



City of Carson

Report to Mayor and City Council

June 4, 2013
New Business Consent

SUBJECT: CONSIDER APPROVAL OF A RATE ADJUSTMENT WITH NATIONWIDE ENVIRONMENTAL SERVICES FOR STREET SWEEPING SERVICES

Submitted by Farrokh Abolfathi
Acting Development Services General Manager

Approved by David C. Biggs
City Manager

I. SUMMARY

Nationwide Environmental Services (NES) has submitted a rate adjustment request of 2.2% for FY 2013/14 for the citywide Street Sweeping Services (Exhibit No. 1). However, the annual CPI increase is only 2% and therefore the City is only recommending a 2% increase. According to Section 2.3, "Future Adjustments" of the agreement, NES is entitled to submit data each April for a rate adjustment based upon the Consumer Price Index (CPI) effective July 1st of each year. The City Manager or his designee may approve the proposed adjustment or refer the approval to the City Council. (Exhibit No. 2).

II. RECOMMENDATION

APPROVE an increase of 2.0% to Nationwide Environmental Services for street sweeping services for FY 2013/14.

III. ALTERNATIVES

TAKE any other action that the City Council deems appropriate.

IV. BACKGROUND

On May 6, 2008, City Council awarded a contract for street sweeping services to NES for an annual amount of \$731,420.00 for a three-year contract, effective July 1, 2008 through June 30, 2011, with an optional one time three-year renewal (Exhibit No. 3). In 2010, staff was instructed to find ways to reduce cost to alleviate the budget deficit due to the nationwide economic downturn. Between October 2010 and January 2011, through a few City Council meetings, staff was directed to negotiate with NES for a longer contract extension in exchange for a financial benefit to the City.

On February 1, 2011, City Council approved a contract extension for street sweeping service with NES for seven years (FY 2011/12 to FY 2017/18) for the same amount as the original contract of \$731,420.00 (Exhibit No. 4). The contract agreement was amended, which included a clause to freeze the rate adjustments for the first two years of the extension (FY 2011/12 and FY 2012/13) and also held the disposal increase for the duration of the contract.

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The original annual contact amount of \$731,420.00 has not changed for the past five fiscal years (FY 2008/09 to FY 2012/13).

NES has submitted a rate adjustment request of 2.2% for FY 2013/14 for street sweeping services. However, the annual CPI increase is only 2% and therefore the City is only recommending a 2% increase. According to Section 2.3, "Future Adjustments" of the agreement, NES is entitled to submit data each April for a rate adjustment to be effective in July 2013. This proposed rate adjustment data shall be reviewed and approved by the City Manager or his designee or refer to the City Council for approval.

The Street Sweeping Services agreement states in Section 2.3 that future adjustments shall be adjusted to changes in the CPI for "All Urban Consumers for the Los Angeles-Anaheim-Riverside Area as published by the United States Department of Labor, Bureau of Labor Statistics."

The annual CPI for calendar year 2012 over 2011 was 2% (Exhibit No. 5). The 2.0% rate adjustment to the existing service rate will increase the annual rate from \$731,420.00 to \$746,048.40.

NES has provided street sweeping services for the City of Carson since 1995. Since then staff has received minimal number of complaints and has found NES to provide a reliable and cost effective street sweeping service.

V. FISCAL IMPACT

Funds in the amount of \$746,048.40 are included in the proposed FY 2013/14 Gas Tax Fund account no. 12-80-999-004-6005.

VI. EXHIBITS

1. Nationwide Environmental Services rate adjustment letter, April 16, 2013. (pg. 4)
2. Section 2.3, Street Sweeping Agreement Agreement. (pg. 5)
3. Minutes May 6, 2008, Item No. 11. (pg. 6)
4. Minutes February 1, 2011, Item No. 6. (pg. 7)
5. Consumer Price Index (CPI), All Urban Consumers, for the Los Angeles-Anaheim-Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics. (pg. 8)

Reviewed by:

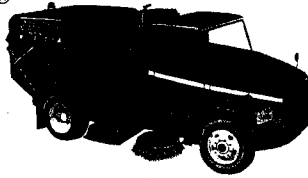
City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development	Public Services

Action taken by City Council

Date _____ Action _____

Nationwide Environmental Services®

Division of Joe's Sweeping, Inc.



April 16, 2013

Mr. Farrokh Abolfathi
Director of Public Works
City of Carson
701 E. Carson Street
Carson, CA 90745

RE: CPI

Dear Mr. Abolfathi:

Nationwide Environmental Services (NES) is proud to be contracted with the City of Carson and is committed to providing the City with the most professional and reliable street sweeping service available in the industry.

Pursuant to the Street Sweeping Services Agreement, Section 2.3, NES is requesting a cost of living adjustment effective July 1, 2013. As you are aware, NES has waived all CPI increases for the past three years and is kindly requesting a 2.2% increase for the 2013-2014 fiscal year.

If you have any questions, please feel free to contact me at (562) 860-0604. Thank you for your consideration.

Sincerely,

Ani Samuelian
Vice President

cc: Mayor Jim Dear
David Biggs/City Manager

Attachment



EXHIBIT NO. 01

contract amount of Seven Hundred Thirty One Thousand Four Hundred Twenty Dollars (\$731,420.00) ("Contract Sum") per annum, except as provided in Section 1.8. The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with the percentage of completion of the services, (iii) payment for time and materials based upon the Contractor's rates as specified in the Schedule of Compensation, but not exceeding the Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation. Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expense, transportation expense approved by the Contract Officer in advance, and no other expenses and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City; Contractor shall not be entitled to any additional compensation for attending said meetings.

2.2 Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation, in any month in which Contractor wishes to receive payment, no later than the first (1st) working day of such month, Contractor shall submit to the City in the form approved by the City's Administrative Services General Manager, an invoice for services rendered prior to the date of the invoice. Except as provided in Section 7.3, City shall pay Contractor for all expenses stated thereon which are approved by City pursuant to this Agreement no later than the last working day of the month.

2.3 Future Adjustments. Effective July 1, 2009, and on each July 1 thereafter, the compensation paid to the Contractor shall be adjusted annually to rates that are based upon changes in the Consumer Price Index (CPI), All Urban Consumers, for Los Angeles-Anaheim Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics. The Contractor shall submit to the City, each April, beginning in April 2009, information in support of an annual adjustment. This information will include changes in the CPI that have occurred during the preceding calendar year. The City Manager or his designee shall review the information submitted by Contractor and approve the rate adjustment if the information submitted is determined to be accurate. As an alternative, the City Manager may refer the proposed adjustment to the City Council for approval, in its reasonable judgment.

2.4 Extraordinary Adjustments. The Contractor or the City may request an adjustment to the compensation paid to the Contractor at times other than those specified in Section 2.3, based upon unusual changes in the cost of providing service under this agreement. The Contractor may request only one such adjustment during any rate year. Unusual changes may include changes in components of the disposal rate, changes in the disposal site requested by the City, changes in state or local government solid waste fees and charges, and changes in the law. These changes do not include inaccurate estimates by the Contractor of its proposed cost of operations. For each request, the Contractor must prepare a schedule documenting the extraordinary costs. The request shall be prepared in a form acceptable by the City with support for all assumptions made by the Contractor in preparing the estimate. The City shall review the Contractor's request and, in the City's reasonable judgment, make the final determination on the appropriate amount of the adjustment, if any.

2.5 Availability of Funds. It is mutually understood between the parties that this Agreement is valid and enforceable only if sufficient funds are made available by the City



**ITEM NO. (11) AWARD OF CONTRACT FOR STREET SWEEPING SERVICES
(DEVELOPMENT SERVICES)**

RECOMMENDATION for the City Council:

TAKE the following actions:

1. AWARD a contract for Street Sweeping Services to the lowest responsible bidder, Nationwide Environmental Services, effective July 1, 2008 through June 30, 2011, in the amount of \$731,420.00 per year, with an optional one-time three-year renewal.
2. AUTHORIZE the Mayor to execute the contract following approval as to form by the City Attorney.

ACTION: It was moved to Approve staff recommendation Nos. 1 and 2 on motion of Santarina and seconded by Gipson.

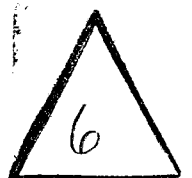
Council Member Williams discussed the concept of using reclaimed water for street sweeping.

A discussion ensued regarding the willingness of Nationwide Environmental Services to use reclaimed water and whether there would be an increase in cost. Whereupon, a representative from Nationwide clarified that there would be no extra cost if the reclaimed water was stored at the Corporate Yard and would use whatever reclaimed water was available.

Council Member Williams clarified that he was suggesting that staff do some brainstorming before reducing the frequency of street sweeping, which he would not suggest happen. He also discussed the following issues: 1) the contractual provision for the use of alternate-fuel vehicles; 2) that the curbs and gutters were not cleared; and 3) the presence of standing water. He stated that he wanted all gutters in the City of Carson to be swept clean and that the contractor work with staff to identify the locations.

The motion was unanimously carried by the following vote:

Ayes:	Mayor Dear, Mayor Pro Tem Santarina, Council Member Williams, Council Member Gipson, and Council Member Davis-Holmes
Noes:	None
Abstain:	None
Absent:	None



**ITEM NO. (6) CONSIDERATION FOR STREET SWEEPING SERVICES CONTRACT
EXTENSION (DEVELOPMENT SERVICES)**

RECOMMENDATION for the City Council:

TAKE the following actions:

1. APPROVE a contract extension for street sweeping services with NES for seven years (FY 2011/12 to FY 2017/18) in an annual amount not-to-exceed \$731,420.00, with an optional three-year extension.
2. AUTHORIZE the Mayor to execute the contract extension, following approval as to form by the City Attorney.

ACTION: Item No. 6 was approved on the New Business Consent Calendar on motion of Dear, seconded by Santarina and unanimously carried by the following vote:

Ayes: Mayor Dear, Mayor Pro Tem Santarina, Council Member Davis-Holmes, Council
 Member Gipson, and Council Member Ruiz-Raber
Noes: None
Abstain: None
Absent: None



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Data extracted on: May 28, 2013 (2:19:21 PM)

Consumer Price Index - All Urban Consumers

Series Id: CUURA421SA0

Not Seasonally Adjusted

Area: Los Angeles-Riverside-Orange County, CA

Item: All items

Base Period: 1982-84=100

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2009	220.719	221.439	221.376	221.693	222.522	223.906	224.010	224.507	225.226	225.264	224.317	223.643	223.219	221.943	224.495
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043											

12-Month Percent Change

Series Id: CUURA421SA0

Not Seasonally Adjusted

Area: Los Angeles-Riverside-Orange County, CA

Item: All items

Base Period: 1982-84=100

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2009	-0.1	0.0	-1.0	-1.3	-1.8	-2.2	-2.6	-1.7	-1.0	-0.4	0.9	1.8	-0.8	-1.1	-0.5
2010	1.8	1.4	1.9	1.9	1.8	0.9	0.9	0.8	0.4	0.7	0.7	1.3	1.2	1.6	0.8
2011	1.8	2.3	3.0	3.3	3.1	2.9	2.4	2.4	3.1	2.8	3.0	2.2	2.7	2.7	2.6
2012	2.1	2.1	2.0	1.5	1.6	1.6	1.9	2.3	2.2	3.0	2.1	1.9	2.0	1.8	2.3
2013	2.0	2.2	1.3	0.9											

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EXHIBIT NO. 05

