

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winqest
Interim General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance

SUBJECT: Review, discuss, and award Recreation Center Janitorial Services Contract to CC Cleaning Service effective November 16, 2019 in the amount of \$67,340 and review, discuss and award of the Diamond Peak Ski Resort Janitorial Services Contract to CC Cleaning Service, LLC in the amount of \$39,000 effective the start of their one hundred and twenty-one-day season which is yet to be determined and approve establishing one (1) Full Time and two (2) Seasonal Part Time Custodian Positions in Buildings Maintenance effective November 1, 2019 with an annual budget of approximately \$86,010.

STRATEGIC PLAN: Long Range Principle #2 – Finance
Long Range Principle #4 - Service
Long Range Principle #5 – Assets and Infrastructure

DATE: October 16, 2019

I. RECOMMENDATION

1. Staff recommends award of the Recreation Center Janitorial Services Contract to CC Cleaning Service, LLC in the amount of \$67,340 effective November 16, 2019.
2. Staff recommends award of the Diamond Peak Ski Resort Janitorial Services Contract to CC Cleaning Service, LLC in the amount of \$39,000 effective the start of their one hundred and twenty-one-day season which is yet to be determined.
3. Authorize Staff to execute all documents based on a review by General Counsel and Staff.

Review, discuss, and award Recreation Center Janitorial Services Contract to CC Cleaning Service effective November 16, 2019 in the amount of \$67,340 and review, discuss and award of the Diamond Peak Ski Resort Janitorial Services Contract to CC Cleaning Service, LLC in the amount of \$39,000 effective the start of their one hundred and twenty-one-day season which is yet to be determined and approve establishing one (1) Full Time and two (2) Seasonal Part Time Janitorial Positions in Buildings Maintenance effective November 1, 2019 with an annual budget of approximately \$86,010.

-2-

October 16, 2019

4. Authorize the addition of one (1) Full Time and two (2) Seasonal Part-Time Custodian positions within the Buildings Maintenance Department of Internal Services effective November 1, 2019 with an annual budget of approximately \$86,010.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #2 – Finance – With allocated resources, equate service expectations and the capability to deliver.

- Comply with Nevada Revised Statutes and Administrative Code requirement for the budget process and document content.

Long Range Principle #4 – Service – The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- The District will provide well defined customer centric service levels consistent with community expectations.

Long Range Principle #5 – Assets and Infrastructure – The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long-term utility services and recreation activities.

- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.

III. BACKGROUND

The Interim General Manager has led an effort to evaluate alternatives to the current use of a District-wide vendor for janitorial services. The purpose of the evaluation was to consider the results over the last few years that currently indicate a lack of effectiveness. The evaluation revealed that (1) variations exist in the needs of certain venues and (2) by approaching the cleaning service contract with a single standard are the root causes. Staff then proceeded to explore a combination of service delivery methods to arrive at a more focused

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accomplishment for each set of needs. The resulting split the District-wide service contract into three separate methodologies. One is a contract service with distinct standards for the Recreation Center. Another contract, which will be executed under the District General Manager’s authority as defined in District Policy 3.1.0, was sought for the Diamond Peak Ski Resort during its 120-day operating season. The rest will be accomplished by the Staff of the District and this addition of Staff positions requires an action by the Board of Trustees.

IV. BID RESULTS

In accordance with NRS 332.115 and District Policy 3.1.0, the District posted a Notice to Bidders on September 20, 2019 for the Recreation Center Janitorial Services. A pre-bid tour occurred on September 24, 2019 with two interested parties in attendance. The District also received interest from a third party that did not attend the pre-bid tour however they indicated their interest. Only one bid was received on October 8, 2019 and that bid result is as follows:

CC Cleaning Services, LLC \$67,340 (Recreation Center)

In accordance with NRS 332.115 and District Policy 3.1.0, the District posted a Request for Proposals on September 20, 2019 for the Diamond Peak Ski Resort Janitorial Services. Facility tours were arranged with Resort Manager. Two proposal quotes were received on October 8, 2019 as follows:

CC Cleaning Services, LLC \$39,000 (Diamond Peak Ski Resort)
Cosmic Prosperity \$44,656 (Diamond Peak Resort)

V. FINANCIAL IMPACT AND BUDGET

During the evaluation phase of considering changes to service methodologies, it became clear that the District would need to consider additional costs to obtain a higher level of service. Since the change was mid-year, we considered the budget for the current method as well as ancillary budgets under Buildings Maintenance as a source for all three methodologies. While the increase for the Recreation Center is substantial over the current contract allocation, it is proportionate to the additional needs for services that have come to light. By using amounts budgeted for contingency building maintenance at each of the affected locations, along with

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existing budget for the current contract service, the overall new costs can be covered. Going forward, the regular budget process can adjust allocations and management. A simple start of making the janitorial service flow through Building Maintenance will allow the fund level budgeting to remain in place.

The three methodologies cost and budget sources are:

Recreation Center Contract Service	\$ 67,340
Diamond Peak Contract Service (120 days)	39,000
1 Full Time & 2 Seasonal Staff costs	<u>86,010</u>
Total annual costs	<u>\$192,350</u>

Existing Budget for Janitorial Services Contract	\$115,480
Buildings Maintenance Contingency	<u>76,870</u>
Total annual budget	<u>\$192,350</u>

VI. ALTERNATIVES

The Board could direct Staff to consider other methods. Many have been discussed at a Staff level and the recommendation to award this contract, along with a Board action item to authorize Staff positions within the Buildings Maintenance Department of Internal Services, is considered the best method.

VII. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

IVGID Janitorial Services Transition from Single Contract

Board of Trustees Presentation

October 30, 2019

Current Provider hired November 16, 2016

- Covers most locations and facilities
- Specified Scope of Work was part of contract
- Monitoring was through Buildings Maintenance and Checklists
- Every location reports some degree of non-compliance with specifications
- Termination has been issued for the District's convenience
- Last day of service by the current provider is November 15, 2019

Approach taken to address situation

- Early on, it was apparent there was a high degree of need for change
- Determined an analysis of current condition would reveal needs that might or might not change the scope of service requests
- Every facility provided feedback on Scope of Present Service, Degree of Execution, Effectiveness of the Current Contractor, and what they might do differently if it were possible
- Evaluated synergies and common themes
- Decided to let needs drive a design to organize delivering a solution

Service Levels as Decision Drivers

- Public Health Standards in Restrooms, Showers and Food Areas
- Volume of Usage
- Nature of Usage (active or sedate), Seasonal or Year Round
- Customer expectations for their experience in our facilities
- Staff assignments to deliver programming versus care and condition
- Staff assignments to deliver care and condition and not programming
- Window of opportunity to refresh or clean facilities vs. operations
- Management structure to monitor performance

Aspects of Facilities as Decision Drivers

- Health and Safety of the Public and Employees
- Design and composition of surface materials in a facility
- Age of and present condition of facilities
- Seasonality and time of day of use
- Variety of programming provided in a facility
- Staff coverage available to meet programming versus care and condition needs during operating hours and off hours

Facility Factors affecting Groupings

- Operating Circumstances with Public Health Considerations:
 - Kitchens
 - Bathrooms
 - Showers
 - Customer areas where food is served
 - Child care or programming
 - Mechanical support facilities (ventilation, storerooms, closets, service equipment)
- Other Operating Considerations:
 - Floors that require mopping versus vacuuming
 - Surface disinfection
 - Cleaning doors, windows and seating with high usage
 - Office with sensitive materials or access
 - Remote locations

Areas too Specialized to be Considered

- Swimming Pools
- Beach Bathrooms and Changing Areas
- Parks and Ballfield Restrooms
- Kitchen, storage, preparation, and service areas
- Ski Patrol Area
- Money Vaults
- Mechanical rooms
- Pump Stations

Recommended Solution Groups

- Stand alone contract to provide Recreation Center cleaning because it has specialty condition with showers, fitness area, all open 364 days with definable static standards of care and condition
- Stand alone contract to provide Skier Services Building and Ski Lodge cleaning for the high season of mid-December to mid-April because of high volume of customer usage and already full schedule by staff and managers
- One FTYR and two PT summer season positions to provide cleaning service to all other venues, coordinated with current Facilities staff assignments
- Retain current delivery system through Parks Staff for Parks & Beaches
- Retain current practices by Food & Beverage Staff in all food areas
- Retain current staff daily cleaning in retail areas (Pro Shops and Hyatt)

Service Coverage by Groups

- Recreation Center – daily cleaning 364 days a year
- Ski Lodge and Skier Administration Building – daily for 120 days of high season by contractor, weekly by Staff crew the rest of the year
- Chateau/Championship Golf & Aspen Grove – daily mid-May to October 1 and twice each week offseason by Staff crew and Facilities Staff
- Mountain Golf – daily mid-May to mid-September and open and closing deep cleaning by Staff crew
- Admin at 893, PW Bldgs. A & B, Crew Quarters – twice weekly year round by Staff crew
- Hyatt, Golf & Tennis Pro Shop – cleaned when open by retail Staff with season breaks deep clean by Staff crew

Organization of Service Delivery

- District Administration is listed as Contract Administrator, with a designated contact authorized to work directly with providers on scope, timing, and performance at each of the Recreation Center and Ski Resort
- FTYR and PT Staff will be part of the Buildings Maintenance Department to facilitate budgeting and method of supervision
- Cleaning crew will be coordinated under the same method used for the dedicated Maintenance 1 position for Public Works
- During 2020-2021 budget process; evaluate and change as needed

Action Plan for Transition

- 9/17/19 – Presentation for acceptance Senior Team
- 9/20/19 – Advertise Notice to Bidders – Recreation Center and release RFQ for Ski Resort, responses opened 10/8/19
- 10/8/19 – Determine we have viable contract options to allow District to issue a Notice of Termination for Convenience to EON as of 11/15/19
- 10/15/19 – Senior Team review on contract award, authorization of staff positions, and indicate any GM actions
- 10/30/19 – BOT action item to award Rec Center Contract & authorize 1 FTYR and 2 PT staff positions under the Buildings Maintenance Department for cleaning crew
- 11/1/19 - Issue notice of award along with notice to proceed as of 11/16/19 for contractors and immediately act to hire FTYR position for cleaning crew

Anticipated Budget Consequences

Anticipated Budget

• General Fund	\$ 6,240
• Public Works	\$ 8,580
• Champ Golf	\$29,400
• Mtn Golf	\$ 5,040
• Chateau & AG	\$36,750
• Ski Resort	\$39,000
• Rec Center	<u>\$67,340</u>
• Total	<u>\$192,350</u>

Current Budget for Contract

• General Fund	\$ 4,100
• Public Works	\$13,000
• Champ Golf	\$ 8,180
• Mtn Golf	\$ 3,000
• Chateau & AG	\$17,200
• Ski Resort	\$31,500
• Rec Center	<u>\$38,500</u>
• Total	<u>\$115,480</u>

Financing Gap between Contract Budget and Anticipated Action Plan

• Current Budget	\$115,480
• Use of Budgeted Buildings Maintenance Contingency:	
• General Fund	2,140
• Championship Golf	20,220
• Mountain Golf	18,120
• Chateau	17,040
• Aspen Grove	7,296
• Ski Lodge	4,980
• Recreation Center	14,640
• Excess that can still serve Bldgs. Maint.	<u>(7,566)</u>
Total	<u>\$192,350</u>

Anticipated Annualized Budget

• Recreation Center Contract		\$67,340
• Ski Lodge & Administration Bldg Contract		39,000
• FT Benefited Position	Wage 2080 X \$18	37,440
	Full Benefits Ins, Ret, Tax	29,536
• PT 2 Seasonal Hourly	Wage 2 x 16 x 24 x \$16	12,288
	Taxes	4,916
Contingency		<u>1,830</u>
Total		<u>\$192,350</u>

Remaining Steps

- Develop FTYR and PT Job Descriptions and all related materials
- Action on Staff report for the Board of Trustees
- Keep encouraging patience and understanding by Managers for locations that are under served by present contractor
- Use alternative solutions for locations to maintain good conditions
- Do our best to avoid creating a barrier or excessive problem to start transition for new staff or contractor

Action Items

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Authorize Staff to execute all documents based on a review by General Counsel and Staff.

Authorize the addition of one (1) Full Time and two (2) Seasonal Part-Time Custodian positions within the Buildings Maintenance Department of Internal Services effective November 1, 2019 with an annual budget of approximately \$86,010.