhead See Overhead Worksheet		\$ 642.16	\$ 514.31
Delivery Transportation	(from Trans & Reserve worksheet)	\$ -	-
	Total Bef	fore Margin \$ 3,176.99	\$2,904.36
Reserve Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 202.79	\$ 121.01
	Total	l Bid Yearly \$ 3,379.78 Monthly \$ 281.65	\$ 3,025.37 \$ 252.11