

The logo of the City of El Segundo, featuring a circular seal with a building and the text "CITY OF EL SEGUNDO" around the perimeter.

CITY OF
EL SEGUNDO

Citywide Street Sweeping Services

September 3, 2024
City Council Meeting

BACKGROUND

- Nationwide Environmental Services has been serving El Segundo since 1994
- Nationwide was selected as the lowest bidder after City released an RFP for citywide street sweeping services.
- The City has amended the agreement with Nationwide twice for an additional 10 years
- The City amended the agreement with Nationwide for an additional five years through September 30, 2024
- Staff recommends a new agreement with Nationwide for an additional five years adhering to prevailing wage requirements. With a five-year extension option

1994

2009

2014

2019

2024

SCOPE OF WORK / FEE SCHEDULE

Services

- Weekly Street Sweeping
- Weekly Sweeping of Parking Lots
- Special Event/On Call Street Sweeping

Category	Annual Cost 23/24 Current	Annual Cost 24/25 New
Weekly Sweeping Streets & Alleys (8,570 Curb Miles)	\$199,167	\$452,774
Weekly Parking Lot Sweeping (13,382,200 Sq. Ft.)	\$17,437	\$39,670
Special Event/ On Call Sweeping	Free of Charge	Free of Charge
Total	\$216,604	\$492,444

PREVAILING WAGE

- Historically, street sweeping services were not subject to prevailing wage requirements
- The prevailing wage requirement radically affects the price of the street sweeping services.
- The prevailing wage requirement remains potentially in flux, for that reason the proposed agreement includes provisions requiring negotiation if circumstances change

2019
Prevailing
wage not
required

2021
Department of
Industrial
Relations (DIR)
Prevailing
Wage Ruling

2023
Ruling
challenged
by SCA of
CA, LLC

2024 (ongoing)
Legislative
challenge that
street sweeping is
subject to
prevailing wage

2024 (ongoing)
City Attorney's
Office & League
of Cities seek
wage
determination
from DIR

FISCAL IMPLICATIONS

- The cost for the first year of service under the new agreement would be \$522,444 (\$492,444 + \$30,000 contingency)
- Amount budgeted in FY24-25 is \$217,000.
- Additional appropriation from general fund reserves needed of \$306,000 to cover the difference.

STAFF RECOMENDATIONS

- Authorize City Manager to execute a five-year agreement with Nationwide, with a five-year extension option, for citywide street sweeping services in an amount not to exceed \$2,817,235.28, including \$30,00 annual contingency.
- Alternatively, the City Council may authorize the City Manager to execute an amendment to Agreement with Nationwide Environmental Services to extend the term for six months, with the addition of a prevailing wage requirement, which would require an additional appropriation of \$153,000 for FY 2024-25. During the six-month extension, staff would issue a request for proposals for street sweeping services and return to City Council with a proposed agreement.

Questions?

Contingency Amount

- The proposed agreement provisions include an annual contingency amount of \$30,000
- This would potentially cover fuel pricing adjustments and or additional streets or parking lots added throughout the five-year term.
- The formula for fuel pricing adjustment includes percentage of operating costs 10.6% and CNG base rate of \$4.79 per gallon
- Example -In the first month of the first year of the contract term, the average price of fuel is \$4.89 per gallon. MONTHLY PAYMENT = \$41,034.82 + [0.106 x \$41,034.82 x [(\$4.89/\$4.79) - 1] = \$41,125.6