



CITY COUNCIL AGENDA REPORT

MEETING DATE: 6/20/2023

DEPARTMENT: Public Works

SUBJECT:

AWARD OF CONTRACT FOR STREET SWEEPING MAINTENANCE SERVICES

RECOMMENDED ACTION(S):

1. Award an Agreement for Maintenance Services in the amount of \$2,226,015 to Athens Services for Street Sweeping Maintenance Services.
 2. Authorize the Mayor to sign, and the City Clerk to attest, the award of contract to Athens Services, Inc., substantially in the form attached.
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EXECUTIVE SUMMARY:

The current contract with R.F. Dickson Services/Sweeping Corporation of America ("SCA") for street and park parking lot sweeping expires on June 30, 2023. The contract allows for two additional one-year extensions based on the contractor's performance. SCA's performance does not meet the level of service expected by the City. Therefore, the City Manager authorized the issuance of bid documents for Street Sweeping Services in March 2023. The bid process is complete, and staff recommends a contract award to the lowest responsive bidder, Athens Services, Inc. ("Athens"), in the amount of \$2,226,015 for an initial three-year term (Attachment 1). The term in the proposed Agreement for Maintenance Services with Athens ("Agreement") would begin July 1, 2023, and includes two one-year extensions based upon performance. There are sufficient funds proposed in the upcoming Fiscal Year 2023-24 Operating Budget to provide this service.

BACKGROUND:

The City of Lake Forest's street sweeping program has remained in place since incorporation. Prior to incorporation, the County of Orange ("the County") provided street sweeping of residential and arterial streets every four weeks (13-times per year). The City maintained this frequency until 1998, when the City Council increased the sweeping frequency to weekly. In 2019, the City Council determined twice per month sweeping of residential streets was sufficient to meet

City standards. The City's established street and park parking lot sweeping program is designed to mitigate debris entering the storm drains and for an overall clean appearance of the City's streets and parks. The City's existing contract for street sweeping services provides twice per month sweeping of publicly owned residential streets and weekly sweeping of arterial streets in addition to eleven (11) park parking lots and the Civic Center. The current contract expires on June 30, 2023. Although the contract has two extensions available, the current contractor is not meeting service expectation levels and has provided a low quality of service.

Athens provided street sweeping services to Lake Forest from 2015 to 2020. The City procured R.F. Dickson in 2020 after a competitive low-bid procurement. In June 2022, Sweeping Corporation of America ("SCA") acquired R.F. Dickson, as well as several other local street sweeping providers. This merger had a profound impact on the competitiveness in the industry, which leaves the City with fewer choices. The transition for virtually all south Orange County cities to one street sweeping provider, SCA, was challenging. SCA was initially unable to provide sufficient drivers for all their routes, including Lake Forest. This led to streets not being swept or being swept outside of posted sweeping times. As a result of these difficulties, the City posted a Notice Inviting Bids ("NIB") to solicit new vendors.

The costs for street sweeping services have risen considerably over the last several years. The cost of equipment, fuel, dumping fees, and personnel have dramatically increased the price for services. In addition to operation costs, street sweeping providers are following prevailing wage issues closely. During the time the City conducted the procurement process for this service, many local governments in California were unsure about the applicability of State-mandated prevailing wage rates for street sweeping equipment operators. Prevailing wage rates are essentially wage price floors set by the State, which would increase costs if applied to street sweeping services. This uncertainty, combined with the lack of competition due to SCA-led acquisitions, has put upward pressure on street sweeping prices throughout the region.

DISCUSSION:

The scope of work under the current street sweeping contract has not been modified for the current bid documents. If the Agreement is approved, Athens will sweep residential streets during the hours of 7:30 a.m. to 5:30 p.m. twice each month and will sweep arterial streets weekly between 10:00 p.m. and 6:00 a.m. The schedule includes monthly sweeping of parking lots for the Civic Center, Sports Park, and community parks. Staff continues to include 12 high priority street segments into the weekly sweeping schedule. The areas were adopted by the City Council in December 2019 after the completion of the Traffic

and Parking Commission's street sweeping study. By conducting weekly street sweeping in these areas, debris left behind between vehicles can successfully be removed yet still provide ample parking opportunities.

On March 3, 2023, the City Manager approved bid documents and authorized staff to solicit bids for street sweeping services. On March 30 and April 6, 2023, the NIB appeared in the Saddleback Valley News. On May 17, 2023, the City received two (2) bids. The City's current contractor submitted a bid; however, the contractor failed to acknowledge an addendum and thus was automatically disqualified by the City's electronic procurement system, PlanetBids. Staff did not have access to any of the contractor's bid documents as a result of the disqualification.

The bids for weekly street sweeping ranged from \$742,005 to \$756,367.50 annually. The annual amount of the current contract with SCA is \$401,968. The bids submitted for sweeping services are described in Table 1 below:

Table 1: Bids submitted for Street Sweeping Services

Name of Bidder	Bid Amount
Athens Services	\$2,226,015.00
CMAA Commercial Maintenance	\$2,269,102.50

After the analysis of the qualifying bids received, staff determined that Athens is the lowest responsive, responsible bidder for weekly arterial and twice per month residential street sweeping services. Athens is currently providing sweeping services for the cities of Santa Ana, Monrovia, Azusa, Pomona, Redondo Beach, and Temple City. The agencies the City contacted as part of the reference check stated the quality of the company's work has been very good (Attachment 2). Athens previously provided the City with very good service during their previous contract term from 2015 to 2020.

In 2020, the per curb-mile rate for arterial street sweeping was \$25.15 while residential sweeping was \$25.78. The Athens bid price is \$46.50 per curb-mile for both arterial street sweeping and residential sweeping. The significant increase in costs associated with street sweeping operations is the result of price increases for labor, fuel, and vehicle maintenance, prevailing wage rate uncertainty, and SCA's acquisition of local street sweeping providers in Orange County which reduced the pool of vendors available for competitive bid pricing. As a price comparison, the City of Signal Hill recently bid out street sweeping services. On June 13, 2023, the Signal Hill City Council awarded a contract to CleanStreet (which is owned by SCA) with a rate of \$49.65 per curb mile. The proposed Athens rate is \$46.50 per curb mile, approximately 6% lower than the Signal Hill rate.

The Finance Department prepared the Agreement with Athens, which the City Attorney reviewed and approved as to form (Attachment 1). The proposed Agreement would be for the City's traditional three-year initial term with two one-year extensions based on performance and at the City Council's discretion for a not-to-exceed compensation amount of \$2,226,015. Per Article 3 of the Agreement, the City Manager may approve additional work not-to-exceed 10% of the original contract amount.

FISCAL IMPACT:

The proposed Agreement with Athens includes \$2,226,015 in total compensation (\$742,005 annually). The Agreement includes a three-year term ending June 30, 2026, with two optional one-year extensions. Staff has proposed approximately \$464,000 for street sweeping funding for Fiscal Year 2023-24 of the 2023-2025 Operating Budget. Since this Agreement was generated after the 2023-2025 Operating Budget was prepared, staff would bring back a budget amendment to account for the additional funds necessary for the entire fiscal year at a subsequent City Council meeting if the proposed Agreement is approved.

ATTACHMENTS:

1. Proposed Agreement with Athens Services
2. Athens Reference Check

Initiated By: Michael McConaha, Public Works Maintenance Manager
Submitted By: Thomas E. Wheeler, P.E., Director of Public Works/City Engineer
Approved By: Debra Rose, City Manager