



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
August 29, 2023

TOPIC: Award Agreement to Athens Services to Provide Street Sweeping Services

AGENDA TITLE

Approve Agreement with Arakelian Enterprises, Inc., DBA Athens Services to Provide Street Sweeping Services, for a Total Amount not to Exceed \$64,572,750 for up to 15 Years (Specification No. 23-007) (General Fund and Non-General Fund)

RECOMMENDED ACTION

Authorize the City Manager to execute an agreement with Athens Services to provide street sweeping services at a base amount of \$3,913,500, with an annual contingency of \$391,350, for a total annual amount of \$4,304,850, plus allowance for an annual adjustment based on the Consumer Price Index, for a ten-year initial term totaling \$43,048,500, beginning on July 1, 2024 and expiring June 30, 2034, with an option for one, five-year extension totaling \$21,524,250, for an aggregate amount not to exceed \$64,572,750, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

The Public Works Agency's Maintenance Services Division is responsible for keeping the City's streets clean and visually appealing for the safety and well-being of its residents. Street sweeping is a critical maintenance task that involves removing debris such as leaves, trash, glass, and metal particles from streets and gutters to prevent causing damage to the public and from entering the storm drain system, as mandated by state and federal laws. To achieve this objective, Staff performed an in-house cost of service analysis and requested proposals for street sweeping services from service providers who have the capacity to enhance the quality of services and adhere to the new rules set by the State of California Department of Industrial Relations (DIR).

Staff considered the option of performing street sweeping with City Fleet. Staff has determined this option is not viable at this time; this option presents challenges due to significant costs of the equipment at over \$550,000 per sweeper, fleet procurement delays, the need to hire additional staff to operate and maintain the equipment, and other facility considerations. The estimated average annual cost for performing street sweeping with in-house resources is nearly \$11 million for the first year alone due to fleet procurement, over \$5.5 million the second year, and increasing annually thereafter. Additionally, procurement lead times for street sweeping equipment are currently

estimated between 12 to 20 months from the date of placing the order. As a result, this option would not be implemented until fall 2025. Staff does not recommend this option due to the high cost of equipment, maintenance, staffing challenges to provide consistent service, and unanticipated costs associated with providing in-house services that are not known at this point.

Following the analysis of the in-house option, a Request for Proposals (RFP) No. 23-007 (Exhibit 1) was released on January 27, 2023, outlining the requirements for street sweeping services. The RFP requirements included timely and quality service, excellent customer service, a dedicated field supervisor, and adherence to prevailing wage as determined by the DIR. The RFP was advertised on the City's online bid and management publication system, PlanetBids. A summary of the RFP and proposals received is as follows:

67	Vendors notified
3	Santa Ana vendors notified
20	Vendors downloaded the RFP packet
2	Proposals received
0	Proposals received from Santa Ana vendors

On February 6, 2023, a pre-proposal meeting was held with four sweeping contractors in attendance. The proposal deadline was February 21, 2023 and the City received proposals from two service providers. The Public Works Agency is committed to providing our community with the highest quality of service possible. As such, an experienced committee of professionals from Public Works Maintenance Services and Park Maintenance evaluated the proposals based on various criteria such as experience, reputation, employee training programs, and customer service.

The evaluation committee also assessed the contractor's ability to meet performance schedules, competitiveness of fees, and the business and operational model. Both contractors were invited to the interview phase. Staff also conducted reference checks with other municipalities to determine the most qualified service provider.

The ratings for the two proposers are identified in the table below:

Firm	Location	Rank
Athens Services	Industry, CA	1
CleanStreet, LLC (Owned by SCA of CA, LLC)	Gardena, CA	2

The evaluation committee has analyzed the proposals thoroughly and determined that Athens Services (Athens) is the best option to provide street sweeping services. Athens has been the City's service provider for the past 11 years while showing great dedication in delivering top-quality services and excellent customer service. With 36

years of experience, Athens has maintained a successful track record in multiple California cities. Their high-quality proposal presentation and interview, sweeping program plan, dedicated field supervisor model, emphasis on customer service, and adherence to the RFP requirements all contributed to their high rating as the top proposer (Exhibit 2). Therefore, it is highly recommended that Athens Services be awarded the agreement (Exhibit 3).

After a thorough evaluation process, Athens and City Staff have come to an agreement on several key contract terms which include a \$53.05 per curb mile, eight street sweepers, utilization of the City yard for eight parking spaces and office space, and a full-time Operations Supervisor (Exhibit 4). The agreement will expand street sweeping service from five sweepers to eight and will be enforced for ten years with an option to renew for an additional five years, and an annual adjustment based on the Consumer Price Index (CPI). The agreement will require Athens Service to adhere to all laws pertaining to the Street Sweeping Service including labor laws as established by the California Division of Occupational Safety and Health (Cal/OSHA), California Labor Code, California Code of Regulations, and more specifically, labor laws as established by the Department of Industrial Relations pertaining to Prevailing Wage.

The new agreement is focused on increasing the citywide level of street sweeping services. In addition to the weekly street sweeping service of all residential streets, the agreement will now be increased to include twice a week sweeping of all arterial and commercial streets, twice a month sweeping of all industrial streets, and weekly sweeping of the alleys. Additionally, this agreement will also include bike lane sweeping as a backup to the City's current provided service, park parking lots, and emergency response services (Exhibit 5).

FISCAL IMPACT

Cost for this contract will be included in the proposed budget for FY 2024-25 for City Council consideration. Funding for subsequent fiscal years and optional renewal terms will be included in the proposed budgets for City Council consideration. Any remaining balances not expended at the end of the fiscal year will be carried forward to the following fiscal year. Estimated base expenditures per fiscal year are as follows (excluding annual CPI):

Fiscal Year	Accounting Unit - Account #	Fund Description	Accounting Unit, Account Description	Base Amount (Excludes CPI)
<i>Contract (10-Year Term)</i>				
2024-25	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850

Fiscal Year	Accounting Unit - Account #	Fund Description	Accounting Unit, Account Description	Base Amount (Excludes CPI)
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcmnt, Contract Services-Professional	\$200,000
2025-26	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcmnt, Contract Services-Professional	\$200,000
2026-27	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcmnt, Contract Services-Professional	\$200,000
2027-28	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcmnt, Contract Services-Professional	\$200,000
2028-29	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcmnt, Contract Services-Professional	\$200,000

Fiscal Year	Accounting Unit - Account #	Fund Description	Accounting Unit, Account Description	Base Amount (Excludes CPI)
2029-30	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcment, Contract Services-Professional	\$200,000
2030-31	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcment, Contract Services-Professional	\$200,000
2031-32	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcment, Contract Services-Professional	\$200,000
2032-33	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcment, Contract Services-Professional	\$200,000
2033-34	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcment, Contract Services-Professional	\$200,000

Fiscal Year	Accounting Unit - Account #	Fund Description	Accounting Unit, Account Description	Base Amount (Excludes CPI)
Subtotal Contract (10-Year Term):				\$43,048,500
Optional Contract Extension (5-Year Term)				
2034-35	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcment, Contract Services-Professional	\$200,000
2035-36	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcment, Contract Services-Professional	\$200,000
2036-37	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcment, Contract Services-Professional	\$200,000
2037-38	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcment, Contract Services-Professional	\$200,000
2038-39	06817641-62300	Sanitation Fund	Pub Wks-Roadway Cleaning, Contract Services-Professional	\$4,104,850

Fiscal Year	Accounting Unit - Account #	Fund Description	Accounting Unit, Account Description	Base Amount (Excludes CPI)
	01117651-62300	General Fund	PWA Park Maintenance Serv Enhcment, Contract Services-Professional	\$200,000
Subtotal Contract (5-Year Term) :				\$21,524,250
TOTAL :				\$64,572,750

EXHIBIT(S)

1. Request for Proposal – Street Sweeping Services
2. Athens Services - Proposal Response
3. Agreement with Athens Services
4. Athens Services – Updated Proposal
5. Athens Services – Proposal of City Park’s Parking Lots

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Kristine Ridge, City Manager