



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM



Date: February 28, 2022

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager
Rob Maleszyk, Chief Financial Officer
Lisa Burnham, Controller
Kurt Bovensiep, Public Works Director
Dennis Trantham, Facilities and Grounds Operations Manager
Emily Frontera, Purchasing Manager

Subject: Contract Amendment: Janitorial Services Increase (Introduced by Dennis Trantham, Facilities & Grounds Operations Manager)

History

The Facilities and Grounds Division of the Department of Public Works is responsible for the comprehensive oversight of the citywide janitorial services contract. On June 4, 2018 the Troy City Council awarded a three-year contract to DM Burr of Flint Michigan to provide janitorial services (Resolution #2018-06-098). On October 3, 2019 DM Burr notified the City of Troy that they could no longer provide janitorial services at the provided rate. Reasons cited were the increased costs of supplies along with the inaccurate hours captured to complete all the tasks within the facilities. City Management met and decided that it was not in the best interest of the City of Troy to accept the proposed increase to the original contract and to start the RFP process to implement a new contract effective on July 1, 2020. DM Burr was able to participate in the RFP process. During the RFP process insourcing was examined and found to not a cost-effective option at this time.

At the March 16, 2020 meeting of the Troy City Council, RNA Facilities Management of Ann Arbor, MI was awarded a three (3) year contract with three (3) opportunities to renew their three-year (3) contract upon mutual agreement (Resolution #2020-03-051). RNA was awarded at the very beginning of the COVID pandemic. The further decline of janitorial services from the previous provider lead the City of Troy to begin the janitorial services contract before July 1, 2020. RNA has provided good service to the City of Troy and has responded well to the additional requests of cleaning and disinfecting related to the global pandemic.

On January 12, 2022 RNA approached the City of Troy and asked for an increase to provide higher salaries in an effort to competitively recruit quality staff. RNA has submitted a request for an additional \$9,265 per month for the sole purpose of raising salaries and contains no additional profit for the company. The JanSan Industry has been hit hard with the effects of the pandemic, increased workload coupled by a reduced workforce. The requested increase is in line with what other service-based industries are experiencing.



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Purchasing

- Employment issues and the increasing cost of hourly wages continue to affect the hiring and retention of highly productive employees in every industry.
- Data from the US Bureau of Labor Statistics shows the CPI has increased 1.1 percent over the past two months and is up 7 percent from a year ago.
- Based on the current economic statistics and the high rate of inflation, the City would not benefit in soliciting new proposals for janitorial services.
- RNA Facilities Management continues to provide a best value service for citywide janitorial services and City Management is in mutual agreement with the proposed monthly increase.
- It is in the best interest of the City to amend the contract at the proposed increases of \$9,265 for the remainder of the current contract year and \$9,402.52 for year three, as detailed in the attached letter, effective March 1, 2022.

Financial

The resulting proposed increase exceeds the FY22 budgeted amount, however, a budget amendment will not be required due to the realized savings from several unfilled custodial positions throughout this fiscal year. The increase in costs will be charged to the various departments and funds.

The increase in cost will be included in the FY23 Budget.

The costs for any additional casual labor or furniture moving are available in the various department operating/capital budgets as needed.

Recommendation

City Management recommends approving the requested increase of \$9,265 per month for the remainder of the current contract year and \$9,402.52 for year three for Janitorial Services for Proposal A to *RNA Facilities Management of Ann Arbor, MI* effective March 1, 2022. It is also recommended that the as needed casual labor and furniture moving rate provided in Price Proposal C be increased by \$3.00 per hour from \$18.00 to \$21.00 effective March 1, 2022.

A photograph of a clean, bright hospital hallway with white walls, blue accents, and rows of chairs on the left side. The hallway leads to a set of double doors at the end.

2022

Janitorial-
Request for
Rate Increase

RNA
FACILITIES MANAGEMENT

In Partnership With:



February 10, 2022



To Whom It May Concern,

Our highest priority is to continue maintaining the exemplary level of service provided to the City of Troy. May this letter serve as a formal request to increase the monthly custodial rate by +\$9,265.00.

In light of the ever-increasing cost of living, we feel this will positively enhance our Human Resources Department's ongoing quest to recruit and land high-producing staff members for the City by offering more competitive earnings.

The proposed added cost, shared across all 16 City sites, in no way affects our bottom line. A profit motive does not drive this request. We intend it to benefit the employees by increasing their salaries directly. Specifically, weekday employees will bump up to \$15.00 per hour, with weekend staff receiving an elevated rate of \$16.00 per hour. The proposed increases are on the following page for your review.

Your consideration is sincerely appreciated.

Thank you kindly,

A handwritten signature in blue ink that reads "Mike Farha".

Mike Farha
Chief Operating Officer
734-260-3395

www.RNAFM.com | Mfarha@rnafm.com



ORIGINAL COST DETAIL



COST COMPARISONS

PROPOSED NEW RATE



#	CITY FACILITY Location	Square ft cleaned	Estimated daily minimum hours	Monthly Cost Year 2 of 3	Monthly Cost Year 3 of 3
1.	CITY HALL 500 W Big Beaver	49,450	22	\$11,529.00 \$13,192.67	\$11,701.00 \$13,389.49
2.	POLICE DEPARTMENT 500 W Big Beaver	55,215	24	\$12,511.00 \$14,316.38	\$12,698.00 \$14,530.36
3.	52-4 DISTRICT COURT 520 W Big Beaver	29,000	14	\$8,464.00 \$9,685.38	\$8,590.00 \$9,829.57
4.	LIBRARY 510 W Big Beaver	44,500	10	\$12,288.00 \$14,061.20	\$12,471.00 \$14,270.61
5.	DEPARTMENT of PUBLIC WORKS 4693 Rochester	9,500	4	\$1,884.00 \$2,155.87	\$1,912.00 \$2,187.91
6.	PARKS GARAGE 4695 Rochester	1,800	2	\$471.00 \$538.97	\$478.00 \$546.98
7.	TRANSIT CENTER 1201 Doyle	2,600	1.5	\$477.00 \$545.83	\$484.00 \$553.84
8.	FIRE STATION 1 1019 E Big Beaver	2,175	2	\$419.00 \$479.46	\$425.00 \$486.33
9.	FIRE STATION 2 5600 Livernois	2,320	2	\$446.00 \$510.36	\$452.00 \$517.23
10.	FIRE STATION 3 2400 W Big Beaver	3,000	2	\$577.00 \$660.26	\$585.00 \$669.42
11.	FIRE STATION 4 2117 E Maple	5,900	3	\$1,136.00 \$1,299.93	\$1,153.00 \$1,319.38
12.	FIRE STATION 5 6399 John R	2,000	1.5	\$384.00 \$439.41	\$389.00 \$445.13
13.	FIRE STATION 6 5901 Coolidge	1,920	1.5	\$369.00 \$422.25	\$374.00 \$427.97
14.	FIRE/POLICE TRAINING CENTER 4850 John R	6,915	2.5	\$996.00 \$1,139.73	\$1,010.00 \$1,155.75
15.	COMMUNITY CENTER 3179 Livernois	53,045	33	\$11,261.00 \$12,886.00	\$11,429.00 \$13,078.24
16.	STAGE NATURE CENTER 6685 Coolidge	8,100	2.5	\$993.00 \$1,136.29	\$1,007.00 \$1,152.31
MONTHLY COST FOR JANITORIAL SERVICES LOCATIONS 1-16				\$64,205.00 \$73,470.00	\$65,158.00 \$74,560.52

MONTHLY COST DIFFERENCE:

+\$9,265.00

+\$9,402.52

