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**Title:** CONSIDER APPROVAL OF AMENDMENT NO. 1 TO THE AGREEMENT FOR CONTRACT SERVICES WITH RON'S MAINTENANCE, INC. EXTENDING THE TERM OF THE AGREEMENT AND INCREASING THE RATE OF SERVICES TO PROVIDE CATCH BASIN CLEANING SERVICES CITYWIDE (CITY COUNCIL)

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**Attachments:** 1. Exhibit No.1 -Ron's Maintenance Amendment No 1

Date	Ver.	Action By	Action	Result
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**Report to Mayor and City Council**

Tuesday, May 19, 2020

Consent

**SUBJECT:**

**CONSIDER APPROVAL OF AMENDMENT NO. 1 TO THE AGREEMENT FOR CONTRACT SERVICES WITH RON'S MAINTENANCE, INC. EXTENDING THE TERM OF THE AGREEMENT AND INCREASING THE RATE OF SERVICES TO PROVIDE CATCH BASIN CLEANING SERVICES CITYWIDE (CITY COUNCIL)**

**I. SUMMARY**

On May 2, 2017, the City Council approved an Agreement for Contract Services to Ron's Maintenance, Inc. (RMI) for the cleaning of catch basins citywide. The existing contract has a three year term and is now recommended for extension and amendment. City staff worked with City Attorney's office to finalize Amendment No. 1 to the Agreement for Contract Services with RMI to extend the term of the agreement by three (3) years through April 30, 2023, increasing the compensation by \$245,232.00, for a total Contract Sum not to exceed \$455,978.25.

Staff requests that the City Council approve the amendment in order to continue with the cleaning of the catch basins citywide and to comply with the requirements of the National Pollutant Discharge Elimination System (NPDES).

## **II. RECOMMENDATION**

1. APPROVE Amendment No. 1 to the Agreement for Contract Services with Ron's Maintenance, Inc. extending the terms of the agreement by three years through April 30, 2023 and increasing the compensation by \$245,232.00 for a total Contract Sum not to exceed \$455,978.25.
2. AUTHORIZE the Mayor to execute Amendment No. 1 to the Agreement for Contract Services with Ron's Maintenance, Inc. after approval as to form by the City Attorney.

## **III. ALTERNATIVES**

1. DO NOT APPROVE Amendment No. 1 to the Agreement for Contract Services with Ron's Maintenance, Inc.; however, the City is still required to maintain existing catch basins within its boundaries in order to comply with the requirements of the NPDES Permit. Failure to do so may result in penalties and fines to be imposed by the California State Water Resources Control Board (Water Board). Additionally, re-advertising and rebidding these services may result in a higher rate of services than what is offered by Ron's Maintenance, Inc. at this time.
2. TAKE another action the City Council deems appropriate consistent with the requirements of the law.

## **IV. BACKGROUND**

Under the NPDES Permit Article VI, Section D.4.c.vii, Storm Drain Operation and Management, the City is required to maintain existing storm drain catch basins within its boundaries, implementing measures that minimize the amount of trash and litter that enters its water bodies. Trash and debris are a concern because pollutants that find their way into City's catch basins and the storm drain system through nuisance flows and storm events can end up in the City's channels and creeks and, ultimately, the ocean. In addition, other pollutants may adhere to the trash and litter including sediments, bacteria, organic matter, nutrients, and pesticides, all of which have the potential to adversely impact bodies receiving the water through storm drains.

These catch basins are required to be regularly inspected and cleaned to ensure proper operation of the drainage system and protect water quality at all times. To comply with this requirement, the City is expected to clean the catch basins three times a year:

- One cleaning during dry weather any time after May.
- One cleaning during wet weather any time after October.

- One cleaning after a rain event.

On May 2, 2017, the City Council approved an Agreement for Contract Services with RMI to provide catch basin cleaning services citywide. RMI's original contract amount of \$210,746.25 for Fiscal Year 2017-2018 and the subsequent two years (FY 18-19 and FY 19-20) included cleaning of 1,703 catch basins three times a year for a period of three years, calculated at a rate of \$13.75 per catch basin each time services is provided. RMI has requested an increase in its services rate; Staff has negotiated a rate believed to be reasonable and fairly adjusted of \$16.00 per catch basin. If the City Council approves the recommended new rate, the amount of services and compensation will be increased by \$245,232.00, for a total Contract Sum not to exceed \$455,978.25 that will terminate in April 30, 2023.

The rate originally approved in 2017 for the RMI contract was half of the competitor's rates and was below the reimbursement amount the City received from LA County Flood Control (LACFCD) for basins the City cleans on its behalf; under an agreement with LACFCD, the City receives \$15.25 annually from LACFCD for each of the 1,202 affected catch basins (1,027 basins that flow to the Dominguez Channel were added by an amendment to the agreement with LACFCD in March, 2020), and the City is responsible for maintaining the devices and removing any accumulated trash. The \$15.25 reimbursement represents the annual amount the LACFCD would otherwise have had to incur for inspecting or removing trash and debris from the catch basins without trash excluders three times a year and is the 2012 base year cost, plus annual CPI. LACFCD's current reimbursement rate of \$15.25/catch basin is for cleaning the catch basins without trash excluders. Now that trash excluders have been installed, and require more time to clean, staff is negotiating with LACFCD to recalculate the rate per catch basin to include trash excluders. The adjusted amount is anticipated to be higher than \$15.25/ catch basin, and will help offset this rate increase to \$16.00/catch basin under the new contract.

Staff anticipated drafting a new contract with RMI based on the "piggyback" provisions in the Purchasing Ordinance, but it was determined that the piggybacked competitive process and award of contract occurred more than 12 months ago and, while allowed under the Purchasing Ordinance, conflicted with language in the City Charter:

"Such [purchasing] ordinance may also establish standards or qualifications for alternative bidding such as .... (iii) piggyback bidding, where a qualifying bid process with a public agency within the prior 12 months results in a winning bidder who will extend the same pricing to the City"

Note this language provides guidance for the City's Purchasing Ordinance but does not go so far as to mandate that a piggyback bid be within 12 months. The Purchasing Ordinance was in place when the charter was adopted, and the charter was not intended to render the existing Purchasing Ordinance invalid.

In the end, however, the City Attorney's Office was comfortable that a negotiated amendment at the fair rate would be acceptable and meet the public purpose provisions of the Ordinance in procuring the service at a competitive rate. The negotiated rate of \$16.00/catch basin is the same rate as is in the City of Rancho Palos Verdes contract, which is the contract the City would have piggybacked on if it had chosen that alternative.

A full re-advertising and re-bidding these services to solicit new bids is not recommended, as it would likely result in higher rates. A recent solicitation in Orange County for the same services yielded the following bid prices: \$34.00 (Ron's), \$85.00, and \$108.00, compared to the \$16.00 in this Amendment. Staff is requesting that the City Council approve Amendment No.1 to the Agreement for Contract Services with RMI to continue the required cleaning of catch basins citywide.

## **V. FISCAL IMPACT**

The cost of services for the next three years will be \$245,232.00, resulting in a total contract sum of not to exceed \$455,978.25 for the services ending in April 30, 2023. Funds for these services are included yearly for the next three fiscal years (2020 through 2023) in the NPDES budget, in Account No. 101-80-820-285-6004.

## **VI. EXHIBITS**

1. Amendment No. 1 (pgs. 5-10)

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