

FOR BOARD ACTION

Agenda Item # 5

Meeting Date: 7/31/12

SUBJECT: Consideration of Quotations -
Service Center Custodial Services Contract

PREPARED BY: Steve Monson, Supervisor of Facilities and Fleet

ITEM DESCRIPTION:

Custodial Services are typically contracted for a five year period and our current contract has expired. To maintain fair market value for custodial services we solicited competitive proposals via Public Purchase.

Proposals were requested for routine services priced on an annual lump sum basis and periodic cleaning based on unit pricing. Proposals were to contain other information including safety and training programs, and green cleaning plans to allow a more comprehensive evaluation of the proposals.

Proposals were received from five (5) vendors to provide custodial services. Based on our evaluation of the proposals, Arnolds Supply & Kleenit Company was determined to be the best value proposal. They were the lowest calculated price at \$84,308.00 per year and the highest rated proposal. Pricing ranged from \$84,309 to \$137,580.

**Proposal Summary
Calculated Annual Cost**

	<u>H&R 5 Star</u>	<u>Coverall</u>	<u>Service Master</u>	<u>Marsden</u>	<u>Arnolds</u>	<u>King</u>
Total Cost	\$137,580.00	\$98,593.00	\$86,543.00	\$104,101.00	\$84,308.00	\$133,380.00

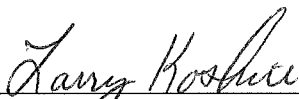
The contract is for a one year period with an option to renew up to 4 additional years. Total calculated value of the contract is \$421,540. It has been reviewed by the City Attorney.

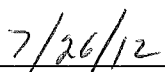
FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Not applicable.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve a contract agreement with Arnolds Supply & Kleenit Company, and that the Mayor and the City Clerk execute the agreement.


General Manager


Date

SPECIFICATIONS
AND
CONTRACT DOCUMENTS

FOR

Custodial Services
RPU Service Center

June 2012

Revision C
(July 11, 2012)



Rochester Public Utilities
4000 East River Road NE
Rochester MN 55906

Table of Contents

NOTICE TO PROPOSERS 3
AGREEMENT 5
PROPOSAL..... 10
SPECIFICATIONS 15

ROCHESTER PUBLIC UTILITIES
CITY OF ROCHESTER, MINNESOTA

NOTICE TO PROPOSERS

REFERENCE: Custodial Services

1. Notice is hereby given that sealed Proposals for the purchase of the above referenced project will be received by the buyer of the Rochester Public Utility Board of the City of Rochester, Minnesota, located at 4000 East River Road NE, on or before **2:00 PM, Tuesday, July 17, 2012,** at which time and place the proposals will be publicly opened. Any proposal received subsequent to the time specified will be promptly returned to the Proposer unopened.

- a. There will be a mandatory pre-proposal meeting at **9:00 AM, Monday, July 9, 2012.**
Located at 4000 East River Road NE, Rochester MN 55906

2. Proposals and all supporting documents must be submitted on the forms provided by the Rochester Public Utilities and must be delivered in a sealed envelope addressed as follows:

Rochester Public Utilities
ATTN: Materials Manager
4000 East River Road NE
Rochester MN 55906-2813

RE: Custodial Services - 2:00 PM, Tuesday, July 17, 2012

3. The name and address of the Proposer, the reference identification as printed above, and the date and hour of the Proposal opening must appear on the envelope in which the proposal is submitted. Proposals must be completed in ink or typewritten. Alterations and additions will be permitted only when initialed and dated before submission. Proposal documents may be obtained by contacting Rochester Public Utilities at the above address, contacting the Purchasing Department at 507) 280-1674, or at <http://www.publicpurchase.com/gems/rochester,mn/buyer/public/home>.
4. Prior to submission of a Proposal, the proposer shall make and shall be deemed to have made a careful examination of the attached plans and/or specifications and all other matters, including transportation facilities, that may affect the cost and time of completion of the work required.
5. The Public Utility Board reserves the right to waive minor irregularities or minor errors in any Proposal if it appears that such irregularities or errors were made through inadvertence. Any such irregularities or errors so waived must be corrected on the Proposal in which they occur prior to the execution of any Contract which may be awarded thereon.

6. The Public Utility Board reserves the right to reject any and all Proposals and to accept the Proposals, in whole or in part, considered to be in the best interests of the City of Rochester. In order to determine which Proposal best serves the interests of the City of Rochester, consideration will be given to the quoted prices, quoted delivery, stated exceptions to those Proposal Documents, and any other factors which may affect operating and/or capital costs. Such other factors, if any, are separately stated. Individual interviews may be conducted.
7. All Proposals shall remain in effect for at least ninety (90) days for Contract award following acceptance by the Public Utility Board.
8. Required Submittals:
 - 8.1 Proposal - All proposers must submit the completed Proposal Form.
 - 8.2 Deviations from the Specification – All deviations from the specification must be identified on this form. (Form Provided with Proposal)
 - 8.3 Company Information - All proposers must submit the completed Company Information form. (Form Provided with Proposal)
 - 8.4 Equipment List - Provide a list of equipment owned by the company relevant to the work to be provided. Of that equipment identify which are routinely kept at RPU.
 - 8.5 Quality Control Report – Provide an example of a monthly quality control report.
 - 8.6 Safety Policy – Provide a copy of the Company safety policy and safety training plan
 - 8.7 Green Cleaning - Submit your company's policies and procedures for green cleaning and an outline demonstrating how you will implement green practices at RPU.
 - 8.8 Acknowledgement of Corporation – Form provided with proposal, page 15.
9. Proposal Evaluation:

In evaluating the Proposal, the following factors, at a minimum, will receive consideration:

 - a) Proposed price.
 - b) Proposers experience with similar size and types of facilities
 - c) Proposers ability to respond on site for emergencies.
 - d) Exceptions to specifications and other proposal documents.
 - e) Tied Proposals will not be accepted.
 - f) Safety and training programs
 - g) Other subjective criteria that will best serve the interests of the City.

AGREEMENT
FOR
CUSTODIAL SERVICES

THIS AGREEMENT, between the City OF ROCHESTER, a Minnesota municipal corporation, acting through its Public Utility Board, ("City") and _____, a _____ corporation ("Contractor") provides the terms and conditions under which Contractor will provide custodial services for the City's facilities located at 4000 East River Road, NE, Rochester, Minnesota.

NOW, THEREFORE, in consideration of the promises contained in this Agreement, City and Contractor agree as follows:

ARTICLE 1 – EFFECTIVE DATES

The effective date of this Agreement shall be _____. The Agreement shall remain in full force and effect for one year from this date and thereafter on a year-to-year basis for an additional four years. However, either party may terminate the agreement with a minimum of 60 days written notice of its intention to terminate.

ARTICLE 2 – GOVERNING LAW

2.1 The laws of the State of Minnesota shall govern this Agreement.

ARTICLE 3 – SERVICES TO BE PERFORMED BY CONTRACTOR

3.1 Contractor shall perform the custodial services for City in accordance with the Contract Documents.

ARTICLE 4 – COMPLIANCE WITH APPLICABLE STATUTES, ORDINANCES AND REGULATIONS

4.1 Contractor shall comply with all federal, state, county, and municipal laws, ordinances, regulations and codes relating or applicable to the services to be performed under this Agreement.

ARTICLE 5 – INSURANCE AND BOND

5.1 Contractor will carry complete and adequate workers' compensation, public liability and property damage insurance. At its expense, a blanket fidelity bond shall cover all Contractor's employees at all times.

5.2 Insurance. Contractor shall obtain, as a minimum; the following described types and limits of insurance coverage. All policies called for herein shall become effective before Contractor undertakes any work under this Agreement and shall remain in full force and effect for a minimum of 1 year after closing of this Agreement. Further, Contractor shall furnish city with an insurance certificate or certificates at the time the agreement is consummated between the parties, evidencing such insurance coverage prior to work commencing on said project. Each of said certificates shall provide the following:

A. A 30-day notice of cancellation and/or non-renewal.

- B. Workers' Compensation. The contractor shall obtain and maintain workers' compensation insurance policy with limits of at least \$500,000 per incident or injury to cover claims for injury or disease resulting or arising from the actions of the contractor, its officers, employees or agents during the contract. Insurance coverage will meet statutory requirements for Minnesota.
- C. Liability Insurance. The contractor shall obtain and maintain a commercial liability insurance policy with limits of at least \$1,500,000 each occurrence/\$3,000,000 aggregate for both bodily injury & property damage liability to cover claims for injury or damage resulting or arising from the actions of the contractor, its officers, employees or agents during the term of the contract. Products and completed operations coverage is to be included within the required limits.
- D. Excess Umbrella Liability. The contractor shall obtain and maintain an umbrella policy with limits of at least \$1,000,000 to cover the excess above the underlying policies requested in this insurance section.
- E. Auto Insurance. The contractor shall obtain and maintain commercial auto insurance policy with limits of at least \$1,000,000 each occurrence/\$2,000,000 aggregate for both bodily injury & property damage liability to cover claims for injury or damage resulting or arising from the actions of the contractor, its officers, employees or agents, including hired and non-owned vehicles, during the contract.
- F. The contractor's insurance policies shall name the City of Rochester as an additional insured for claims from work conducted pursuant to this agreement.
- G. Fidelity Bond in the amount of \$100,000 or more.
- H. Certificate holder shall be listed as: City of Rochester, MN / Rochester Public Utilities.

ARTICLE 6 – LIABILITY AND INDEMNIFICATION

- 6.1 Company shall indemnify, save, hold harmless and defend City, its officers, agents and employees from any and all claims, damages and liability of any kind arising out of any negligent or wrongful acts, errors, or omissions of Company, its agents, employees or subcontractors in furnishing work or performing services pursuant to this agreement.
- 6.2 Upon completion of all services, obligations, and duties provided for in this Agreement, or if this Agreement is terminated for any reason, the terms and conditions of this Article shall survive.

ARTICLE 7 – COMPENSATION

- 7.1 City shall pay Contractor at the rate of \$_____ per month plus applicable taxes for the base services required to be performed. Compensation for additional services shall be in accordance with unit pricing specified in the proposal documents. Contractor will send an invoice to City at the beginning of each month and City will make payment within thirty days of the billing date. The rates for service may change at any time in the event of an increase or decrease in the federal or state minimum wage or other legislated benefits, such as social security or workers' compensation. In such a case, the monthly service charge stated above will be adjusted accordingly. The adjustment will be effective from the effective date of the increase or decrease.

- 7.2 On each anniversary date of this Agreement, the compensation amount will be renegotiated to be increased based on the CPI and local labor market in order to cover Contractor's increase in costs, such as wages, benefits, materials and supplies.

ARTICLE 8 – MISCELLANEOUS

- 8.1 Any formal communication required by this Agreement shall be made in writing and mailed to the address specified below:

City: Rochester Public Utilities
4000 East River Road NE
Rochester, MN 55906
Attn: Facilities Management

- 8.2 In the event City issues a purchase order or other similar document in connection with the service to be provided under this Agreement, and Contractor acknowledges it, this Agreement's terms and conditions shall apply.
- 8.3 The invalidity, illegality, or unenforceability of any provision of this Agreement or the occurrence of any event rendering any portion or provision of this Agreement void shall in no way affect the validity or enforceability of any other portion or provision of this agreement. Any void provision shall be deemed severed from this Agreement, and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion or provision held to be void. The parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provision of this Article shall not prevent this entire Agreement from being void should a provision which is of the essence of this Agreement to be determined void.
- 8.4 Contractor is deemed an independent contractor for purposes of this agreement and any and all persons employed by Contractor in the performance of any work or services required or provided for in this agreement shall not be considered employees of City for any purpose whatsoever, including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit, and any and all such claims shall be the sole obligation and responsibility of Contractor.
- 8.5 In the event the City believes the Contractor's services do not conform to the terms or standards contained in the Agreement, City will notify Contractor in writing. If Contractor has failed to resolve the service problem, the City may terminate this Agreement by giving sixty (60) days written notice.
- 8.6 This Agreement, including the Notice to Proposers, Specifications, and Proposal represents the entire and integrated agreement between City and Contractor. It supersedes all prior and contemporaneous communications, representations, and agreements, whether oral or written, relating to the subject matter of this Agreement.
- 8.7 Contractor and City each binds itself and its directors, officers, partners, successors, executors, administrators, and assigns, and legal representatives to the other party to this Agreement and to its directors, officers' partners, successors, executors, administrators, assigns, and legal representatives with respect to all provisions of this Agreement.
- 8.8 Neither Contractor nor City shall assign any right or duties under this Agreement without the prior written consent of the other party. Unless otherwise stated in the written consent to an assignment, no assignment will release or discharge the assignor from any obligation under this Agreement.

- 8.9 Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than Contractor and City.
- 8.10 By executing this Agreement, the parties acknowledge that they: (a) enter into and execute this Agreement knowingly, voluntarily and willingly of their own volition with such consultation with legal counsel as they deem appropriate; (b) have had a sufficient amount of time to consider this Agreement's terms and conditions, and to consult an attorney before signing this Agreement; (c) have read this Agreement, understand all of its terms, appreciate the significance of those terms and have made the decision to accept them as stated herein; and (d) have not relied upon any representation or statement not set forth herein. Both parties wish to avoid any development or administrative delays associated with a legal challenge to any of the terms of this Agreement. As such, both parties agree that they will not challenge the legality of any term or condition found within this Agreement and specifically waive any and all legal objections they may have to any such term or condition. Notwithstanding any provision in this Agreement to the contrary, this clause will survive the termination or expiration of this Agreement

DRAFT

IN WITNESS WHEREOF, City and Contractor have executed this Agreement.

CONTRACTOR

By _____

Its _____

By _____

Its _____

CITY OF ROCHESTER

By _____
Its Mayor

Attest _____
Its City Clerk

Approved as to Form _____
Its City Attorney

ROCHESTER PUBLIC UTILITIES

Reviewed by _____
Its General Manager

STATE OF MINNESOTA

COUNTY OF OLMSTED

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by Ardell Brede and Judy Scherr, the Mayor and City Clerk of the City of Rochester, a Minnesota municipal corporation on behalf of the corporation.

Notary Public

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by _____, President of _____ for and on behalf of the corporation.

Notary Public

PROPOSAL

Honorable Public Utility Board
City of Rochester, Minnesota

Date: _____

The undersigned hereby proposes to furnish and deliver the following Custodial Services in accordance with the attached specifications and other proposal documents. Contractor lump sum proposal price shall include all adjustments for labor, materials, equipment and/or other related items required to perform the service. The following is the lump sum for the term indicated.

Description: **Custodial Services**

1. Rochester Public Utilities (RPU) Base price lump sum – One (1) Year \$_____

Alternate 1: List Unit pricing for the following special services - **All unit pricing per sq. ft.**

These are only on an as needed basis and only when specifically requested by Facilities Management.

- A. Shock clean – (floor to ceiling) locker rooms (1 men's; 1 women's) \$_____
- B. Shock clean – [floor to ceiling] standard rest rooms (2 men's; 2 women's) \$_____
- C. Machine scrub & recoat – terrazzo \$_____
- D. Machine Strip, recoat and polish VCT - \$_____
- E. Buff and recoat – VCT \$_____
- F. Scrub & reseal – Concrete Surfaces \$_____
- G. Carpet extraction – \$_____
- H. Power Scrub & clean – Fleet shop floor. \$_____

Contractor's Name: _____

It is understood that this Proposal is submitted pursuant to the NOTICE TO PROPOSERS, attached hereto, and the Undersigned hereby agrees to the terms and conditions thereof. The Undersigned warrants that this Proposal is submitted in the good faith and without collusion or connection with any other person or persons bidding for the same work. In the event that this Proposal is accepted, the Undersigned hereby agrees to deliver the proposal items by the delivery date.

PROPOSER: _____

ADDRESS: _____

PHONE NUMBER: _____

FAX NUMBER: _____

EMAIL: _____

SIGNATURE: _____

NAME: _____

TITLE: _____

Proposals Due: 2:00 PM Central Time, Tuesday, July 17, 2012



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Arnolds Supply & Kleenit Company, and request the Mayor and the City Clerk to execute the agreement for

RPU Service Center Custodial Services Contract

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 31st day of July, 2012.

President

Secretary