

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS
FROM: SAMONE CHRISMAN, BUYER, FINANCE DEPARTMENT
SUBJECT: APPROVAL - FOURTH AMENDMENT TO GENERAL SERVICES
AGREEMENT F002599 – SANTA ROSA WATER JANITORIAL
SERVICES

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by Santa Rosa Water and the Finance Department that the Board of Public Utilities, by motion, approve the Fourth Amendment to General Services Agreement F002599 with James Furuli Investment Co., Inc., DBA Environmental Dynamics, Petaluma, California, for janitorial services to extend for one year and increase compensation in the amount of \$196,899.89, for a cumulative total amount not to exceed \$758,889.60.

EXECUTIVE SUMMARY

The Water Department has an ongoing need for janitorial services. The current General Service Agreement F002599 for is due to expire on April 30, 2026.

BACKGROUND

Janitorial services are required for various Santa Rosa Water facilities including the Laguna Treatment Plant, Utilities Field Operation buildings, Geysers Operation Center, Compost offices, and various pump stations.

On January 20, 2023, Purchasing posted Invitation for Bid (IFB) 23-05 for Santa Rosa Water Janitorial Services, which resulted in an award of General Service Agreement (GSA) F002599 to James Furuli Investment Co. Inc., dba Environmental Dynamics.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On April 20, 2023, the Board of Public Utilities approved GSA F002599 for two years with three one-year extension options in the amount of \$356,961.28, with a \$10,000 contingency for miscellaneous services.

On April 17, 2025, the Board of Public Utilities approved the Second Amendment for a one-year extension and an increase in compensation.

FOURTH AMENDMENT TO GENERAL SERVICES AGREEMENT F002599 – SANTA ROSA WATER JANITORIAL SERVICE
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ANALYSIS

James Furuli Investment Co. Inc., dba Environmental Dynamics (“Environmental Dynamics”), has submitted a proposal to extend GSA F002599 for one year with a 2% increase in unit cost. The rate increase is primarily driven by increased labor costs associated with the City’s minimum wage adjustment to \$18.21 per hour, effective January 1, 2026.

Environmental Dynamics’ proposal notes that they did not request any rate increase during the 2025–2026 contract term, despite experiencing rising labor and operating expenses. Over this period, the contractor states that they absorbed a 4.36% cumulative mandatory wage increase occurring between January 1, 2024, and January 1, 2026, in order to limit financial impacts on the City’s budget. By carrying these costs internally during that term, the vendor demonstrates a history of cost-containment efforts and cooperation with the City’s fiscal priorities.

The following table provides details on the base contract, three prior amendments, and the fourth proposed amendment.

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Authorization</u>
April 20, 2023	Award of a two-year GSA	\$356,961.28	Board of Public Utilities
November 6, 2023	Add location and increase compensation	\$9,880.00	Purchasing Agent
April 17, 2025	One-year extension and increase compensation	\$185,887.64	Board of Public Utilities
October 29, 2025	Increase frequency and add compensation	\$9,260.79	Purchasing Agent
Pending	One-year extension and increase compensation	\$196,899.89	Board of Public Utilities
Cumulative Contract Value		\$758,889.60	

Based on the vendor’s feedback for price increase justification and, the annual increase to the Consumer Price Index (CPI) for the greater Bay Area, City staff deem the proposed cost increase to be fair and reasonable, and it is in the City’s best interest to extend the Agreement for one year. Environmental Dynamics continues to provide satisfactory janitorial services.

Under City Code section 3-08-110, this amendment requires approval by the Board of Public Utilities.

FISCAL IMPACT

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Funds for this operational expense have been allocated in the fiscal year 2025-26 budget of various Santa Rosa Water Operational Key numbers and will be allocated in subsequent years when approved by Council. Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378(b)(5), the proposed action is not a “project” subject to the California Environmental Quality Act (CEQA) because it consists of the approval of an amendment to a general services agreement for janitorial services at existing City facilities, which is an organizational and administrative activity of government that will not result in either a direct or reasonably foreseeable indirect physical change in the environment. Accordingly, no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 - Fourth Amendment to GSA F002599

PRESENTER

Nick Harvey, Deputy Director – Administration, Santa Rosa Water