



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL
From the CITY MANAGER

DATE: February 28, 2023

SUBJECT: RESOLUTION AUTHORIZING THE TRANSFER AND APPROPRIATION OF UNALLOCATED GENERAL FUND RESERVES TO THE PUBLIC WORKS OPERATING ACCOUNT FOR A MONTH TO MONTH CONTRACT THROUGH JUNE 30, 2023 WITH SWEEPING CORPORATION OF AMERICA FOR STREET SWEEPING SERVICES

ISSUING DEPARTMENT: Public Works

SUMMARY:

Issues:

Should the City Council adopt a Resolution authorizing an appropriation of unallocated general fund reserves to the Public Works operating account for street sweeping services through June 30, 2023 with Sweeping Corporation of America?

Recommendation:

Adopt the Resolution authorizing the transfer and appropriation of unallocated general funds to the Public Works operating account for street sweeping services through June 30, 2023 with Sweeping Corporation of America.

Fiscal Impact:

The additional funding necessary would be transferred from the unallocated reserves. A transfer and appropriation of an amount not-to-exceed \$80,000 from General Funds Reserve for Encumbrances Account 101-3930 to Public Works Street Cleaning Operating Account 3103-6430.

City's Strategic Goals:

- Continue to improve high quality municipal services

BACKGROUND:

On June 12, 2018, the City Council awarded a street sweeping maintenance contract to Cannon Pacific Services, Inc. DBA Pacific Sweeping. The award included the option to renew the contract for up to four, one-year terms. The third renewal with Pacific Sweeping included a contract total of \$174,250. For FY22-23, the final term of the agreement, the Public Works Department budgeted \$182,680 for street sweeping services.

Pacific Sweeping was purchased by Sweeping Corporation of America (SCA) in March, 2021 and has become the only sweeping company in the region with the ability to perform street sweeping in the frequency and volume required for the City of La Mesa and other municipalities that do not perform sweeping in-house.

DISCUSSION:

In October of 2021, the State of California Department of Industrial Relations (DIR) determined that street sweeping maintenance services constituted “public works” and therefore subject to prevailing wage requirements. The DIR expanded the definition of “public works” to include street sweeping (the maintenance performed for the routine cleaning of any publicly owned or publicly operated street, road, or highway done to under contract and paid for in whole or in part out of public funds). This action by the state immediately increased the cost to the City from \$23.82/curb mile to \$56.45/curb mile.

However, in August of 2022, the Legislature failed to put into law a provision in the state code that street sweeping was subject to prevailing wage requirements.

Consequently, the temporary change of contract rates due to the prevailing wage requirements created a deficit in our allocated budget for street sweeping. SCA’s 2018 contract rates for services did not include prevailing wage rates. SCA has raised their service rates for all municipalities contracting services and La Mesa has not been spared from these increases.

Considering these changes, the Department is preparing to solicit for bids for a new street sweeping contract in March. Although SCA currently is the only street sweeping vendor in San Diego County, staff anticipates there may be other vendors in the region that might be interested in bidding. So as to continue to maintain street sweeping services through June, the Department will be going to month-to-month services with SCA at their current rates. In order to maintain the current level of street sweeping services in La Mesa, an additional appropriation

of \$80,000 is necessary due to the State mandated changes in the cost of these services.

CONCLUSION:

Staff recommends the City Council adopt the attached resolution (Attachment A), authorizing the appropriation from unallocated general fund reserves to the Public Works operating account for the increased cost of sweeping services for the remainder of the fiscal.

Reviewed by:



Greg Humora
City Manager

Respectfully submitted by:



Michael Throne
Director of Public Works



José G. Ornelas
Assistant Director of Public Works

Attachments: A. Resolution