



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Scott P. Johnson

**SUBJECT: REPORT ON RFP FOR  
SECURITY GUARD SERVICES  
FOR CITY DEPARTMENTS**

**DATE:** February 25, 2008

Approved

*Christine J. Shippey*

Date

*2-28-08*

## RECOMMENDATION

Report on Request for Proposal (RFP) for Security Guard services for the Departments of General Services, Transportation, Parks Recreation and Neighborhood Services, Aviation, Environmental Services (Water Pollution Control Plant), and Office of Economic Development (Work2Future) and adoption of a resolution authorizing the Director of Finance to:

1. Execute an agreement with First Alarm Security & Patrol, Inc. (Aptos, CA) for security guard services for a one year term and a not-to-exceed compensation of \$2,182,500.
2. Execute amendments to the agreement to add and delete guard services as required subject to appropriation of funds.
3. Exercise four one-year options to renew the agreement subject to annual appropriation of funds.

## OUTCOME

To provide security guard services for the protection of City facilities and the safety of City employees and the public and to facilitate contract management by reducing the number of security contracts from four to one contract.

## EXECUTIVE SUMMARY

This memorandum outlines the requirement for security services throughout the City and reports on the RFP process to select the most advantageous supplier.

## **BACKGROUND**

On November 26, 2003 the City Council approved two agreements for security services with Silicon Valley Security and Patrol and National Security Industries to provide security services for the Departments of General Services, Environmental Services, Transportation, and Parks Recreation and Neighborhood Services. On November 21 and December 12, 2007, respectively, the two agreements were amended for a one-year extension. On November 20, 2007, the agreements were extended for another six months to allow for the consolidation of two other security services contract into one solicitation. The current extension period will expire on March 31, 2008.

On April 1, 2006 the City Council approved an agreement with National Security Industries to provide security services at the Norman Y. Mineta San José International Airport. The agreement is in its first option period with two one- year options remaining to extend the contract at the sole discretion of the City. Due to Terminal Area Improvement Program at the Norman Y. Mineta San José International Airport, staff has elected not to exercise any additional options and to participate in the subject RFP with updated specifications.

On November 14, 2005, Council approved an agreement with Security Code 3 to provide security guard services at Work2Future locations (Office of Economic Development). The agreement is in its second option period which expires on November 16, 2008. The City will terminate this agreement for convenience by March 31, 2008.

## **ANALYSIS**

On September 26, 2007, Finance/Purchasing released a Request for Proposal (RFP) for Security Services through the City's e-procurement system. Six companies were directly notified of the requirement and a total of 78 companies viewed the RFP.

A mandatory pre-proposal conference was held on October 12, 2007 and was attended by ten companies. Proposals from seven companies were received by the November 7, 2007 close date as follows:

- ABM Security (San Jose, CA)
- First Alarm Security & Patrol (Aptos, CA)
- Monument Security (San Jose, CA)
- National Security Industries (San Jose, Ca)
- Security Code 3 (San Jose, Ca)
- Silicon Valley Security & Patrol, (San Jose, CA)
- U.S. Security Associates, (San Jose, CA)

***Evaluation Team:*** A five member evaluation team was named with representatives from the Departments of Aviation, Transportation, and General Services and the Office of Economic Development.

**Minimum Qualifications (Pass/Fail):** The initial evaluation was a pass/fail assessment of each proposal to ensure that all required forms and documentation were complete and minimum qualifications were met. Finance purchasing staff determined that all proposals were responsive.

**Evaluation of Written Proposal for Technical Merits and Quality of Proposal (60%):** The evaluation team evaluated and scored each proposal in critical areas such as management systems, organization structure and staffing, guard and patrol scheduling, team make-up, guard training, equipment, and industry experience.

**Oral Presentations**

The evaluation team recommended that six of the seven companies be invited to make oral presentations. At this point, Security Code 3 was eliminated from further consideration, notified of the City's decision, and offered a debriefing. Oral presentations were not scored separately. Instead, the evaluators were provided the opportunity to adjust their written scores.

At the conclusion of the oral presentations, U.S. Security was eliminated from further consideration because U.S. Securities insisted on having the option to terminate the contract at any time with a 30-day notice. Such a contractual term is unacceptable to the City since it does not ensure uninterrupted security guard services throughout the term of the contract.

**Cost (30%):** Cost proposals were not disclosed to the evaluation team prior to the completion of the technical evaluation so as not to inadvertently influence technical scores.

**Best and Final Offer (BAFO):** A BAFO process was conducted to finalize pricing and clarify the scope of work.

**Local and Small Business Preference (10%):** Local Business (LBE) and Small Business (SBE) preference was a consideration for this RFP and was weighted 5% for each preference. Five proposers received the requested Local Business Preference.

**Contractual Labor Requirements:** This agreement is subject to the City's Living Wage policy.

**Recommendation:** Based on the evaluation process including written evaluation, cost proposals (BAFO), and oral interviews, First Alarm Security & Patrol submitted the most advantageous proposal.

	<b>TECHNICAL SCORE (60 POINTS)</b>	<b>COST SCORE (30 POINTS)</b>	<b>LBE (5 POINTS)</b>	<b>SBE (5 POINTS)</b>	<b>TOTAL SCORE (100 POINTS)</b>
First Alarm Security & Patrol	52	27	5	0	84
Monument Security	51	21	5	0	77
ABM Security Services	47	28	0	0	75
National Security Industries	44	25	5	0	74
Silicon Valley Security & Patrol	38	29	5	0	72

Specifically, First Alarm Security & Patrol, Inc.:

- has a substantial presence in the guard industry in California's central coast region and qualified for the City's Local Business Preference;
- demonstrated a superior understanding of the City's security services requirements for all departments;
- uses fuel efficient vehicles;
- provides sufficient resources to cover supervision, guard services, guard breaks, vacations, and illness,

**Protest:** The City's RFP process provides for unsuccessful Proposers to protest an award recommendation. The ten-day protest period commenced on February 6, 2008 with the issuance of a Notice of Intended Award. The City's Chief Purchasing Officer received a protest letter from Monument Security Inc., contending that First Alarm Security's response to an RFP question about past litigation did not disclose required information. After review of the protest letter and attached documentation with the City Attorney's Office, the Chief Purchasing Officer determined that the court cases referenced by the protesting proposer are not relevant to First Alarm's ability to perform under the terms and conditions of the contract.

**Summary of Agreement and Implementation Plan:** This agreement consolidates four security service contracts for six city departments into one agreement. The current agreements operate on a "time & materials" hourly rate cost structure for the specified scope of work requiring each department to conduct audits of submitted invoices to reconcile charges with hours claimed. The new agreement will be fixed price per the specified scope of work and allowing for additional charges for approved supplemental work. This cost structure will improve administration of the agreement and accounts payable efficiencies for each department and provide a means for better cost controls.

After Council approval of the contract, Staff will work with the current and new contractors to facilitate a smooth transition and ensure that there are no service disruptions.

#### **EVALUATION AND FOLLOW-UP**

This memorandum will not require any further follow-up from staff.

#### **POLICY ALTERNATIVES**

Not applicable.

### **PUBLIC OUTREACH/INTEREST**

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criterion 1. The memorandum will be posted on the City's website for the March 18, 2008 Council agenda. To outreach to potential vendors, this RFP was advertised on the City's Bidline/RFP Depot bid notification website and emailed to five vendors directly.

In addition, on March 5, 2008, the Downtown Parking Board and on March 3, 2008, the Treatment Plant Advisory Committee heard this item.

### **COORDINATION**

This memorandum was coordinated with the Departments of Aviation, General Services, Transportation, PRNS, Environmental Services, and Public Works/Office of Equality Assurance, Office of Economic Development (Work2Future), the City Manager's Budget Office, and the City Attorney's Office.

### **FISCAL/POLICY ALIGNMENT**

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services."

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

**Not to Exceed Amount for First Contract Year of Contract                      \$2,182,500**

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

City Department	Annual Amount	Supplemental Costs	Total Amount
1. Airport	\$1,270,433	\$129,567	\$1,400,400
2. DOT	\$298,945	\$31,033	\$330,000
3. General Services	\$73,000	\$7,000	\$80,000
4. PRNS	\$67,160	\$7,840	\$75,000
5. WPCP	\$228,338	\$21,662	\$250,000
6. Work2Future	\$43,166	\$4,334	\$47,500

3. SOURCE OF FUNDING: Ongoing operating expenditures.

4. FISCAL IMPACT: Funding is available in departmental annual appropriations.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
523	0802	<u>Airport:</u> <u>Non-Personal/</u> <u>Equipment</u>	\$40,789,864	\$1,400,000	VIII-2	10/16/07, 28143
001	0592	<u>General Services:</u> <u>Non-Personal/</u> <u>Equipment</u>	\$8,950,749	\$80,000	VIII-62	10/16/07, 28143
533	0512	<u>Department of</u> <u>Transportation:</u> <u>Non-Personal/</u> <u>Equipment</u>	\$6,591,359	\$247,500	VIII-132	10/16/07, 28143
001	0512	<u>Department of</u> <u>Transportation:</u> <u>Non-Personal/</u> <u>Equipment</u>	\$13,153,406	\$82,500	VIII-132	10/16/07, 28143
001	0642	<u>Parks, Recreation</u> <u>&amp; Neighborhood</u> <u>Services:</u> <u>Non-Personal/</u> <u>Equipment</u>	\$14,959,082	75,000	VIII-98	2/12/2008, 28241
290	2505	<u>Adult Workers</u>	\$3,776,645	\$4,977	VIII-32	N/A
290	530	<u>Dislocated Worker</u>	\$3,328,714	\$2,778	VIII-32	N/A
290	2364	<u>Youth Worker</u>	\$3,997,871	\$11,410	III-32	N/A
290	2481	<u>Administration</u>	\$956,037	\$28,148	III-32	N/A
290	2983	<u>Rapid Response</u> <u>Grant</u>	\$478,481	\$187	VIII-32	10/16/07, 28143
513	0762	<u>Environmental</u> <u>Services</u> <u>Non-Personal/</u> <u>Equipment</u>	\$32,865,978	\$250,000	VIII-40	10/16/07, 28143

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**CEQA**

Not a project.

  
SCOTT P. JOHNSON  
Director, Finance

For questions please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.