



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: November 20, 2006

Approved

Ray Wilson

Date

11/22/06

COUNCIL DISTRICT: City-Wide

**SUBJECT: AGREEMENT FOR CITYWIDE CUSTODIAL SERVICES FOR
LIBRARIES AND COMMUNITY CENTERS**

RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to:

1. Execute an agreement with Acme Building Maintenance a GCA Company (Alviso, CA) for custodial services for citywide libraries and community centers for (1) year at a cost of \$1,227,102 annually to the City, and approve supplemental funds of \$200,000 to pay for unscheduled work for a total amount not to exceed \$ 1,427,102.
2. Execute four, one-year options to renew the agreement subject to annual Consumer Price Index price adjustments and annual appropriations.

OUTCOME

To provide custodial services for the City's libraries and community centers.

BACKGROUND

The City has a citywide agreement with Acme Building Maintenance to provide labor, materials, and equipment for custodial services at libraries and community centers. The original term of the agreement was from January 11, 2001 to January 10, 2002 with four, one-year options. The City exercised all option years in the agreement and on December 13, 2005, the City Council approved the first amendment to the agreement to extend the term for an additional six-month period through July 9, 2006. On June 27, 2006 City Council approved the second amendment to

the agreement to extend the term for an additional six-month period to January 9, 2007 to allow sufficient time for issuance and evaluation of a Request for Proposal (RFP).

ANALYSIS

On September 1, 2006 the RFP was initiated to provide for labor, materials, and equipment for custodial services at libraries and community centers. The RFP was advertised on the City's Bid Line and the Demand Star bid notification system. In addition, this solicitation was emailed directly to known companies within the custodial services industry.

Sixteen companies requested the RFP of which eight attended the mandatory pre-proposal conference held on September 18, 2006 at City Hall. All eight of these companies also attended the mandatory walk through of pre-selected facilities on September 20, 2006, and submitted RFP responses by the September 29, 2006 deadline.

The RFP process required all respondents to submit with their proposal documentation including but not limited to references. All proposals were found to be responsive for inclusion of all required documentation. After review of the minimum qualifications, the proposal evaluation consisted of a thorough review of each company's written proposal for Technical Approach, Quality of Proposal, and Cost.

A three-member evaluation panel evaluated all technical proposals and oral interviews. The panel consisted of two representatives from General Services and a member from the Water Pollution Control Plant. Prior to receiving proposals, all panel members were required to sign a confidentiality agreement and a conflict of interest form. No conflicts of interest were identified. Cost proposals were evaluated independently and not disclosed to the evaluation team to ensure an unbiased evaluation of the technical aspects of the proposals.

Upon conclusion of the proposal evaluation, it was determined that five companies had achieved a score within a competitive range (companies that could reasonably achieve contract award). These companies were invited to participate in oral presentations. The oral interviews served to validate the technical and quality elements of the proposals allowing for adjustments to the written response scores.

Able Services, Clean Innovation, and Universal Building Services proposals did not score in the competitive range, and were notified of the City's decision not to invite their company for an oral interview and were offered a debriefing session.

Based on the technical evaluation factors, which were weighted at 35% for Technical and Quality, 5% for the City's Local Business Preference, 5% for the City's Small Business Preference, and 55% for Cost, the five firms in the competitive range were ranked as follows.

RANK	COMPANY	TECHNICAL & QUALITY 35%	LOCAL BUSINESS PREFERENCE 5%	SMALL BUSINESS PREFERENCE 5%	COST 55%	TOTAL 100%
1	Acme Bldg. Maintenance	35.00	5	0	46.20	86.20
2	Pacific Bldg. Service	30.04	5	0	49.77	84.81
3	ABM	24.85	5	0	48.98	78.83
4	Hassan Maintenance	15.61	5	5	55.00	75.61
5	SBM	15.17	5	5	48.88	74.05

Local and Small Business Preference (10%)

Ten percent of the total possible evaluation points (5% for local and an additional 5% for small) were reserved for local and small business preference in accordance with the City's Local and Small business Preference Ordinance. Six of the proposing companies received five (5) points for Local business preference, and one company received five (5) points for both Local and five (5) points for Small business preference. One proposing company Able Services did not submit a request for Local and Small business preference. The application of the preference had no effect on the contract award recommendation.

Environmentally Preferable Custodial Supplies

In June 2001, the Council approved the Green Building Policy that requires that all new city facilities be designed to meet a Leadership in Energy and Environmental Design (LEED) certification standard. Low impact cleaning products used in the operation and maintenance of buildings are cited as a strategy to help achieve this policy's objective. In September 2001, the Council approved the Environmentally Preferable Purchasing Policy which guides the City to procure products and services that reduce toxicity, conserve natural resources, materials, and energy, and maximize recyclability and recycled content.

In accordance with this policy, Proposers could only offer products that are approved by the non-profit organization "Green Seal." Green Seal provides science-based environmental certification standards that are credible, transparent, and essential in an increasingly educated and competitive marketplace. Green Seal's industry knowledge and standards help manufacturers, purchasers, and end users make responsible choices that positively impact business behavior and improve

quality of life. For the duration of this contract, additional products that become approved by Green Seal may be considered by the City.

Contracting-In

On June 21, 2006, the affected bargaining units agreed that the Scope of Work of the RFP does not provide an opportunity to contract in these services.

Contractual Labor Requirements

This agreement requires the payment of living wage and employee retention. Since Acme Building Maintenance is being recommended to continue as the provider of custodial services at the City's community centers and libraries, there will be no transition in the work force to a new employer.

Summary

Therefore, staff recommends award of the contract to Acme Building Maintenance, which submitted the most advantageous proposal, for the following reasons:

- Acme Building Maintenance has met all requirements of the RFP and scored the highest on their written proposal.
- Acme Building Maintenance presented a detailed management and staffing plan including how they would maintain the City's libraries and community centers and improve customer satisfaction.
- Acme Building Maintenance recently merged with a nationally known custodial company GCA Services with annual revenues of \$400M. This added financial strength from GCA improves Acme's ability to use national agreements to control cost of supplies. Staff's input concerning Acme's current service and quality levels was very positive.
- Acme's cost proposal although not the low cost solution is quite favorable compared to City's current expenses for the existing service agreement. The City added libraries and community centers which has dramatically increased amount of square footage for custodial coverage under this agreement. Acme was the only vendor to include in the proposal three additional full time custodial staff to cover this increase in square footage.

The protest period for the recommendation of award started November 14, 2006 allowing interested parties in the procurement to submit a protest to the attention of the Chief Purchasing Officer by 5:00 p.m. on November 27, 2006. Any protest received and the respective resolution will be communicated to Council in a supplemental memo.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- ✓ **Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

- Criteria 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)**

- Criteria 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 Criteria 1 and the memorandum will be posted on the City's website for the December 12, 2006 Council Agenda. To outreach to potential contractors, this RFP was advertised on the City's internet Bid-Line and the Demand Star bid notification system. In addition, the City contacted several custodial companies to invite them to participate in this RFP directly.

COORDINATION

This memorandum has been coordinated with General Services, Public Works/Office of Equality Assurance, 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:

General Services Citywide Annual Custodial Costs Libraries and Community Centers	\$1,227,102
Unscheduled Supplemental Work (i.e. Carpet Shampoo, Carpet Extraction, Window Washing, Strip & Wax Floors, Special Setups, etc.)	\$200,000
TOTAL COST	\$1,427,102

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Labor Related Costs	\$1,019,620.00
Cleaning Supplies & Equipment	\$33,034.56
Direct Expenses (<i>Other</i>)	\$136,781.16
Administrative Costs	\$37,666.32
Supplemental Work	\$200,000
TOTAL (Not to exceed contract amount)	\$1,427,102

3. SOURCE OF FUNDING: General Services Department Non-Personal/Equipment
Library Department Non-Personal/Equipment

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	0592	NP/Equip General Services	\$10,857,985	\$1,075,147	VIII-56	
001	0722	NP/Equip Library	\$5,155,544	\$351,955	VIII-78	10/17/06, Ord. No. 27888

HONORABLE MAYOR AND CITY COUNCIL

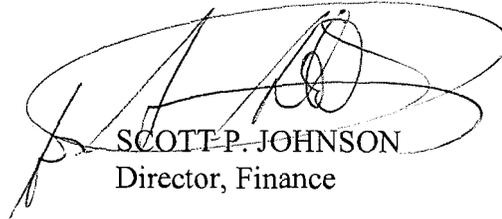
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CEQA

Not a project.



SCOTT P. JOHNSON
Director, Finance

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