



CITY COUNCIL AGENDA REPORT

MEETING DATE: FEBRUARY 17, 2015

ITEM NUMBER: CC-7

SUBJECT: STREET SWEEPING SERVICES

DATE: FEBRUARY 6, 2015

FROM: PUBLIC SERVICES DEPARTMENT – MAINTENANCE SERVICES DIVISION

PRESENTATION BY: ERNESTO MUNOZ, PUBLIC SERVICES DIRECTOR

**FOR FURTHER INFORMATION CONTACT: BRUCE HARTLEY (714) 754-5123
BRUCE LINDEMANN (714) 327-7470**

RECOMMENDATION:

1. Award a contract (Attachment 1) for street sweeping services to CleanStreet in the annual amount of \$699,600 with an initial term of five (5) years, with three (3) optional one-year renewals.
2. Authorize the Chief Executive Officer and the City Clerk to execute the Agreement.

BACKGROUND:

In November 2014, a Request for Proposals (RFP) was advertised for comprehensive street sweeping services. A non-mandatory, pre-proposal meeting was conducted on November 20, 2014, with two (2) companies attending. Four (4) companies submitted proposals prior to the December 4, 2014 deadline. Proposals were independently reviewed by an Evaluation Committee consisting of City staff as well as an outside agency staff member. The proposals were reviewed using the following criteria:

- Qualifications of the entity and key personnel
- Approach to providing the requested services
- Price proposal and cost benefit analysis
- Innovative and/or creative approaches or technologies

The Evaluation Committee met December 8, 2014 to review all the proposals received. References were checked to verify the quality of service provided to the agencies serviced by respective vendors. Based on the proposal evaluations by each Evaluation Committee member as well as company references and financial information, the Committee selected to interview the two (2) highest rated vendors.

Interviews were held on December 22, 2014 to provide the vendors an opportunity to further clarify their proposals and demonstrate in detail how they would serve the City of Costa Mesa. Following the completion of the interview process, the Evaluation Committee reviewed the rankings of the finalists and determined that CleanStreet was the most qualified company which met all of the requirements to provide high quality street sweeping services to the City of Costa Mesa.

CleanStreet is a full service, municipal street sweeping company that has been in business since 1973. Street Sweeping is the core of their operation. Currently CleanStreet provides contract street sweeping services to over fifty (50) municipalities. CleanStreet has listed a number of innovative ideas in providing services, including the use of Global Positioning System (GPS) technology to monitor the sweeping service by route and the actual sweeper speed to ensure thorough sweeping of all streets. CleanStreet has indicated this “real time” GPS information will be made available to the City to confirm sweeper locations and speeds.

ANALYSIS:

In the past, the City’s street sweeping services were provided by four (4) full-time employees and a portion of a supervisor’s time. In 2012 after much analysis, the City Council directed staff to move forward with the outsourcing of the street sweeping operations once the outsourcing constraints had been lifted. In order to prevent potential layoffs to street sweeping operators, the positions in this section were not filled as they became vacant through attrition. Currently all budgeted positions in the Street Sweeping Section are vacant. The street sweeping operations have since been manned with temporary employees and supplemented with staff from other Maintenance sections. This temporary arrangement, although successful in preventing potential layoffs, resulted in frequently missed routes, diminished sweeping frequency of the City’s arterial routes, and overall service reductions in street sweeping as well as other areas of operation. The level of service in street sweeping and other impacted areas of operation will be restored once the new vendor is on board.

In the City’s RFP (Attachment 2), the vendors were provided with all of the City’s street sweeping route information and the expectations of the City to restore the service to optimal levels. CleanStreet has clearly demonstrated the ability and commitment to meet the City’s expectations with their written proposal as well as during the interview process. CleanStreet will continue to provide street sweeping on a weekly basis city-wide, with arterial streets once again swept on a weekly basis. CleanStreet will also be recycling all sweeping debris to help the City meet its recycling goals as mandated by AB 939.

CleanStreet will respond to sweeping issues whether received from the public or City staff on the same-day received through re-sweeping of complaint areas and by responding to customer issues within 24 hours. The customer service provided by CleanStreet and the quality of the sweeping will be monitored and managed by existing City supervisory staff. The City currently has four (4) front line street sweeper machines and one (1) backup sweeper. The age of equipment varies from twelve to eighteen (12-18) years. The typical service life for a street sweeper is eight to ten (8-10) years. All of the City’s sweepers are well beyond their useful life and will be sold at auction following the award of the contract. CleanStreet would provide new AQMD compliant sweepers powered by clean-burning natural gas (CNG); meeting all current air quality regulations. In addition, the new sweepers will be equipped with GPS technology that will allow City staff and CleanStreet supervisors to monitor operations in “real time”. This technology is currently being used by CleanStreet in the cities of Dana Point, Ontario, Garden Grove, and Buena Park, where it has proven to be very useful in verifying work performed and improving customer service. Should there be any non-performance complaints, this information may be reviewed by City staff and CleanStreet supervisors to expedite corrective action. In the future, staff will explore the possibility of adding the capability of public access to “real-time” GPS-based sweeping data from the City’s website.

CleanStreet has indicated their willingness to be an integral part of the City's Maintenance Services team and to actively promote and participate in community events. CleanStreet expressed their willingness to assist the City with special event sweeping and unforeseen circumstances such as responding to accident area cleanup or inclement weather sweeping. Most specialty sweeping is already included in the proposed contract and price.

CleanStreet submitted an extensive transition plan (Attachment 3), which includes riding along with current City street sweeper operators on their routes; programming sweeping routes into their GPS Systems; and working closely with City staff to minimize any disruptions in service.

FISCAL REVIEW:

The City's Fiscal Year 2014-2015 budget for weekly street sweeping is \$462,469. The City's cost includes salary and benefits for the reduced staffing levels as well as the operating costs for the sweepers and the disposal cost for the sweeping debris collected. The current year's budget does not include the depreciation expense collected annually to fund the replacement of the machines and does not include the cost for the fully-staffed operation. Staff calculated the cost of returning to a fully-staffed in-house operation at service levels comparable to what was requested in the RFP. In Fiscal Year 2008-2009, the last year the street sweeping program was fully funded and staffed appropriately, the budget was \$800,871. This figure more accurately reflects the true operating cost of the program as outlined in the City's RFP. To continue with in-house street sweeping operations, the City would need to replace all five (5) sweepers in order to meet air quality standards and to provide the expected level of service. The cost of one (1) new alternative-fueled street sweeper is \$290,000. The cost to replace the five (5) necessary to continue an in-house street sweeping program would exceed \$1,459,000. The current condition of all City sweepers is such that all sweepers require immediate replacement should in-house operations continue.

The cost for weekly street sweeping services as proposed by CleanStreet is \$699,600 and it is the lowest of all the proposals received. The costs proposed by the other three (3) vendors are \$746,677.93, \$958,692.15, and \$1,421,617.

Although this amount is higher than the current program budget for street sweeping, it reflects a projected annual savings of approximately \$100,000 when compared to the City's projected cost for replicating the service levels of the past. Additional savings would be realized through the cost avoidance of replacing the current sweepers; a one-time savings of \$1,459,000, and the on-going depreciation expense to provide for the future replacement of the machines. Eliminating the depreciation expense is estimated to save between \$180,000 and \$200,000 annually based on an eight-year service life, or \$145,000 per year based on a ten-year service life. The total annual savings realized by contracting out this service would be approximately \$250,000 to \$300,000. Additionally, the award of this contract will result in reduced maintenance costs of approximately \$135,000 per year.

Savings realized from not having salary, benefit, or other labor-related cost increases over the life of the contract would add to the reduced comparable cost of the contracted services as compared to in-house costs. These would be difficult to project accurately.

ALTERNATIVES CONSIDERED:

1. The City Council may select another company to provide the required services or direct staff to re-advertise the Request for Proposals. However, selection of this alternative would not likely result in a lower cost proposal, or increased service levels.
2. The City Council could direct staff to maintain street sweeping services by City staff. If this alternative is selected, City staff will include in the proposed budget for FY 2015-16 the costs associated with the implementation of that direction, which would include the necessary additional salaries, benefits, and operational costs to restore the program; including the cost for the replacement of (5) five street sweeping machines.

LEGAL REVIEW:

During the recent negotiations for a new Memorandum of Understanding (MOU) between the City of Costa Mesa and the Costa Mesa City Employees Association (Association), City representatives worked in conjunction with the Association to come to an agreement that allowed for the outsourcing of the Street Sweeping Program. It was agreed that no full-time employees could be displaced. The agreement to allow outsourcing of the Street Sweeping Program was an integral part of the negotiation process that resulted in the new MOU. Therefore, there is no pending legal action that would prevent the award of a contract for street sweeping services to a private company.

The City Attorney has reviewed the Agreement (Attachment 1) and approved it as to form.

CONCLUSION:

The City of Costa Mesa City Council directed staff to evaluate various options for providing Street Sweeping services, including contracting with private vendors. The City Council authorized the issuance of a Request for Proposals to obtain a qualified firm to provide the services.

Following established procedures for procuring vendor proposals, including formation of a contracting committee and development of a detailed scope of services, a total of four (4) vendors submitted proposals for street sweeping services. Based on a thorough evaluation of all proposals and a review of the cost for services for maintaining in-house street sweeping, it was determined that the proposal submitted by CleanStreet represents the best value to the City. The annual cost for services as proposed by CleanStreet is \$699,600, which represents a significant one-time and annual cost savings when compared to maintaining the services in-house. It is recommended that the Council award a contract to CleanStreet for City-wide street sweeping services.

ERNESTO MUNOZ
Public Services Director

BRUCE HARTLEY
Maintenance Services Manager

- ATTACHMENTS:
1. [Professional Services Agreement](#)
 2. [City's Request for Proposals](#)
 3. [CleanStreet's Proposal](#)

DISTRIBUTION:

- Chief Executive Officer
- Assistant Chief Executive Officer
- City Attorney
- City Clerk Division
- Staff
- File