

June 30, 2003

Honorable Mayor and Members of  
The Hermosa Beach City Council

Regular Meeting of  
July 8, 2003

## **AMENDMENT TO STREET SWEEPING CONTRACT**

### **Recommendation:**

It is recommended that the City Council approve an amendment of the street sweeping contract with Clean Street to eliminate bonding requirements.

### **Discussion:**

The contract with Clean Street expires June 30, 2004. Staff received a letter from Clean Street dated May 22, 2003 (copy attached), stating that the City would save a total of \$4,717 if we eliminate the bonding requirement. The Section 2.1.9 of the specifications for this contract require the contractor to furnish a Performance Bond and a Payment Bond. These are normal Public Works requirements for construction contracts where these bonds guarantee satisfactory completion of the project (Performance Bond) and also guarantee that the contractor pays his subcontractors and suppliers (Payment Bond).

When discussing a service contract such as street sweeping, these bonds provide no value to the City. If the contractor fails to perform, the contract can be terminated. Also, a street sweeping company has no subcontractors or suppliers with whom they contract. Staff believes this is simply an oversight to include "boiler plate" requirements that do not apply to the service provided. Therefore, staff recommends eliminating the requirement that these bonds be submitted. The contractor is passing on the entire cost savings of \$4,717 to the City and has provided evidence of these amounts.

### **Fiscal Impact:**

Elimination of the bond requirement will result in a savings of \$4,717 for street sweeping in FY 2003-04.

Attachments: CleanStreet letter dated May 22, 2003

Respectfully submitted,

Concur:

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Richard D. Morgan, P.E.  
Director of Public Works/City Engineer

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Stephen R. Burrell  
City Manager

Noted for Fiscal Impact:

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Viki Copeland  
Finance Director