

**AMENDMENT NO. 2 TO THE CONTRACT  
BETWEEN  
THE CITY OF MIAMI BEACH, FLORIDA  
AND  
SFM SERVICES, INC.  
FOR CONTRACT PURSUANT TO RFP 2017-070-JC  
FOR JANITORIAL SERVICES**

This Amendment No. 2 (Amendment) to the Contract, dated May, 2019, by and between the City of Miami Beach, Florida, a municipal corporation organized and existing under the laws of the State of Florida, having its principal place of business at 1700 Convention Center Drive, Miami Beach, Florida 33139 (City), and SFM Services, Inc., a Florida company, having its principal place of business at 9700 NW 79 Avenue, Hialeah Gardens, FL. 33016 (Contractor), is entered into this \_\_\_\_ day of \_\_\_\_\_, 2020 (Effective Date) and hereby amends the Contract as follows:

**RECITALS**

**WHEREAS**, on July 26, 2017, the Mayor and City Commission approved the issuance of Request for Proposals (RFP) No. 2017-070-JC for Janitorial Services, City-Wide (the RFP); and

**WHEREAS**, on May 16, 2019, the City Mayor and City Clerk executed a Professional Service Agreement with Able Business Services, Inc. (Able) to serve as the primary contractor for City garages (Zone 4) and City parks (Zone 6) serving as the secondary contractor for Zones 2 and 3; and

**WHEREAS**, on May 28, 2019, the City Mayor and City Clerk executed a Professional Services Agreement with SFM Services, Inc. (SFM) to serve as the primary contractor for Zones 2 and 3 and serving as the secondary contractor for City Garages (Zone 4) and City parks (Zone 6); and

**WHEREAS**, on September 30, 2019, the City terminated the Professional Services Agreement with Able Business Services, Inc.; and

**WHEREAS**, on August 18, 2020, the City and SFM Services Inc. executed Amendment No. 1 to the Contract to 1) approving additional services in the amount of \$68,688, 2) approving, effective January 5, 2020, the transfer of janitorial services for the City garages (Zone 4) and City parks (Zone 6) from Able Business Services, Inc. to SFM Services, Inc. in the amount of \$1,410,309.28 per year and 3) approving additional sites and services, I the amount of \$117,900 per year, cumulatively increasing the contract amount to a total of \$2,649,186.03 per year; and

**WHEREAS**, the Agreement is subject to the City's Living Wage Ordinance per Appendix "A" Section 7 of the RFP; and

**WHEREAS**, on October 18, 2017, the Mayor and City Commission adopted Ordinance No. 2017-4143, attached as Exhibit A hereto, which amended certain provisions of the City's Living Wage Ordinance (the "Ordinance") as codified in Sections 2-407 through 2-410 of the City of Miami Beach Code of Laws and Ordinances (the "City Code"); and

**WHEREAS**, the primary purpose of the amendment to the Ordinance was to adjust and increase the hourly living wage rate and health benefit paid by service contractors covered under the Ordinance to their covered employees with the proposed increases to be phased in over a three year period, commencing on January 1, 2018; and

**WHEREAS**, commencing on January 1, 2018 and using a "phase-in" approach, the proposed hourly living wage rates under the Ordinance are as follows:

- Effective January 1, 2018, covered employees must be paid a living wage rate of no less than \$11.62 per hour with health care benefits of at least \$2.26 per hour, or a living wage rate of no less than \$13.88 per hour without health care benefits; and
- Effective January 1, 2019, covered employees must be paid a living wage rate of no less than \$11.70 per hour with health care benefits of at least \$2.74 per hour, or a living wage rate of no less than \$14.44 per hour without health care benefits; and
- Effective January 1, 2020, covered employees must be paid a living wage rate of no less than \$11.78 per hour with health care benefits of at least \$3.22 per hour, or a living wage rate of no less than \$15.00 without health care benefits; and

**WHEREAS**; each year, as part of the annual budget process, the City Commission considers whether or not it desires to revise or maintain the proposed living wage rates via ordinance No. 2017-4143; and

**WHEREAS**; at its September 25, 2019 meeting, the Mayor and City Commission adopted the final budget for the fiscal year 2020, that included a living wage enhancement following the recommendation from the Finance and Citywide Projects Committee's April 19, 2019 meeting to complete the three-year phase-in approach of a living wage rate of no less than \$11.78 per hour (with health care benefits of at least \$2.22 per hour), or a living wage rate of no less than \$15.00 per hour (without health care benefits), effective January 1, 2020; and

**WHEREAS**, in order to assure that covered service contractors doing business with the City continue to comply with the provisions of the Ordinance as amended it is necessary to amend the current contract between the City and the Contractor subject to and covered by the provisions of the Ordinance; and

**WHEREAS**, in order to improve and maintain acceptable levels of cleanliness in the City, additional City facilities have been identified, to be added to the scope of the Agreement pursuant to Section 49, requiring an increase to janitorial personnel, service days and hours; and

**WHEREAS**, pursuant to Section 49 ("ADDITIONAL SERVICES") of the RFP, additional services were increased requiring an increase to the janitorial service days and hours, in the amount of \$146,381; and

**WHEREAS**, on September 16, 2020 the Mayor and City Commission adopted Resolution No. \_\_\_\_\_, approving, in substantial form, Amendment No. 2 to the Agreement; said amendment expanding the scope of the Agreement by: (1) reaffirming the living wage rates, effective January 1, 2020; (2) retroactively (effective January 25, 2020) approving

additional sites and services; and (3) approving sites and services in response to the COVID-19 pandemic; said amendment increasing the contract amount by a total of \$356,381 per year, for a total contract amount of \$3,005,567 per year subject to additions or deletions approved by the City Manager, as authorized by this Amendment; and (4) authorizing the City Manager or his designee to reduce the service levels covered by the Agreement.

**NOW THEREFORE**, in consideration of the mutual promises and conditions contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and Contractor hereby agree to amend the Contract as follows:

**1. ABOVE RECITALS.**

The above recitals are true and correct and are incorporated as part of this Amendment.

**2. MODIFICATIONS.**

The Contract is hereby modified as follows:

- (a) Based upon the approved City budget for FY 2019-2020, effective January 1, 2020, for calendar year 2020 and beyond, Contractor will invoice the City, on a monthly basis, an additional \$0.56 per hour for employees working under the contract to cover the increase in the minimum wage rate, on a monthly basis, based upon the applicable minimum wage rate of \$15.00 per hour, plus \$0.06 per hour for related payroll taxes.
- (b) Similarly, the increase in the minimum wage for calendar year 2021 shall be subject to approval, by the City Commission, during the 2020-2021 fiscal year budgetary process. Should Commission approve the living wage for calendar year 2021, the Contractor shall be compensated an additional \$0.15 per hour for employees working under the contract to cover the increase in the minimum wage rate, on a monthly basis, based upon the applicable minimum wage rate of \$15.15 per hour, plus \$0.02 per hour for related payroll taxes.
- (c) Section 49 "ADDITIONAL SERVICES" of Section 0200 "INSTRUCTIONS TO RESPONDENTS & GENERAL CONDITIONS", of the RFP (Attachment B to the Agreement) is hereby deleted in its entirety and replaced, as follows:

**49. MODIFICATION OF SITES AND SERVICE LEVELS**

- **ADDITION OF SITES AND/OR SERVICES BY THE CITY:** The City Manager may request additional goods, services or facilities ("items") (collectively, "Additional Services"). Any proposals for Additional Services must be approved by the City Manager or his designee, in writing, prior to being implemented, and memorialized by an amendment to the Agreement, executed by the City Manager and CONTRACTOR. Notwithstanding the foregoing, the City Manager or his designee may request Additional Services for a period of time that does not exceed the Term of the Agreement. A request for Temporary Additional Services may be memorialized in writing by the City Manager's designee pursuant to an e-mail directed to CONTRACTOR. Any payment adjustment in connection with a request for Additional

Services or Temporary Additional Services shall be calculated based upon the per service rate set forth in Exhibit "B", or the proration of said rate, as applicable. The total amount of the Additional Services may not exceed \$100,000, or such greater amount as may be approved by the City Commission for each contract year.

- **DELETION OF SITES AND/OR REDUCTION OF SERVICES BY THE CITY:**  
The City Manager reserves the right to temporarily or permanently delete existing sites and/or services (including number of personnel or hours of service) at existing sites (collectively, "Reduction of Services"). Any permanent Reduction of Services requested by the City Manager or his designee, shall be memorialized by an amendment to the Agreement, executed by the City Manager and CONTRACTOR. Notwithstanding the foregoing, the City Manager or his designee may request a Reduction of Services for a period of time that does not exceed the Term of the Agreement. A request for a Temporary Reduction of Services may be memorialized in writing, pursuant to an e-mail sent to CONTRACTOR. The payment adjustment in connection with a Reduction of Services or Temporary Reduction of Services shall be calculated based upon the per service rate set forth in Exhibit "B", or the proration of said rate, as applicable

**3. RATIFICATION.**

Except as amended herein, all other terms and conditions of the Contract shall remain unchanged and in full force and effect. In the event there is a conflict between the provisions of this Amendment and the Contract, the provisions of this Amendment shall govern.

**The remainder of this page is left blank intentionally.**

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be executed by their appropriate officials, as of the date first entered above.

**FOR CITY:**

**CITY OF MIAMI BEACH, FLORIDA**

**ATTEST:**

By: \_\_\_\_\_  
**Rafael E. Granado, City Clerk**

\_\_\_\_\_  
**Jimmy L. Morales, City Manager**

\_\_\_\_\_  
Date

**FOR CONTRACTOR:**

**SFM SERVICES, INC.**

**ATTEST:**

By: \_\_\_\_\_  
**Secretary**

\_\_\_\_\_  
**President**

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

**EXHIBIT A  
LIVING WAGE ORDINANCE 2017-4143**

DRAFT