

Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: May 2, 2007

Approved

Date

5/5/07

COUNCIL DISTRICT: N/A

**SUBJECT: APPROVE THE FIRST AMMENDMENT TO THE AGREEMENT FOR
CITY HALL CUSTODIAL SERVICES BETWEEN THE CITY OF SAN
JOSE AND ACME BUILDING MAINTENANCE**

RECOMMENDATION

Approve a resolution authorizing the Director of Finance to execute the first amendment to the agreement between the City of San Jose and Acme Building Maintenance for custodial services at City Hall for the contract period ending July 9, 2007 and increasing compensation by \$65,000 from \$ 635,000 to a not-to-exceed amount of \$700,000.

OUTCOME

Increase in compensation to custodial services will allow for continued services for special events, to provide coverage for staff on light duty or disability, and to provide for additional custodial services as they are needed.

BACKGROUND

On July 10, 2006 the City entered into an Agreement with Acme Building Maintenance to provide custodians to perform specified custodial services at City Hall at a cost of \$551,310 plus \$83,690.28 in supplemental funds to augment City custodial personnel when absent and when requested by the City Hall facilities project manager.

ANALYSIS

Through the last twelve months, General Services has utilized the City Hall custodial contract allocation for supplemental services (\$83,690.28) to fund in-house daytime custodial service. This funding source has been necessary to maintain expected service levels due to vacancies and staff working on modified duty.

Vacancies

General Services was allocated three additional custodian positions for the 2006-2007 fiscal year to supplement service at City Hall. General Services began the recruitment for these positions through Human Resources immediately. General Services was able to hire for these positions shortly after the establishment of a qualified list of applicants. The final hire date for these positions was February 2007. Because the length of the hiring process was greater than anticipated, the supplemental services allocation in the contract had to be used to pay for contractual services until the process was completed.

General Services continues to have one additional vacancy at City Hall, for which the recruitment process is in progress. It is estimated that the position will be filled by June 2007.

Modified duty

A number of City Hall custodians have been on disability and/ or modified duty over the course of the fiscal year. In order to maintain service levels, the duties of these positions were supplemented with contract custodial staff. This amounted to a total of 1,800 hours of absence or modified duty hours.

Due to the vacancies and disabilities during the first six months of this agreement, the allocated dollars for the Acme contract for custodial services were expended sooner than expected. This usage will consume the originally allocated \$635,000, requiring General Services to request an additional amount of \$65,000 for continued custodial service through the term of the first year of the agreement.

Although it is likely that additional services will be required throughout this contract, General Services will continue to work with Human Resources towards filling vacancies and expects that employees currently absent due to disability will be returning to work.

As a result, staff recommends an amendment increasing the agreement by \$65,000 to a maximum compensation of \$700,000 to provide the custodial services sufficient to ensure the City Hall is maintained at the level expected by staff and citizens.

Contracting-In

Human Resources completed review of this memorandum on 4/10/07 with the affected bargaining unit as part of the City's Contracting-In process. The affected bargaining unit did not identify any contracting-in opportunity.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this recommendation does not meet any of the criteria listed above, this memorandum will be posted on the City's website for the May 15, 2007 Council Agenda.

COORDINATION

This memorandum has been coordinated with General Services, the City Attorney's Office, Human Resources, and the City Manager's Budget Office.

FISCAL POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services."

COST SUMMARY/IMPLICATIONS

Not applicable.

HONORABLE MAYOR AND CITY COUNCIL

May 2, 2007

Subject: First Amendment to the Agreement with City Hall Custodial Services

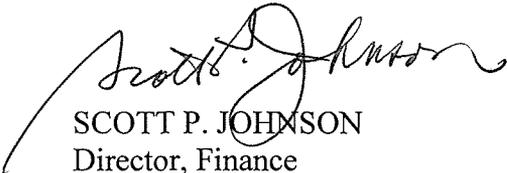
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BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2006-2007 Adopted Budget Page*	Last Budget Action (Date, Ord. No.)
001	0592	Non Personal/ Equipment	000577	\$10,857,985	\$700,000	Page VIII-56	6-27-06, N/A

CEQA

Not a Project.


SCOTT P. JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.