



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: March 27, 2006

Approved

Date

4/04/06

Council District: Citywide

**SUBJECT: REPORT ON RFP FOR TERMINAL SUPPORT SERVICES FOR THE
NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT**

RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to:

- a) Execute a one-year agreement with two one-year options with Command Security Corporation, dba/Aviation Safeguards for terminal support services at the Norman Y. Mineta San Jose International Airport. Contract period will be May 1, 2006 through April 30, 2007 with the first year compensation not to exceed \$500,000.
- b). Execute each of the options to renew with compensation adjustments based on the Consumer Price Index without further City Council action other than the appropriation of necessary funding.

OUTCOME

The Agreement with Aviation Safeguards will provide a more positive customer experience and will assist in improving passenger flow as customers navigate from the check-in to the screening process at Norman Y. Mineta San Jose International Airport.

BACKGROUND

Normal passenger flow at the Airport terminals has been disrupted as a result of September 11, 2001. Passengers now arrive at the Airport earlier and upon arriving are greeted by long lines, cumbersome security procedures, and congested facilities. In addition, federally mandated security requirements continue to change, resulting in variable vehicle and pedestrian circulation patterns within the terminals, adding to the confusion of visitors to the Airport.

In order to minimize the negative effects of September 11th and to create as positive a traveler experience as possible, the Airport has instituted a terminal support services program. The terminal support services program utilizes contract employees to facilitate passenger flows and lessen passenger confusion, to quickly identify and mitigate disturbances involving passengers, and to serve in related ambassadorial duties.

Currently the Airport is fulfilling its terminal support service program through a contract extension with Aviation Safeguards approved by Council on 25 October, 2005.

ANALYSIS

In December 2005, a Request for Proposal (RFP) process was initiated to develop a new contract to provide the required terminal support services at the Airport due to the pending expiration of the current agreement extension on April 30, 2006. The RFP was advertised on the City's Internet site (Bidline) and on the DemandStar bid notification system. As a result of this outreach, twenty-two companies requested the RFP, four companies attended the mandatory pre-proposal conference, and three companies' submitted responsive proposals.

The RFP process included the following steps:

- A mandatory pre-proposal conference was held to further clarify the City's requirements and increase the vendors' understanding of the RFP process.
- A formal written question and answer period was incorporated into the process to allow for clarifications of any ambiguity in the RFP. A written addendum to the RFP, addressing all of the written vendor questions, was issued to all participants.
- Technical and Price proposals were submitted as separate documents to avoid the possibility of pricing having an influence on the scoring of the technical merits.
- All proposals were evaluated relative to the minimum requirements set forth in the RFP.
- Oral interviews were held with all participants that submitted proposals meeting the minimum requirements set forth in the RFP.

Prior to the receipt of the proposals an evaluation methodology was established. Since the quality of terminal support services provided is critical to the proper operation of the Airport, it was determined prior to receipt of proposals that the technical evaluation, including oral interviews, would constitute 63% of the total evaluation score and cost constituted 27% of the evaluation score. The remaining 10% of the evaluation score was reserved for the local and small business preference.

The general criteria, as set forth in Municipal Code 4.13.040, used for the evaluation of the technical proposals were:

- Quality of the proposal
- Capability and expertise of the contractor
- Capacity of the contractor to perform the service
- Adherence to Council Policies and Airport/TSA regulations
- Adjustments for Local and Small Business Enterprise Preference

An evaluation panel consisting of stakeholders representing the Airlines and the Airport evaluated each proposal. All five panel members followed the City's Conflict of Interest process.

EVALUATION SUMMARY

The technical scores from the written proposals and oral interviews were compiled upon completion of all interviews. 630 points were allocated for the technical portion of the evaluation and 270 points were allocated for the price portion of the evaluation. The Table below represents the individual scores from the technical and price evaluation, the point adjustments in accordance with the local and small business preference ordinance, as well as the total score for each vendor. Please note two companies which submitted a proposal did not request an adjustment of the score in accordance with the City's small business preference ordinance.

COMPANY	Technical Score	Price Score	Local Business Preference	Small Business Preference	Total Score	FINAL RANK
Aviation Safeguards	519	270	50	0	839	1
American Commercial Security Services, Inc.	325	258	50	0	633	2
Security Code 3	238	269	50	50	607	3

SUMMARY

Based on a complete evaluation of all proposals and a check of references, Aviation Safeguards was ranked the highest and is recommended for award of contract with a total first year compensation not to exceed \$500,000, of which \$352,000 will be dedicated for anticipated terminal support requirements and \$148,000 for unexpected increases in terminal support requirements due to unexpected spikes in traveling activity and North Concourse and Airport expansion construction activities. The contract for terminal support services is subject to the City's Living Wage Policy.

Aviation Safeguards, in addition to being the incumbent service provider at Norman Y. Mineta San José International Airport, provides similar services for John F. Kennedy International Airport, Los Angeles International Airport, Portland International Airport, and Baltimore-Washington International.

PUBLIC OUTREACH

The RFP was advertised on the City's Internet site (Bidline) and on the DemandStar bid notification system.

COORDINATION

The memorandum was coordinated with the Airport, City Attorney's Office, the Budget Office, and the City Manager's Office.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn	Amt. for Contract	2005-2006 Adopted Operating Budget	Last Budget Action (Date, Ord. No.)
523	0802	Airport Non-Personal/ Equipment	333141 333143 428140	\$36,477,474	\$500,000	Page XI-3	02/14/06 Ord. # 27665

COST IMPLICATIONS

This Council item is consistent with the Mayor's Budget Strategy under Section A, General Principals, point number two; "We must focus on protecting our vital core city services".

The hourly rates proposed by the incumbent, Aviation Safeguards, provides an annual cost that is approximately 0.6% lower than the proposed cost of the closest bid and 4% lower than the next closest bid. By maintaining the incumbent as the supplier, additional savings will be realized as the need for initial training and badging of new employees will be eliminated.

CEQA

Resolutions No. 67380 and 71451, PP 06-027.


SCOTT P. JOHNSON
Director of Finance