

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: May 21, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING, IN SUBSTANTIAL FORM, THE PROFESSIONAL SERVICES AGREEMENTS WITH SFM SERVICES, INC. AS THE PRIMARY VENDOR AND CLEAN SPACE, INC. AS THE SECONDARY VENDOR PURSUANT TO REQUEST FOR PROPOSALS (RFP) 2024-032-WG JANITORIAL SERVICES; AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE PROFESSIONAL SERVICES AGREEMENTS; AND FURTHER, AUTHORIZING THE MONTH-TO-MONTH EXTENSION OF THE EXISTING AGREEMENT UNTIL THE REPLACEMENT AGREEMENT(S) ARE EXECUTED. (FACILITIES AND FLEET MANAGEMENT)

RECOMMENDATION

The City Administration ("Administration") recommends that the Mayor and City Commission ("City Commission") approve the Resolution.

This solicitation is under the Cone of Silence.

BACKGROUND/HISTORY

The City maintains high cleanliness standards and requires professional janitorial services to provide cleaning and maintenance services for its various types of facilities. Janitorial services play a crucial role in maintaining a clean, safe, and hygienic environment for residents, employees, and visitors, and provide the following benefits:

1. **Cleanliness and Hygiene:** Janitorial services ensure that spaces are kept clean and sanitary. This includes cleaning floors, surfaces, restrooms, and other areas to prevent the spread of germs and maintain a healthy environment.
2. **Health and Safety:** Regular cleaning and maintenance help prevent accidents and injuries by keeping walkways clear of debris and ensuring that hazardous substances are properly handled and disposed of.
3. **Preservation of Property:** Janitorial services help protect the condition and longevity of a building and its fixtures by performing routine maintenance tasks, such as dusting, vacuuming, and cleaning, which can prevent wear and tear.
4. **Improved Appearance:** Clean and well-maintained spaces create a positive impression on residents, employees, and visitors.
5. **Time and Cost Efficiency:** Engaging professional janitorial services contractors can be more efficient and cost-effective than managing in-house cleaning staff, and it allows organizations to focus on their core operations while leaving the cleaning and maintenance to experts.

6. **Environmental Responsibility:** The requirements for City janitorial services include environmentally friendly cleaning practices and products to reduce the environmental impact of their operations. This includes using eco-friendly cleaning agents and promoting recycling and waste reduction.
7. **Flexibility:** Janitorial services can be tailored to the unique needs and schedules of each facility and scheduled daily, weekly, monthly, or one-time cleaning services, depending on the requirements of each facility.

Overall, the purpose of engaging a professional janitorial services contractor is to ensure that the City's physical spaces are clean, safe, and well-maintained; contribute to the health, comfort, and productivity of residents, employees, and visitors; and meet the City's cleanliness standards.

On May 28, 2019, the City executed a three-year agreement with SFM Services, Inc. (SFM) for janitorial services, including two one-year renewal options. The agreement was set to expire on May 27, 2024.

On October 18, 2023, the Mayor and City Commission approved the issuance of Request for Proposals (RFP) 2024-032-WG Janitorial Services, which was issued on October 19, 2023. RFP responses were due and received on February 2, 2024, with the City receiving a total of 13 proposals.

At the May 15, 2024, Commission Meeting, via Item C2 E (Attachment B), the Commission accepted the Administration's recommendation to enter into simultaneous negotiations with American Facility Services, Inc. and SFM Services, Inc. in order to break the tie and establish primary and secondary vendors. It was also recommended to have a secondary contractor in the event of performance or capacity issues with the primary. Additionally, Clean Space, Inc. and Owens, Renz & Lee., Inc. d/b/a Owens Realty Services, ranked third (tied) by the Evaluation Committee, were to be considered if negotiations with the top-ranked proposers were not successful in order to establish a primary and/or secondary service provider, contingent upon the outcome of negotiations with the tied top-ranked proposers.

To ensure continuity of services, the Mayor and City Commission adopted Resolution No. 2024-33057 on May 15, 2024, approving Amendment No. 6 to the SFM Agreement. This amendment, effective May 28, 2024, extended the agreement by six (6) months, through November 28, 2024, to allow time for negotiations for a replacement contract.

Since negotiations were still ongoing on November 20, 2024, the Mayor and City Commission adopted Resolution No. 2024-33365, approving Amendment No. 7, which extended the Agreement until May 28, 2025, or upon the finalization and execution of a new agreement, whichever occurs first. As the agreement approaches expiration, this item also seeks to extend the same agreement on a month-to-month basis until the new agreement(s) are executed.

ANALYSIS

As directed by the Mayor and City Commission, the Administration has finalized negotiations for the janitorial service agreements. During the initial negotiations with SFM Services, Inc. and American Facility Services, Inc., the City requested additional information from both contractors in order to evaluate each contractor's capabilities, cost structures, and compliance with critical operational standards. During the negotiations, the Administration requested from each contractor a detailed term sheet that covered the negotiation points in the table below. These negotiation points were critical to securing favorable terms for the City while ensuring both legal compliance and high-quality service delivery. In addition to the term sheet, the Administration requested a Best and Final Offer (BAFO) from both contractors.

Term	Detail
Detailed Cost Breakdown	Contractors were required to itemize their cost proposals, detailing allocations for labor, materials, equipment, and staffing. This allowed the City to assess pricing fairness and negotiate for value.
Staffing and Resource Allocation	The City negotiated for clear staffing plans that align with service demands and facility needs, ensuring adequate personnel coverage.
Service Frequencies	Contractors were asked to commit to defined service frequency schedules for all facilities within each service zone, allowing for performance tracking and enforcement.
Materials and Equipment Used	As part of negotiations, contractors had to disclose inventory lists of supplies and equipment (including MSDS documentation), ensuring readiness and regulatory compliance at all service locations.
Safety Requirements	Contractors were required to provide SDS documentation and safety literature for all substances used, reinforcing the City's commitment to a safe working environment.
Scale and Capacity	The City requested assurances of the contractors' ability to scale staffing and services based on facility demand, protecting against underperformance.
Response to Emergency and Unexpected Situations	Contractors were required to demonstrate contingency plans and capacity to respond to urgent situations, such as spills or inclement weather, ensuring service continuity.
Training and Supervision	As part of compliance negotiations, contractors submitted training plans aligned with the RFP to ensure personnel readiness and service quality.
Employee Background Checks	The City negotiated strict background check timelines, requiring all employees to be vetted within 60 days of contract execution, at the contractor's expense.
Quality Control	Contractors were asked to provide a sample Quality Control Plan, creating a framework for performance evaluation and accountability.
Living Wage Requirements	The City reinforced its position on fair labor practices by requiring contractors to outline compliance with the City's Living Wage Ordinance (Sec. 2-408).

Upon receipt of the term sheet and BAFO request from the City, American Facility Services, Inc. ("AFS") informed the Administration on July 29, 2024, that after a careful review of their budget, they would be withdrawing their bid from consideration.

Nonetheless, the Administration successfully negotiated the key material terms above with SFM Services Inc. to serve as the primary contractor. During the negotiation process, the Administration conducted a thorough review of the services outlined in the Request for Proposal (RFP), making adjustments to the frequency of services on a location-by-location basis. This comprehensive review led to a revision of 40 out of the 83 locations, ensuring that service

frequencies were more closely aligned with the anticipated service standards and operational needs. As part of the negotiation process, additional and more frequent services were added to the scope. City staff conducted a thorough cost analysis comparing the original pricing submitted by SFM Services, Inc. with the revised pricing submitted during the Best and Final Offer (BAFO) phase. The analysis revealed that SFM's original bid of \$4,415,939.88 increased to \$4,469,159.88, representing a net increase of only approximately 1.21%. Furthermore, as the incumbent, SFM Services Inc. is uniquely positioned to facilitate a smooth and efficient transition into the new contract, leveraging its existing knowledge and familiarity with the scope of work.

SFM Services, Inc., is a local, minority-certified, family-owned business headquartered approximately 30 minutes away from Miami Beach in the Town of Medley. Presently, SFM Services, Inc. provides janitorial services to over 8 million square feet throughout South Florida. SFM Services, Inc. offers government buildings, municipalities, medical facilities, and commercial businesses the necessary services to maintain a clean and safe environment for their business community and residents. SFM Services, Inc. has the vast experience, talent, and practices of a large firm but the service and area knowledge of a local company dedicated to its clients' needs.

SFM Services, Inc. has a proven performance history of serving over 20 municipalities and many large commercial properties spanning from Monroe to Palm Beach County. Some of its clients include the City of Miami Beach, Miami Dade County Aviation, the City of Coral Gables, Broward Health, and Baptist Health South Florida. The City received positive feedback from previous references. Since 2019, the City has been satisfied with SFM Services, Inc.'s performance as the incumbent. SFM Services, Inc. has demonstrated flexibility in tailoring its services to meet the specific needs and preferences of the City, and its familiarity with City facilities would enable them to adapt quickly to any changes or special requirements that arise.

On February 24, 2025, following the conclusion of negotiations to establish the primary contractor, the Administration initiated discussions with Clean Space, Inc. and Owens, Renz & Lee, Inc. d/b/a Owens Realty Services ("Owens Realty"). These vendors, tied as third-ranked proposers, were to be considered in the event that negotiations with higher-ranked firms did not result in the selection of a secondary service provider. This effort became particularly crucial after the City learned it would no longer have a secondary contractor due to AFS's withdrawal from the negotiation process.

The Administration requested a BAFO from both Clean Space, Inc. and Owens Realty to identify a potential secondary vendor. However, on April 16, 2025, Owens Realty submitted a letter withdrawing from consideration as a secondary vendor because it did not align with their "current direction." Consequently, the City will proceed with Clean Space, Inc. as the secondary vendor.

Clean Space, Inc. ("Clean Space") has proudly served the Florida region since 2011. Clean Space's team boasts three decades' combined experience in the commercial cleaning industry. Clean Space has earned a well-deserved reputation in the janitorial sector for its professionalism, extensive industry knowledge, exceptional courtesy, swift responses times, and unwavering reliability. Its mission statement is "To empower employees to deliver clean spaces that positively impact businesses and communities." Clean Space has provided services throughout the South Florida region, including to Martin County, Indian River County, and the City of Boynton Beach, FL. References provided for Clean Space have provided positive feedback.

FISCAL IMPACT STATEMENT

Funding for janitorial services Citywide is subject to the approval of funds through the City's annual budgeting process. Over the past three (3) fiscal years, expenditures for these services have averaged approximately \$3.7 million annually.

As part of the negotiation process, and even though additional and more frequent services were added, City staff conducted a thorough cost analysis comparing the original pricing submitted by SFM Services, Inc. with the revised pricing submitted during the Best and Final Offer (BAFO) phase. The analysis revealed that SFM's original bid of \$4,415,939.88 increased to \$4,469,159.88, representing a net increase of only approximately 1.21%.

This increase in overall contract value is attributed to the addition and increased frequency of services aimed at enhancing the cleanliness of the City, including:

- Expanded janitorial service levels at City parking garages
- Introduction of weekend coverage at key facilities to maintain cleanliness and accessibility
- Deployment of dedicated porters at high-volume locations to ensure consistent upkeep throughout the day such as beachfront bathrooms
- Increased cleaning frequencies, such as janitorial services every three hours in high-traffic public areas, including but not limited to beach restrooms
- Additional frequencies during City-hosted special events

These negotiated improvements are expected to enhance the quality, reliability, and responsiveness of janitorial services across City facilities, aligning with the Administration's goals for higher service standards and improved resident and visitor experience.

Does this Ordinance require a Business Impact Estimate?
(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:
See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

	FY 2025 Anticipated Annualized Cost
520-1720-000325-34-413-592-00-00-00	\$1,980,000.00
520-1720-000342-34-413-592-00-00-00	\$15,000.00
427-0427-000325-29-413-517-00-00-00	\$7,600.00
425-0410-000325-29-413-513-00-00-00	\$7,600.00
425-0420-000325-29-413-513-00-00-00	\$10,000.00
120-6230-000342-34-404-537-00-00-00	\$4,000.00
119-6231-000325-34-401-508-00-00-00	\$1,500.00
110-6232-000325-34-401-508-00-00-00	\$1,500.00
111-6233-000325-34-401-508-00-00-00	\$1,500.00
142-6976-000325-27-413-526-00-00-00	\$60,000.00
463-1990-000325-27-413-526-00-00-00	\$62,000.00
467-1996-000325-27-413-526-00-00-00	\$56,000.00
468-1998-000325-27-413-526-00-00-00	\$58,000.00
480-0463-000325-27-413-526-00-00-00	\$404,000.00
510-1780-000325-34-413-592-00-00-00	\$22,430.52
435-0430-000325-29-413-511-00-00-00	\$38,000.00
011-1240-000325-19-401-598-00-00-00	\$28,200.00
011-0950-000325-28-406-545-00-00-00	\$756,000.00
	\$3,513,330.52

CONCLUSION

Based on the foregoing, it is recommended that the Mayor and City Commission adopt the Resolution, approving, in substantial form, the professional services agreements with SFM Services, Inc., as the primary vendor, and Clean Space, Inc., as the secondary vendor, pursuant to Request for Proposal (RFP) 2024-032-WG for janitorial services. The Resolution also authorizes the City Manager and City Clerk to execute the final professional services agreements. Further, the Resolution authorizes the month-to-month extension of the existing agreement until the replacement agreement(s) are executed.

Applicable Area

Citywide

Is this a “Residents Right to Know” item, pursuant to City Code Section 2-17?

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Procurement

Sponsor(s)

Co-sponsor(s)

Condensed Title

Approve Professional Services Agreements (RFP 2024-032-WG), Janitorial Services. FF/PR

Previous Action (For City Clerk Use Only)