



## Legislation Text

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**File #:** 18-1031, **Version:** 1

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MOTION TO APPROVE THE AGREEMENT WITH FACILITY CONTRACT SERVICES, LLC. FOR PROFESSIONAL EMPLOYMENT SERVICES FOR AN INITIAL FIVE YEAR TERM, COMMENCING ON OCTOBER 1, 2018, IN THE BEST INTEREST OF THE CITY PURSUANT TO SECTION 35.18 (C)(8) OF THE PROCUREMENT CODE.

### **SUMMARY EXPLANATION AND BACKGROUND:**

1. On June 20, 2018, the City's Administration brought forward an Agenda Item to approve the advertisement of various solicitations including AD-18-05 "Professional Employment Services."
2. At the June 20, 2018 City Commission meeting, the City Commission approved a motion to remove the advertisement of AD-18-05 "Professional Employment Services" and to renegotiate a contract with the current service provider, Facility Contract Services, LLC. (FCS).
3. Administration has re-negotiated a new agreement with Facility Contract Services, LLC. for an initial five year term, commencing on October 1, 2018. In addition, the agreement shall be renewed for two (2) additional five (5) year terms at the expiration of the initial term and upon mutual agreement of the parties unless notice of intent not to renew is provided more than 180 days prior to the expiration of the agreement. The re-negotiated agreement includes:
  - Burden Rate: Reduced from 21.5% to 20%
  - Administrative Fee: \$1,500 per month.
  - On-Site Support Staff: Must provide one full time and one part time FCS staff member to administer the contract.
  - Benefits: Will provide medical, dental, life, and 401(k) as contained in the agreement.
4. As a result of the negotiations, Administration anticipates an estimated annual savings of approximately \$121,000 in administrative burden.
5. Section 35.18(C)(8) "Best Interest of the City" of the City's Procurement Code states "Purchases of and contracts for commodities or services are exempt from this section when the City Commission declares by a simple majority affirmative vote that the process of competitive bidding and competitive proposals is not in the best interest of the City. The City Commission shall make specific factual findings that support its determination, and such contracts shall not be placed on the City Commission consent agenda."
6. Below are the factual findings:
  - On December 3, 2008, the City Commission approved to assign the agreement with Haskell Company (that was originally approved on June 21, 2000) to Facility Contract Services, LLC.
  - Facility Contract Services, LLC. has performed an extraordinary job in providing professional

employment services to the City of Pembroke Pines throughout the term of the contract.

- The City of Pembroke Pines still currently has an agreement which is in effect and the re-negotiated agreement will provide terms that are more favorable to the City of Pembroke Pines.
- Administration estimates an annual savings of \$121,000 under the re-negotiated agreement.
- By continuing to utilize Facility Contract Services, LLC., the FCS employees that have been providing services for a number of years would not need to worry about changes in their employment, including accrued time and benefits, if the City was to change service provider.

7. Request Commission to approve the agreement with Facility Contract Services, LLC. for Professional Employment Services for an initial five year term, commencing on October 1, 2018, in the Best Interest of the City pursuant to Section 35.18(C)(C) of the Procurement Code.

#### FINANCIAL IMPACT DETAIL:

**a) Initial Cost:** Estimated annual cost of \$14,034,118 (\$14,155,118 was the proposed budet for FY 2018-19, and has been reduced the estimated annual savings of approximately \$121,000 in administrative burden)

**b) Amount budgeted for this item in Account No:** Funds are budgeted in the 2018-19 Proposed Budget under various divisions under object code # 34989 (Contractual Service Provider).

**c) Source of funding for difference, if not fully budgeted:** Not Applicable.

**d) 5 year projection of the operational cost of the project:**

	FY 2018-19	Year 2	Year 3	Year 4	Year 5
Revenues	\$0	\$0	\$0	\$0	\$0
Expenditures	\$14,034,118	\$14,034,118	\$14,034,118	\$14,034,118	\$14,034,118
Net Cost	\$14,034,118	\$14,034,118	\$14,034,118	\$14,034,118	\$14,034,118

**e) Detail of additional staff requirements:** Not Applicable.