



Office of the City Manager

CONSENT CALENDAR

October 24, 2006

To: Honorable Mayor and
Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Submitted by: Robert Hicks, Acting Director, Finance

Subject: Contract: Uniform Rental and Laundry Services

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to enter into a contract with Aramark Uniform Services to provide rental and laundering of uniforms, walk-off mats, towels, and miscellaneous items for various departments, as needed for a period of two years from July 1, 2006 through June 30, 2008, not to exceed \$150,000 per year.

FISCAL IMPACTS OF RECOMMENDATION

The City is currently spending approximately \$170,000 per year with Aramark. They supply and launder uniforms, towels, and walk-off mats for the following departments: Public Works; Parks, Recreation and Waterfront (PRW); and City Manager's Office– Animal Services. The City intends to piggyback off the City of Sunnyvale's competitively bid Request for Proposal (RFP) F0402-33, and Aramark has agreed to extend Sunnyvale's pricing to the City of Berkeley as of August 14, 2006. Based on Sunnyvale's pricing, a usage analysis indicates the City will realize savings of about \$20,000 per year. The \$150,000 to be expended in FY 2007 and FY 2008 will be drawn from nine different funds across the participating departments. FY 2007 funding for uniforms is included in department budgets, and FY 2008 funding is planned but contingent upon the adoption of the FY 2008 budget.

CURRENT SITUATION AND ITS EFFECTS

The City is using Aramark to provide rental and laundering of uniforms, walk-off mats, towels, and miscellaneous items for various departments. Purchase Orders (POs) have been used to pay for most of these services since FY 2002 when Resolution 59,968-N.S. expired.

Finance–General Services reviewed many Citywide POs from FY 2006 and noted that several departments used Aramark for uniform rental and laundering services, and POs were being used to pay for these services. PRW used a Purchase Order with Aramark for services in FY 2006 (Resolution 63,269-N.S.) for an amount not to exceed \$39,000. In addition, Public Works received Council authorization for Aramark services provided during FY 2006 in Resolutions 63,227-N.S., 62,857-N.S., and 63-421-N.S., for a total of \$47,952. No other individual

department's expenditures exceeded the \$25,000 threshold for expenses requiring Council authority.

Finance-General Services determined that it would be in the best interests of the City to aggregate the dollars spent for Aramark services in FY 2007 and FY 2008. This report recommends Council approve executing a contract with Aramark to provide uniform rental, laundering, and other miscellaneous services for the various departments in the City, since the total Citywide expenses are anticipated to exceed the threshold of City Manager approval authority for services, currently set at \$25,000. This will serve as a centralized contract and payment authority to consolidate these purchases for all of the various departments.

BACKGROUND

The City Council adopted Resolution 59,968-N.S. for uniform rental and laundry services on April 13, 1999 for a 3-year term, which was based on the City of Sunnyvale's competitive bid. Sunnyvale exercised options to extend its contract with Aramark several times, and in March 2005 re-bid the contract. There were three responses to the 2005 Sunnyvale RFP F0402-33. Aramark was deemed the best value by Sunnyvale's evaluation team, and its City Council awarded a 3-year contract in 2005, with options to extend for an additional two years.

Funds are routinely budgeted for uniform and other laundry services, and the MOU between the City and Local 790 has a provision to supply protective clothing to employees in Equipment Maintenance, Refuse, and Streets and Sanitation, at no cost to the employee. By accessing the pricing available from the Sunnyvale contract, the City will save approximately \$40,000 over the next two years. Typically, uniform rental contracts are long in duration due to the tremendous amount of time it takes to convert from one uniform provider to another, and the City of Berkeley has been satisfied with the services provided by Aramark. Continuing with this uniform and laundry services provider will avoid both the significant costs associated with changing vendors, and the disruption to City services that would be experienced with a change at this time.

RATIONALE FOR RECOMMENDATION

Finance-General Services is requesting Council approval, on behalf of various City departments, to piggyback off the competitively awarded bid from the City of Sunnyvale. The contract with Aramark would run from July 1, 2006 through June 30, 2008, for an amount not to exceed \$150,000 per year. This timeframe allows City of Berkeley staff the opportunity to evaluate their uniform needs and, if beneficial, prepare a comprehensive bid package sufficiently in advance of the next contract, without causing undue disruption to City services.

As already noted, changing uniform laundry services now could entail a significant cost, and cause disruption to the City. Expenses include replacement costs for lost or damaged uniforms, and staff time to reconcile accounts. Disruption would include employees having to return their existing uniforms, being fitted with new uniforms, and resolving discrepancies between the City and uniform provider (for example, number of garments due for return to the vendor). New uniforms would have to be chosen, received and dispensed, and the inevitable errors (size, color, employee name, type of garment, etc.) would have to be corrected, taking many hours of staff

time (estimated by City of Sunnyvale at two hours per employee). City departments that would be associated with a change in providers do not currently have the capacity to incur this expense of money or labor.

In addition, the City has presented Aramark with a draft copy of the Sweat-Free Ordinance, and they assert that their factories are compliant with the language of the Ordinance. Aramark has several factories in Mexico that are operated by Aramark employees, and the company is willing to self-certify they are compliant with the language of the draft Ordinance. In association with existing contracts and POs, Aramark has already submitted its compliance with all other related City requirements.

ALTERNATIVE ACTIONS CONSIDERED

Preparing a new RFP and soliciting bids was considered, but would take extensive staff time to evaluate needs and gather all the necessary information for a comprehensive process. Finance–General Services and other departments’ staff do not believe it is currently in the City’s best interest to utilize staff time in this way: changing vendors without preparations would be a disruption to City services; and there is not staff capacity to carry this out.

CONTACT PERSON

Sharon Thygesen, General Services Manager, Finance, (510) 981-7329

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT TO PROVIDE UNIFORM RENTAL AND LAUNDRY SERVICES

WHEREAS, uniforms, and laundry services are required by various City departments; and

WHEREAS, providing protective clothing and equipment to authorized City employees is part of the provisions of bargaining unit SEIU 790, and is necessary for City workers to get their jobs done in a safe and uniform manner; and

WHEREAS, the Council of the City of Berkeley finds that the bid procedures used by the City of Sunnyvale to contract for uniform and laundry services satisfies the bid requirements of Berkeley City Charter 6.7; and

WHEREAS, funds are available in the FY 2007 department budgets (across multiple funds).

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the bid of Aramark Uniform Services to the City of Sunnyvale is hereby accepted.

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to execute a contract and any amendments, extensions or change orders with Aramark Uniform Services from July 1, 2006 through June 30, 2008 to provide uniform rental and laundry services in an annual amount not-to-exceed \$150,000 per year through June, 30, 2008. A record signature copy of this contract will be on file in the Office of the City Clerk.