



# Staff Report

## City Council

Item No. {{section.number}}.{{item.number}}

**Meeting Date:** June 26, 2024

**From:** John A. Corella, Director of Public Works

**Title:** Update on the City's use of Service Contracts and the introduction of the Contract Tracker Spreadsheet

### **RECOMMENDATION:**

The update on the city's use of service contracts throughout the organization and the introduction of the "Contract Tracker" spreadsheet is presented to the City Council for information, discussion and comments.

### **BACKGROUND:**

This staff report item corresponds to the city's Five-Year Strategic Plan, Goal A – "Serve the Community with Pride and Dedication" and specifically an update on Action Item A-1 by informing the City Council on the current use of contracts.

Since the city's incorporation in 1981, city staff have found it both efficient and cost effective to contract out for specialized services rather than having full-time city personnel specialized in a particular skill set. These contract services, whether "as needed" or "on-call," assist staff in their daily duties to complete their assigned tasks.

Specifically, these service contracts are agreements between the city and service providers. The service contracts spell out the work required to be performed and the responsibilities of both parties in getting the work done. This includes the payments for services as well, which typically are paid for from agreed upon hourly rates or by the specific type of service performed. The use of service contracts throughout the organization is essential in the staff's efforts to keep pace with the city's growing population and expanding commercial base. Service contracts have proven to provide the best possible services at an affordable rate in lieu of a full-time employee doing the same work.

Some of the contracts are for services that are long-term, e.g., traffic signal repairs and maintenance, class and comp services, audit services, graffiti removal, etc, with contracts issued for one, two and up to three years with multiple additional one-year options. Other contracts are limited to one year. Others are lower cost essential services that are provided by purchase orders and or direct billing.

Please note the Contract Tracker does not list large one-time projects the City Council would approve on an individual basis, such as Public Works projects like the recent Date Palm Drive reconstruction work project. The Contract Tracker is mainly for service contracts that are utilizing regularly and/or called upon as needed.

Overall, city staff adheres to Chapter 3.12 “Contracts and Purchasing” of the city’s municipal code in its day-to-day business operations.

### **DISCUSSION:**

Each city department engages multiple contractors to assist in their efforts to provide city services and complete their job duties. Each department keeps track of its contractors and contract services. Attached to this staff report is a compilation of each department’s contract service providers. This “Contract Tracker” is a living document and is updated continually as contracts are awarded, expire, updated, etc...

#### **Contract Tracker information break down:**

- **Company:** Name of company awarded a service contract.
- **Agreement/Scope:** What does the contract work consist of?
- **Start/End Date:** Start date of the service contract and end date of the service contract.
  - On-going: No contract end date and will continue until terminated.
- **Extension Option:** Does the contract have an extension option available?
  - N/A: No extension option to the contract.
  - As Needed: Services are requested as needed.
  - May Vary: Extension will depend on the project.
  - If contract renewal is needed the approximate renewal is included.
- **Status:** Formula to determine whether the service contract is in good standing or expired.
  - Good Standing: Contract does not need to be renewed.
  - Renew Contract Soon: Contract needs to be renewed; this will change from Good Standing to Renew Contract Soon when there is less than 120 days until the contract expiration date.
  - Expired: Contract has expired and must be renewed if services are still being used.
  - No Contract (Specialized Services): Not a contract but these are essential services for daily departmental functions.
- **Annual Budget:** Yearly budget allocated towards the service contract.
  - N/A: Services are based on a fee-schedule.
- **Contact:** Contact information.

### **FISCAL IMPACT:**

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The fiscal impact and approvals for each of these service contracts occur within the FY for each department and follow Chapter 3.12 “Contracts and Purchasing” of the city’s municipal code.

**FIVE-YEAR STRATEGIC PLAN:**

**Goal A – Serve the Community with Pride and Dedication**

**Objective:** Through diversity, equity, and inclusion driven employee programs and experiences, Cathedral City is the employer of choice with a workforce that is engaged, motivated, and respected public stewards.

**Action A-1:** Inform the City Council of the current use of contracts.

**ATTACHMENTS:**

1. Contract Tracker