

Item 24-1317: Request to award contract to KleenMark to provide Janitorial Services to all City of Appleton facilities/locations for the years 2025-2029

Finance Committee

Mon, Oct 07, 2024 5:30PM

Aldersperson Brad Firkus (District 3) 02:00

24-1317 request to award contract to KleenMark to provide janitorial services to all city of Appleton facilities locations for the years 2025 to 2029. The contract totals are 2025, \$463,883; 2026, \$477,800; 2027, \$492,134; 2028, \$506,898; and 2029—I think that's supposed to be 2029, \$522,105 annually.

Aldersperson Denise Fenton (District 6) 02:35

Move to approve.

Aldersperson Katie Van Zeeland (District 5) 02:37

I'll second for discussion.

Aldersperson Brad Firkus (District 3) 02:39

All right. Nobody wants me to repeat that whole thing? So, Alder Hartzheim.

Aldersperson Sheri Hartzheim (District 13) 02:46

Thank you, Chair. May I direct to Director Gazza?

Aldersperson Brad Firkus (District 3) 02:49

Yes, please.

Aldersperson Sheri Hartzheim (District 13) 02:50

Director Gazza, can you—I apologize, I did not ask this out of time. But can you give us a general idea of what we're coming from as far as what our current contract in 2024 is?

Aldersperson Brad Firkus (District 3) 03:03

Could you just tell me microphone number here 'cause on here—eight? Okay, it just looked like a different number on here.

Director Dean Gazza (Parks, Recreation, and Facilities) 03:11

Absolutely. Thank you, Chair. We're coming from a contract that was bid out five years ago under the same the model where we asked for five years out. The 2024 contract pricing would be \$415,863.02. We went out for RFP. We had a couple scope changes. One in particular is for the library. We took on full services for the new library versus, previously, the library staff would take on some of them responsibilities, but due to due some staffing and staffing needs in regards to room setups and things like that, that was added to the contract, and then Valley Transit also expanded in size.

Director Dean Gazza (Parks, Recreation, and Facilities) 04:04

Couple things we looked at, overall, we reassessed all the service levels that were throughout the facilities. Each year there's minor adjustments that are changed because of more space, less space, things like that, more need for cleaning in a particular area. All those adjustments were made, and so the RFP and the scope of work was up to date.

Director Dean Gazza (Parks, Recreation, and Facilities) 04:29

We were pleased with the pricing. We weren't pleased with a couple of the prices that we had received initially. You can see there were two relatively the same, and two others quite a bit higher. When I had first prior—when we had first submitted our budget to the finance department, we had to put in a number which we assumed it might come back at. And we used a number of approximately \$700,000 based on what our current subcontractor was telling us, because the wages had went up so high over the last five years for that type of work, and they were not going to be able to rebid it in a manner that would be at the same rate. I think the past rate was like around \$12 an hour, and they knew they would have to be around \$15 range and even higher for the floor work and specialty work.

Director Dean Gazza (Parks, Recreation, and Facilities) 05:27

So, we positioned ourselves. So, once we got the RFP numbers back, I was able to call director Ohman and tell her, "Great news. That number that I gave you, you can back that off by quite a bit," and I'm basically pretty thrilled about the number. I was really afraid, because had the number been what we were anticipating then it was a, you know, discussion of the money has to come from somewhere, and in within the general fund, and I knew I couldn't offset that in my own budget alone. So, it ended up being good news for us.

Director Dean Gazza (Parks, Recreation, and Facilities) 06:08

We totally interviewed all four companies. We decided, rather than to just interview the top two or top three, we would interview them all just so we could, you know, weigh the pros and cons, whether it be the size of the company, the ability to deliver the services to an account our size, and not only our account, but the diversity of work we have, whether it be an industrial site like a wastewater, water plant, or a police station that they end up doing, working right into the holding cell and everything. And then our general office space. The transit center, as you can imagine, probably one is our most challenging site. And then the library, too, can be pretty challenging at times for cleaning.

Director Dean Gazza (Parks, Recreation, and Facilities) 06:53

So came down to seeing who had the horsepower, the equipment. Equipment was very important. We wanted green equipment, modern equipment, so they could be efficient. And you could see people who use modern and efficient equipment seem to be able to get things done faster.

Director Dean Gazza (Parks, Recreation, and Facilities) 07:13

And then we also—one of the things that was lacking, we never knew when work got completed. So, department would say, "When was my floor finished?" Or "When is it going to be finished? When do I need to move my chairs and things like that?" and we never could tell them. The new company has an app where we'll always know what's coming up and when it was done. And then there's a quality assurance rating system, which the supervisor will be responsible for doing inspection, so we'll know that the supervisor is actually doing inspections by the company, which we never knew if that was necessarily being done or not. So, there's some additional features and that that we get under this new contract also. So, we're relieved to say the least. You know, prior to going into this.

Aldersperson Brad Firkus (District 3) 08:06

You have any follow-up question?

Aldersperson Sheri Hartzheim (District 13) 08:08

Yes, please. Also, Director Gazza—shoot, I'm sorry I missed it, lost it. I'll find it again.

Alderson Brad Firkus (District 3) 08:17

All right. I have Alder Fenton then Alder Van Zeeland.

Alderson Denise Fenton (District 6) 08:21

So, can I—may I direct to?

Alderson Brad Firkus (District 3) 08:23

Yes.

Alderson Denise Fenton (District 6) 08:23

Okay, so Director Gazza, if—I mean the it was \$8,000 difference between the one that the winning bid and the and the low bid. So, can you attribute to that to kind of the performance and the knowing when things—is that what made that bid more attractive than the one that was lower? And I do have a follow up.

Director Dean Gazza (Parks, Recreation, and Facilities) 08:48

Absolutely. The lower bid was a company that the owner himself also was a cleaner and would have to go out and then build and hire the individuals for this. They're accustomed to doing more, smaller accounts, like bars, restaurants, small offices, never nothing on this magnitude, an account this size. So, there was no specific experience that we were—felt confident about. The equipment was more—I would say the equipment really stood out from KleenMark versus this company in the use of green equipment, green products, things like that. And there was no software app or any way of tracking the work.

Director Dean Gazza (Parks, Recreation, and Facilities) 09:42

And then, addition, just through the interview. And you know, there's the objective stuff you obtain, like this, but then there's a subjective of you believe that that work can be done, and we're—and the nice thing about the company that we're recommending, they're on Wisconsin Avenue too, so they're an Appleton company, and we ser—and we're totally surround them in regards to facilities.

Director Dean Gazza (Parks, Recreation, and Facilities) 10:07

So other things that I did mention, when we have blood borne pathogen issues that come up, if there's—this company's responsible for responding. This company did have somebody on site that multiple people that are trained and can come within that then the time frame that we look for. The police department usually piggybacks on these contracts too, for all the cop cars and all the cleanups, whether it be, you know, whatever type of bodily fluids or blood or anything like that. So, we knew that this company was certified and had the necessary—lack of better words, well, experience and horsepower to service them too.

Alderson Denise Fenton (District 6) 10:51

And just one follow up. Was the yearly escalation—I know the other two con—two of them were quite a bit higher to start with, but was the yearly escalation for each year of the contract roughly equivalent percentage wise, for all the companies that you looked at?

Director Dean Gazza (Parks, Recreation, and Facilities) 11:09

Yeah, because we put a maximum on there. We told them that there'd be, have to be a maximum percentage, and absolutely this was right in line.

Alderson Denise Fenton (District 6) 11:20

Okay.

Director Dean Gazza (Parks, Recreation, and Facilities) 11:20

So, we're comfortable.

Aldersperson Denise Fenton (District 6) 11:21

Thank you.

Aldersperson Brad Firkus (District 3) 11:23

Alder Van Zeeland.

Aldersperson Katie Van Zeeland (District 5) 11:25

Being that there is still shortages of employees and service jobs, are there any protections for us if suddenly they don't have the staff? You know, how—how does that work within the contract? How are we billed if, let's say they lose the person who is cleaning here. You know, are we protected that way that we aren't guaranteed to be paying for services we aren't receiving?

Director Dean Gazza (Parks, Recreation, and Facilities) 11:52

Absolutely. They have backups. They have a certain amount of backup employees that fill in. So, we've been fortunate—a little bit of echo there. We've been fortunate, and then we talked to their references about that specific thing, because that has happened in the past, and it becomes frustrating that a certain site doesn't get serviced when it should. And because they have so many employees, there's always somebody that can fill in. And that was another selling point by them. And they have multiple—another thing they had is multiple special technicians to do the floor work, the waxing, the burnishing, and so forth. Where some companies had one person, and that was it. And if that person got sick, then you were thrown off your schedule.

Aldersperson Katie Van Zeeland (District 5) 12:49

May I follow up? But if, if they lose enough staff that they don't have someone here—we're not paying them if they're not providing that service?

Director Dean Gazza (Parks, Recreation, and Facilities) 12:59

Nope there is actually a performance bond on this we put on there also.

Aldersperson Katie Van Zeeland (District 5) 13:04

Great.

Director Dean Gazza (Parks, Recreation, and Facilities) 13:04

So, they can't just get up and walk away and then we don't have to pay them for services not rendered.

Aldersperson Katie Van Zeeland (District 5) 13:10

Great. Thank you.

Director Dean Gazza (Parks, Recreation, and Facilities) 13:11

Yeah.

Aldersperson Brad Firkus (District 3) 13:12

Alder Hartzheim.

Aldersperson Sheri Hartzheim (District 13) 13:13

Thank you, Chair. Little brain teaser there before. I'm back on track.

Aldersperson Sheri Hartzheim (District 13) 13:21

This might be a question for Director Gazza but also might be for Director Ohman. Are these costs allocated to the departments that are using them? Or how does that—like if you were mentioning before, if there was something above budget, you'd have to find a place in the Facilities budget to manage that. But that's not really true because we're still allocating that out to each department or each location?

Director Dean Gazza (Parks, Recreation, and Facilities) 13:45

Yep, we have the facility charges, and within the facility charges, it starts off by billing each of the locations back by service contract. So that that would not only be true for the cleaning contract but for HVAC contract, fire protection, if the building has an elevator and that—so the breakdown—for example, we asked the contractor to break it down by, you know, City Hall, Parks and Rec, dance studios, library, police, MSB, golf course center, Valley transit, transit center, wastewater, and water. So, in their individual budgets, there would be a facility charge, and within that facility charge is, you know, that allocation for housekeeping.

Aldersperson Sheri Hartzheim (District 13) 14:26

So, all other directors in the city should be pleased that this number has come in quite—

Director Dean Gazza (Parks, Recreation, and Facilities) 14:30

Absolutely. Otherwise, we would have had allocate it out, and their facility charges would have been higher.

Aldersperson Sheri Hartzheim (District 13) 14:36

Excellent. Thank you.

Aldersperson Brad Firkus (District 3) 14:38

All right. Anyone else? All right, seeing none, let's go ahead and vote. All those in favor? Aye. Opposed? Abstentions? That passes five, zero.