



City of Killeen

Legislation Text

File #: RS-23-084, **Version:** 1

Consider a memorandum/resolution amending the Uniform Rental agreement with Cintas for an additional four (4) year term in an amount of \$200,000 for FY 2023.

DATE: May 16, 2023

TO: Kent Cagle, City Manager

FROM: Judith Tangalin, Executive Director of Finance

SUBJECT: Cintas Contract Amendment

BACKGROUND AND FINDINGS:

Bid 19-07, Uniform Services was awarded to Cintas in November 2018 via CCMR 18-112R for a three (3) year term with the option to renew two (2) additional one (1) year terms.

A total of 287 City employees across the Aviation, Community Development, Recreation Services, Finance and Public Works Departments require uniforms to help the city maintain a professional image and to clearly identify City workers to the public. Uniform services addressed by the contract include uniform rental, cleaning of uniforms and accessory items (e.g. floor mats, dust mops and shop towels). During the past three (3) years of the current Cintas agreement the cost of the uniform services for the departments included have been \$215,154.00, \$212,633.59, and \$195,453.32 for FY20, FY21, and FY22 respectively.

In December 2020 the City was approached by Cintas with a price decrease from their original bid price if the City amended the renewal years to a three (3) year consecutive term. This amendment resulted in a cost saving of about \$14,724 annually.

In April 2023 the City was notified that Cintas' agreement with the Omnia cooperative contract #R-BB-19002 was being amended and renewed for a final term effective May 1, 2023 through October 31, 2027. Within the final renewal period the unit pricing through the Omnia cooperative contract would increase 7.7%.

Cintas approached the City with this news in April 2023 and offered to waive the 7.7% price increase if the City amended their current contract extending the agreement for an additional four (4) year term. The amended contract would be effective the date its signed and would terminate October 21, 2027, the date the cooperative contract terminates.

THE ALTERNATIVES CONSIDERED:

1. Do not approve the contract amendment and allow the overall uniform cost to increase by 7.7% through the current contract term.

2. Approve the contract amendment for Cintas and extend the agreement out to October 31, 2027.

Which alternative is recommended? Why?

Alternative 2 is recommended because amending the Cintas agreement now through October 31, 2027, will waive the overall 7.7% cost increase of \$15,050 annually. City staff utilizing this agreement are satisfied with the Customer service provided by Cintas and agree with the recommendation to extend the contract.

CONFORMITY TO CITY POLICY:

Yes, Cintas initially responded to Bid 19-07, Uniform Services, based off of their Omnia cooperative contract. The Cintas agreement will be amended using the Omnia cooperative contract #R-BB-19002. Purchases made through a cooperative contract are exempt from the competitive bidding process as stated in Texas Local Government Code (TLGC) section 271.102, subchapter F; local government that purchases goods or services under this subchapter satisfies any state law requiring the local government to seek competitive bids for the purchase of the goods or services.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The total amount of expenditures in FY 2023 is estimated to be \$200,000. Uniform Rental Services are budgeted in the respective department's uniform and clothing accounts.

Is this a one-time or recurring expenditure?

This is a recurring expenditure with fixed costs.

Is this expenditure budgeted?

Yes, these expenditures are budgeted annually in the uniforms & clothing account 41-20 by the departments requiring the products and services.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes

RECOMMENDATION:

City Council amend the Uniform Rental agreement with Cintas for an additional four (4) year term in an amount of \$200,000 for FY2023, and that the City Manager or designee be authorized to execute change orders as permitted by state and local law.

DEPARTMENTAL CLEARANCES:

Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Amendment No. 2
Amendment No. 1
Original Agreement
Renewal Letter
Certificate of Interested Parties
Presentation