



CITY COUNCIL AGENDA ITEM

Date: May 13, 2014

To: Brian Kischnick, City Manager

From: MaryBeth Murz, Purchasing Manager
Steven Pallotta, Building Operations Director

Subject: Standard Purchasing Resolution 3: Exercise Renewal Option – Janitorial Services

History

- On October 15, 2007, Troy City Council approved a two-year contract for Janitorial Services for all City of Troy facilities, with the option to renew for two (2) additional years. CC Res #2007-10-294-E4b
- The contract is for Janitorial Services in compliance with the specifications developed by the City of Troy Building Operations Department along with input from all other City facilities. The contract is needed to provide cleaning at City Hall, the Police Department, Library, Museum, Community Center, Police and Fire Training Center, Nature Center, DPW, Fire Stations, Golf Courses, Parks and Recreation Maintenance Building, Field Engineering Office and the 52-4 District Court.
- The above buildings are currently under Janitorial Service with three different companies; Kristel Group, Inc., of Clawson, MI, Du All Cleaning, Inc., of Macomb, MI, and GDI-OMNI Facility Services, of Southfield, MI.
- In 2009 upon the expiration of the two-year contract, the three companies were asked to review pricing and provide concessions due to the economic climate at that time. Pricing concessions were offered by all three companies and the contract renewal period was changed from a two-year renewal to a four - year renewal.
- On October 7, 2009 Troy City Council approved a contract renewal resulting in a 9.25% annual savings. Renewal concessions were offered by the companies and demonstrated a commitment to continued service and a valued partnership with the City, during tough economic times; with the contract expiring October 31, 2013. CC Res #2009-10-21-F-4b.

Purchasing

The current contract was extended so as to be in alignment with the fiscal year-end calendar. So now since the contract expires June 30, 2014; the Purchasing Department conducted a market survey of Janitorial Services and it has been determined no benefit would be derived from soliciting additional sealed bids. Additionally, all internal stake-holders were surveyed for feed-back regarding company service at all the various sites. Stake-holder feed-back was very positive and indicated positive performance from the all companies.

The Purchasing Department in conjunction with the Building Operations Department conducted the annual performance review meeting and additionally asked if they were willing to extend their contract(s). All three companies were offered the opportunity to extend the existing contracts as per the original pricing, terms and conditions for an additional two (2) year period with the option to renew for an additional two (2) years. Renewal pricing offered by company is the same as the original pricing. It should also be noted that the companies have not exercised the option to submit price increase(s) as per the CPI and as per bid specifications. Also, due to privatization initiatives and office space changes a reduction in square footage has resulted in cost savings. Locations that have been eliminated from the existing janitorial services contract are:

- Sanctuary Lake Golf Course 6/30/2010
- Sylvan Glen Golf Course 6/30/2010
- Engineering Filed Office 6/30/2010
- Troy Historical Village Museum 6/30/2011



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Purchasing (Continued)

The City will continue to benefit from excellent service and a valued business partnership. The contract renewal will be 7% less than the original contract which reflects the companies updated pricing and a reduction in square footage. It also should be noted that the renewal includes the *addition* of the Transit Center Facility (which will be serviced when the facility opens) and the maintenance of Outdoor Receptacles.

			Current Annual Cost	New Estimated Annual Cost
Group 1	Main Campus	Kristel Group, Inc.	\$423,730.32	\$419,738.48
Group 2	Garage Facilities	Du All Cleaning, Inc.	\$14,890.92	\$14,890.92
Group 3*	Enrichment Facilities	Du All Cleaning, Inc.	\$29,340.08	\$0.00
Group 4	Fire Sites	GDI-OMNI Facility Svcs	\$22,165.51	\$22,302.24
Group 5**	Golf Courses/Eng. Field Office	Kristel Group, Inc.	\$13,371.60	\$0.00
Group 6	Additional Locations	Kristel Group, Inc.		\$11,880.00
Total			\$503,498.43	\$468,811.64

**Museum eliminated and Nature Center now in Group 6*

***Golf Courses and Engineering Field Offices eliminated.*

Financial Considerations

Funds are budgeted and available in the various Custodial Service accounts citywide.

Recommendation

Kristel Group, Inc., Du All Cleaning, Inc., and GDI-OMNI Facility Services provide professional Janitorial Services on an exceptional level, offering continuity of City specific knowledge and service. City Administration recommends that City Council extend the current Janitorial Services Contracts for two (2) years with an option to renew for two (2) additional years as per the revised pricing and schedule changes, and as per the original contract terms and conditions with the contract to expire June 30, 2018.