



Recommendation for Action

File #: 22-2417, Agenda Item #: 45.

7/28/2022

Posting Language

Authorize an amendment to a contract with Pritchard Industries Southwest, Inc. for continued janitorial services, to increase the amount by \$377,000 and to extend the term by one year, for a revised total contract amount not to exceed \$1,887,244.

(Note: This contract was awarded in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this contract, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note:

Funding in the amount of \$62,802 is available in the Fiscal Year 2021-2022 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

Prior Council Action:

June 15, 2017 - Council approved the original contract, item 34, on an 11-0 vote.

For More Information:

Inquiries should be directed to Melita Harden, at 512-322-6149 or Melita.Harden@austintexas.gov [<mailto:Melita.Harden@austintexas.gov>](mailto:Melita.Harden@austintexas.gov).

Council Committee, Boards and Commission Action:

July 18, 2022 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The proposed amendment is to extend the term and funding authorization for continued janitorial services at select emergency management operations and mission critical Austin Energy (AE) locations. This proposed amendment will provide for sufficient service coverage until such time as the cojoined citywide janitorial contract can be considered by City Council in 2023. The current extension option expires on October 15, 2022. The contract services the Combined Transportation Emergency and Communication Center, the System Control Center, and the Backup Control Center as they are mission critical 24/7 operational facilities and essential janitorial coverage is needed.

Pursuant to City Council Resolution No. 20190822-067, which relates to the use of contracts for general services or labor-intensive services, AE has further analyzed the opportunity to in-source janitorial services through a partnership with the Building Services Department (BSD). AE and the BSD successfully transitioned four locations to date to insourced janitorial staff through the BSD.

The insourcing strategy for janitorial services has been met with challenges due to the City experiencing unprecedented and rapidly accelerating growth. This coupled with the systemic labor shortages attributed to the pandemic, which has resulted in local labor shortages and extreme cost of living increases beyond that of most other US cities. With janitorial functions being essential to AE operations, AE foresees the need to continue a hybrid of insourced and contracted services for the near-term. AE will continue to assess, in partnership with the BSD, continued insourced janitorial services options on an annual basis to align with the intent of the resolution.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Current Contract Authorization</u>	<u>Requested Additional Authorization</u>	<u>Revised Total Authorization</u>
Initial Term	2 yrs.	\$ 569,648		\$ 569,648
Extension Option 1	1 yr.	\$ 291,532		\$ 291,532
Extension Option 2	1 yr.	\$ 291,532		\$ 291,532
Extension Option 3	1 yr.	\$ 291,532		\$ 291,532
Contract Amendment	3 mos.	\$ 66,000		\$ 66,000
Proposed Amendment	1 yr.		\$377,000	\$ 377,000
TOTAL	6 yrs., 3 mos.	\$1,510,244	\$377,000	\$1,887,244

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Strategic Outcome(s):

Economic Opportunity and Affordability, Government that Works for All.