

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING, IN SUBSTANTIAL FORM, AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT, DATED MAY 28, 2019, BETWEEN THE CITY AND SFM SERVICES, INC. (SFM), FOR JANITORIAL SERVICES CITYWIDE; SAID AMENDMENT: (1) APPROVING, EFFECTIVE JANUARY 25, 2020, ADDITIONAL SITES AND SERVICES, IN THE AMOUNT OF \$146,381 PER YEAR, INCREASING THE TOTAL CONTRACT AMOUNT TO \$2,795,567.03 PER YEAR; (2) APPROVING ADDITIONAL SERVICES IN RESPONSE TO COVID-19 PANDEMIC, FOR FISCAL YEAR 2019-2020 ONLY, IN THE AMOUNT OF \$325,528.31; AND (3) MEMORIALIZING THE LIVING WAGE INCREASE UNDER THE CITY'S LIVING WAGE ORDINANCE, EFFECTIVE JANUARY 1, 2020; AND FURTHER AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE FINAL AMENDMENT.**

**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 October 18, 2018, the Mayor and the City Commission accepted the recommendation of the City Manager, pursuant to RFP No. 2017-070-JC, to enter into *simultaneous* negotiations with Able Business Services, Inc., and SFM Services, Inc.; and further authorized the City Manager to select a firm that will serve as the primary contractor, with the remaining firm to serve as the secondary contractor; and

**WHEREAS**, on May 16, 2019 the City Mayor and City Clerk executed a Professional Services Agreement with Able Business Services, Inc. (Able) to serve as the primary contractor for City garages (Zone 4) and City parks (Zone 6) and 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 April 22, 2020 the Mayor and City Commission adopted Resolution No. 2020-31227, approving, in substantial form, Amendment No. 1 to the Agreement; said amendment expanding the scope of the Agreement by: (1) retroactively approving the City Manager approval, dated May 10, 2019, for additional services in the amount of \$68,688; (2) retroactively 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. (original primary contractor for Zones 4 and 6) to CONTRACTOR, in the amount of \$1,410,309.28 per year,

increasing the contract amount to \$2,531,286.03 per year; (3) approving additional sites and services, in the amount of \$117,900.00 per year, for a total contract amount of \$2,649,186.03 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; 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, 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"), providing for proposed increases in 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, 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 the Ordinance; and

**WHEREAS**; at its September 25, 2019 meeting, the Mayor and City Commission, following the recommendation from the Finance and Citywide Projects Committee (FCWP), at the April 19, 2019 FCWP meeting, adopted the final budget for the fiscal year 2020, that included a living wage enhancement, 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, the Administration is recommending amending the Agreement, memorializing the change in rates; and

**WHEREAS**, pursuant to Section 49 ("ADDITIONAL SERVICES") of the Agreement, additional locations and services may be added to the scope of the Agreement by the City Manager, in an amount not to exceed \$100,000; however, any services exceeding the City Manager's authority shall require the approval of the City Commission; and

**WHEREAS**, in order to improve and maintain acceptable levels of cleanliness in the City, additional sites and services have been added to the scope of the Agreement, increasing the contract amount by \$146,381 per year, for a total contract amount \$2,795,567.03 per year; and

**WHEREAS**, additional services have been implemented in order to mitigate the spread of infection in response to COVID-19 for fiscal year 2019-2020, in the amount of \$325,528.31; and

**WHEREAS**, the City Manager recommends the approval, in substantial form, of Amendment No. 2 to the Agreement, a copy of which is incorporated herein by reference and attached to this Resolution as Exhibit "1".

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA**, that the Mayor and City Commission hereby approve, in substantial form, Amendment No. 2 to the Agreement; said amendment: (1) approving, effective January 25, 2020, additional sites and services, in the amount of \$146,381 per year, increasing the total contract amount to \$2,795,567.03 per year; (2) approving additional services in response to COVID-19 pandemic in the amount of \$325,528.31 for fiscal year 2019-2020 only; and (3) memorializing the living wage increase under the City's Living Wage Ordinance, effective January 1, 2020; and further authorize the City Manager and City Clerk to execute the final amendment.

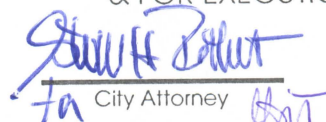
**PASSED AND ADOPTED** this 16<sup>th</sup> day of September 2020.

\_\_\_\_\_  
Dan Gelber, Mayor

**ATTEST:**

\_\_\_\_\_  
Rafael E. Granado, City Clerk

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

  
\_\_\_\_\_  
City Attorney

9/14/2020  
\_\_\_\_\_  
Date



**AMENDMENT NO. 2  
TO  
PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
THE CITY OF MIAMI BEACH, FLORIDA  
AND  
SFM SERVICES, INC.**

This Amendment No. 1 ("Amendment") to the Professional Services Agreement, dated May 28, 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 (the "City"), and **SFM SERVICES INC.**, a Florida for profit corporation, whose address is 9700 NW 79<sup>th</sup> Avenue, Hialeah Gardens, FL 33016 (the "CONTRACTOR"), is entered into this \_\_\_\_ day of \_\_\_\_\_, 2020.

**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 October 17, 2018, the Mayor and the City Commission adopted Resolution No. 2018-30535, accepting the recommendation of the City Manager, pursuant to RFP No. 2017-070-JC for Janitorial Services, to enter into simultaneous negotiations with Able Business Services, Inc. and SFM Services, Inc.; and further authorizing the City Manager to select a firm that will serve as the primary contractor, with the remaining firm to serve as the secondary contractor; and

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

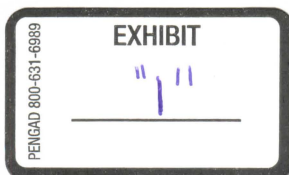
**WHEREAS**, on May 28, 2019 the City Mayor and City Clerk executed a Professional Services Agreement with SFM Services, Inc. (SFM) to serve as the primary contractor for Zones 2 and 3 and serving as the secondary contractor for City garages (Zone 4) and City parks (Zone 6); and

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

**WHEREAS**, on October 1, 2019, SFM Services Inc. absorbed Zones 4 and 6, as secondary contractor; and

**WHEREAS**, on January 5, 2020, the janitorial services for the City garages (Zone 4) and City parks (Zone 6) were transferred from Able Business Services, Inc. to SFM Services Inc. as the primary contractor; and

**WHEREAS**, on April 22, 2020 the Mayor and City Commission adopted Resolution No. 2020-31227, approving, in substantial form, Amendment No. 1 to the Agreement; said amendment expanding the scope of the Agreement by: (1) retroactively approving the City



Manager approval, dated May 10, 2019, for additional services in the amount of \$68,688; (2) retroactively 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. (original primary contractor for Zones 4 and 6) to CONTRACTOR, in the amount of \$1,410,309.28 per year, increasing the contract amount to \$2,531,286.03 per year; (3) approving additional sites and services, in the amount of \$117,900.00 per year, for a total contract amount of \$2,649,186.03 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; and

**WHEREAS**, pursuant to Section 49 (“ADDITIONAL SERVICES”) of the Agreement, additional locations and services may be added to the scope of the Agreement by the City Manager, in an amount not to exceed \$100,000; however, any services exceeding the City Manager’s authority shall require the approval of the City Commission; 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, 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”), providing for proposed increases in 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, 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 the Ordinance; and

**WHEREAS**; at its September 25, 2019 meeting, the Mayor and City Commission, following the recommendation from the Finance and Citywide Projects Committee (FCWP), at the April 19, 2019 FCWP meeting, adopted the final budget for the fiscal year 2020, that included a living wage enhancement, effective January 1, 2020; 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: (1) approving, effective January 25, 2020, additional sites and services, in the amount of \$146,381 per year, for a total contract amount of \$2,795,567.03 per year; (2) approving sites and services in response to the COVID-19 pandemic, in the amount of \$325,528.31 for fiscal year 2019-2020; and (3) memorializing the living wage increase, as of January 1, 2020.

**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 Agreement as follows:

**1. ABOVE RECITALS.**

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

**2. MODIFICATIONS.**

The Agreement is hereby modified (deleted items ~~struck through~~ and inserted items underlined) as follows:

- (a) Exhibit "C" (Location Staffing Hours) is hereby amended by adding Exhibit 'C-2' to the Agreement, incorporated herein by reference and attached hereto, as part of composite Exhibit "C", reflecting additional services added to the scope of the Agreement in connection with the COVID-19 pandemic for fiscal year 2019-2020.
- (b) Effective January 25, 2020, Exhibit "C" (Location Staffing Hours) is hereby amended by adding Exhibit 'C-3' to the Agreement, incorporated herein by reference and attached hereto, as part of composite Exhibit "C", reflecting additional locations and services added to the scope of the Agreement.
- (c) 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 Agreement 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.

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 the City Commission approve the living wage for calendar year 2021, CONTRACTOR shall be compensated an additional \$0.15 per hour for employees working under the Agreement 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.

**3. RATIFICATION.**

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

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**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

\_\_\_\_\_  
Date

**Exhibit "C-2"**



**EXHIBIT “C-3”**