



CITY OF CARSON

Legislation Text

File #: 2020-707, Version: 1

Report to Mayor and City Council

Tuesday, October 20, 2020

Consent

SUBJECT:

CONSIDER APPROVAL OF FOURTH AMENDMENT TO CONTRACT SERVICES AGREEMENT FOR STREET SWEEPING SERVICES WITH NATIONWIDE ENVIRONMENTAL SERVICES (C-08-001) TO APPROVE A 2.96% ANNUAL COST OF LIVING RATE ADJUSTMENT REQUEST PER CONSUMER PRICE INDEX (CITY COUNCIL)

I. SUMMARY

On April 1, 2020, Nationwide Environmental Services (“NES”) submitted a request for an annual cost of living increase per the Consumer Price Index (“CPI”), in the amount of 2.96% of the contract sum, to be effective July 1, 2020. The request was submitted pursuant to Section 2.3 of NES’ Contract Services Agreement for the Provision of Street Sweeping Services with the City, as amended (“Agreement”), which authorizes annual CPI adjustments to be granted by the City Council upon request and submission of the necessary information by NES.

As part of the change in leadership in Public Works, immediately upon the recent notification to me that this request had been submitted in April, Interim Public Works Director Jim Ross initiated a review. He has determined that NES has performed well and has been very responsive.

Staff is recommending a proposed Fourth Amendment to the Agreement that would grant the request, thereby increasing the annual contract sum by \$26,496.64 to a total of \$921,645.40.

The attached proposed budget resolution would increase the City’s FY 2020-21 budget in the Gas Tax Account by \$26,496.64 to account for the requested CPI increase.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the proposed Fourth Amendment to Contract Services Agreement to

Provide Street Sweeping Services for the City of Carson, California, to approve an annual CPI rate adjustment for FY 2020-21 in an amount not-to-exceed \$26,496.64, thereby increasing the total annual contract sum under the Agreement to \$921,645.40; and

2. AUTHORIZE the Mayor to execute the same following approval as to form by the City Attorney (Exhibit No. 1).

3. ADOPT Resolution No.20-163, "A RESOLUTION OF THE CITY COUNCIL OF CARSON, CALIFORNIA AMENDING THE FISCAL YEAR 2020-21 BUDGET AND SPECIAL REVENUE FUND" (Exhibit No. 2).

III. **ALTERNATIVES**

1. TAKE any other action that the City Council deems appropriate, consistent with the requirements of the law.

IV. **BACKGROUND**

The City entered into the Agreement with NES in 2008. The Agreement provided for a term of three years, commencing July 1, 2008. On February 1, 2011, the parties entered into a First Amendment to the Agreement, which, among other things, authorized additional sidewalk sweeping services, extended the term of the Agreement through June 30, 2018, and added Section 2.3 to the Agreement, allowing annual CPI increases to the compensation payable under the Agreement subject to Council approval. On April 1, 2014, the parties entered into a Second Amendment to the Agreement, which, among other things, further extended the term. Effective July 1, 2019, the parties entered into a Third Amendment to the Agreement, which amended the Agreement as necessary to memorialize and ratify the approval of four previous CPI adjustments, and to approve a further CPI adjustment.

Requested CPI Adjustment

On April 1, 2020, NES submitted a CPI rate adjustment request of 2.96% for FY 2020/21 pursuant to Section 2.3 of the Agreement (Exhibit No. 3). Section 2.3 provides that the contract sum may be adjusted annually, on each July 1, to rates that are based on the CPI for the Los Angeles-Anaheim-Riverside area, as published by the United States Department of Labor, Bureau of Labor Statistics, provided NES submits a request and information in support of an annual adjustment, including changes in the CPI that occurred during the preceding calendar year. Section 2.3 also provides that the City Manager or designee shall review the information submitted by NES and will refer the proposed adjustment to the City Council for approval, in its reasonable judgment. (Exhibit No. 4).

Furthermore, the Agreement states that NES should submit the CPI adjustment request in April; therefore, the request made on April 1, 2020 was timely.

V. FISCAL IMPACT

The requested CPI increase to the annual contract sum, would be allocated from the Gas Tax Account (212-80-840-281-6004). The total contract amount for FY 2019/20 was \$895,148.76. If the proposed 2.96% CPI increase is approved, the associated dollar amount is \$26,496.64 and the annual allocation for FY 2020/21 would increase to \$921,645.40. As a result, a budget amendment is necessary to increase the FY 2020/21 special revenue fund budget for the Agreement by \$26,496.64.

VI. EXHIBITS

1. Proposed Fourth Amendment to Contract Services Agreement to Provide Street Sweeping Services for the City of Carson, California. (pgs. 4-8)
2. Resolution No. 20-163, "A RESOLUTION OF THE CITY COUNCIL OF CARSON, CALIFORNIA AMENDING THE FISCAL YEAR 2020-21 BUDGET AND THE SPECIAL REVENUE FUND." (pgs. 9-10)
3. Nationwide Environmental Services' CPI Rate Adjustment Request, dated April 1, 2020. (pg. 11)
4. Contract Services Agreement to Provide Street Sweeping Services for the City of Carson, California (Original Contract). (pgs. 12-28)
5. First Amendment to Contract Services Agreement to Provide Street Sweeping Services for the City of Carson, California. (pgs. 29-33)
6. Second Amendment to Contract Services Agreement to Provide Street Sweeping Services for the City of Carson, California. (pgs. 34-38)
7. Third Amendment to Contract Services Agreement to Provide Street Sweeping Services for the City of Carson, California. (pgs 39-44)

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