



**Subject: Amendment to extend the AmeriPride
Uniform Service Agreement for
One Year**

**Council Agenda: 3/29/11
Item: 2.8**

| City Council Action Request | | | |
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| Department: Finance | CEQA: PP10-066(c) Not a Project | Coordination: City Attorney's Office, City Manager's Budget Office | CMO Approval: <i>[Signature]</i> Dept. Approval: Scott Johnson /s/ |
| RECOMMENDED ACTION: | | | |
| <p>Adopt a resolution authorizing the Director of Finance to execute the Second Amendment to the Agreement with AmeriPride Services, Inc. (Petaluma, CA) for Uniform Rental and Laundry Services to add one additional one-year option to renew the Agreement for a total cost not to exceed \$250,000, and to exercise the fifth one-year option to renew.</p> <p>Desired Outcome: To continue uniform rental and laundry services citywide.</p> | | | |
| BASIS FOR RECOMMENDATION: | | | |
| <p>On May 16, 2006 Council approved a resolution for the Director of Finance to enter into a five year Agreement with AmeriPride Services, Inc. (AmeriPride) for uniform rental and laundry services. The agreement had an escalation clause that granted option year increases that were tied to the Consumer Price Index (CPI). In order to assist the City in achieving its cost reduction goals, AmeriPride did not take these increases and held prices for three out of the four option years. AmerPride has further offered to extend current prices for one additional option year. The agreement is currently in the fourth and final option period, and will expire on May 15, 2011. The amendment, if approved, would allow the agreement to be extended for a fifth option year, at the City's discretion, for the period 05/16/2011 - 05/15/2012.</p> <p>Staff recommends not issuing a competitive solicitation for this service at this time for the following reasons:</p> <ul style="list-style-type: none"> o Labor and fuel costs are the biggest cost drivers for this service and Amerpride has agreed to hold prices despite these increasing costs. o Staff obtained budgetary pricing from various sources and the current contract prices are very competitive. Based on Staff's analysis, it is estimated that annual cost savings by extending this agreement is \$ 20,000 – \$30,000 based on City's current usage. <p>AmerPride has consistently provided outstanding service and an excellent product. They have been a very good partner to assist the City with its cost savings goals. In one year Staff will re-evaluate the marketplace and either conduct a competitive solicitation or recommend to Council to amend the agreement for additional option years.</p> <p>This amendment complies with Council direction to reduce costs associated with contracted services.</p> | | | |
| COST AND FUNDING SOURCE: | | | |
| Funding is available in departmental annual appropriations | | | |
| FOR QUESTIONS CONTACT: Mark Giovannetti, Purchasing Division Manager at 408-535-7052 | | | |