

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: July 10, 2025

PREPARED BY: David Reyes Jr, Public Works Superintendent

SUBJECT: APPROVE CHANGE ORDER NO. 2 TO CONTRACT C45130 WITH M & M SWEEPING, INC., FOR STREET AND PARKING LOT SWEEPING SERVICES (PROJECT NO. MST00010)

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## **RECOMMENDATION:**

1. Approve Change Order No. 2 to Contract C45130 with M&M Sweeping, Inc., for Citywide Street Sweeping Services, in the amount of \$10,800, increasing the total annual amount to \$252,000 per fiscal year, subject to a Services Price Increase.
2. Authorize the City attorney to make non-monetary changes to the agreement and change order.
3. Authorize City Manager to execute change orders, the two extension amendments, and any documents necessary to effectuate the actions taken herewith.

## **BACKGROUND/ANALYSIS:**

The City of Palm Desert's Public Works Citywide Street Sweeping Services Program includes scheduled commercial and residential street sweeping, as well as sweeping of City-owned parking lots. These services are essential for maintaining public cleanliness and for regulatory compliance.

Under the National Pollutant Discharge Elimination System (NPDES) permit, as mandated by the Federal Clean Water Act, municipalities are required to implement Best Management Practices (BMPs) that reduce pollutants and litter accumulation in stormwater runoff. In addition, the South Coast Air Quality Management District (SCAQMD) requires the removal of sediment from public roadways to reduce airborne particulate matter. Street sweeping is recognized as one of the most effective methods to meet both water and air quality regulatory requirements.

## **Discussion**

On April 27, 2023, the City Council approved Contract No. C45130 with M&M Sweeping, Inc., for citywide street sweeping services in the annual amount of \$230,917, for a three-year term with the option of two one-year extensions. At the same meeting, an additional \$25,000 annually was authorized for extra sweeping services. In Fiscal Year 2024/25, Change Order No. 1 was administratively approved by the City Manager to incorporate a 4.5% Services Price Increase, raising the annual contract amount to \$241,200.

For Fiscal Year 2025/26, M&M Sweeping, Inc., has submitted a request for an additional 4.5% Services Price Increase adjustment, citing ongoing cost increases due to the following factors:

- Parts & Supplies: Rising prices driven by tariffs and supply chain disruptions

- Insurance: Notable increases in commercial auto and liability insurance premiums
- Labor Market: Higher wages and staffing shortages due to a competitive labor market
- Equipment Maintenance: Significant increases in costs for equipment repairs and maintenance

These escalating operational expenses are affecting the contractor's ability to maintain service levels under the current contract terms. Staff reviewed the request and determined it to be reasonable. As such, staff recommend approving the requested Services Price Increase adjustment, resulting in a revised annual contract total of \$252,000, as outlined in M&M Sweeping, Inc.'s price increase request, and maintaining the annual amount of \$25,000 for additional street sweeping services.

**Legal Review:**

This report has been reviewed by the City Attorney's Office.

**FINANCIAL IMPACT:**

The Public Works operating budget for Fiscal Year 2025/26 includes adequate funding for street and parking lot sweeping services. The revised contract total, including provisions for extra sweeping as needed, is \$277,000. Therefore, there is no additional impact to the general fund as a result of this action.

The following table illustrates the contract's budget and expenses:

<i>Street Sweeping Accounts</i>	<i>Budget</i>	<i>Contract Costs</i>	<i>Balance</i>
<i>Streets - 1104310-4332000</i>	\$210,000	\$208,220	
<i>Street (Extras) - 1104310-4332000</i>	\$25,000	\$25,000	
<i>Corpyard - 1104330-4331000</i>	\$5,000	\$4,450	
<i>Civic Center - 1104610-4332100</i>	\$10,000	\$10,000	
<i>Parks - 1104611-4332501</i>	\$8,500	\$8,050	
<i>Entrada del Paseo - 1104614-4392101</i>	\$5,000	\$3,230	
<i>Aquatic Center - 2424549-4331100</i>	\$5,000	\$2,330	
<i>PP E/W - 2774373-4309103</i>	\$8,000	\$7,770	
<i>PP III - 2824373-4309103</i>	\$5,000	\$5,500	
<i>Parkview - 5104195-4369601</i>	\$2,500	\$2,450	
<b><i>Totals</i></b>	<b>\$284,000</b>	<b>\$277,000</b>	<b>\$7,000</b>

**ATTACHMENTS:**

1. Change Order No. 2
2. Services Price Increase Letter