

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: REPORT ON RFP FOR SECURITY
GUARD SERVICES FOR THE WATER
POLLUTION CONTROL PLANT

DATE: August 25, 2008

Approved

Christine J. Shippin

Date

8-27-08

RECOMMENDATION

Report on Request for Proposal (RFP) for Security Guard services for the Environmental Services Department (Water Pollution Control Plant) 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 maximum compensation not to exceed \$188,130.
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 extend the agreement subject to annual appropriation of funds.

OUTCOME

To provide security guard services to protect WPCP facilities and to insure the safety of the public and City employees.

BACKGROUND

On November 26, 2003 the City Council approved an agreement for security services with National Security Industries to provide security services for the Department of Environmental Services. On December 12, 2006 and November 20, 2007, the agreement was amended for a one-year and six-month extension, respectively. The extension period expired on March 31, 2008 and was extended administratively for one month.

On April 22, 2008, the Council approved a further extension until September 30, 2008 to allow staff to re-issue a Request for Proposal because the initial RFP included the requirement that the

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contractor pay a Prevailing Wage rate. Since such a rate does not exist, staff had to reject all proposals and reissue the RFP.

On November 17, 1998, Council adopted a Living Wage Policy with certain exemptions which include the application of the policy to contracts for the Water Pollution Control Plant (WPCP). Council exempted contracts for the WPCP, since the City shares management authority of the plant with the City of Santa Clara.

ANALYSIS

On May 8, 2008, Finance/Purchasing released a Request for Proposal (RFP) for Security Services for WPCP that does not include the requirement to pay the City's Living Wage rate through the City's e-procurement system. In addition, six companies were directly notified of this RFP and a total of 31 companies viewed the RFP. Eight companies attended the mandatory pre-proposal conference conducted on May 15, 2008 and five companies' submitted proposals by the May 30, 2008 close date as follows:

- First Alarm Security & Patrol (Aptos, CA)
- National Security Industries (San Jose, Ca)
- Orion Security (San Jose, CA)
- Securitas (San Jose, Ca)
- U.S. Security Associates, (San Jose, CA)

Evaluation Team: A three member evaluation team was named with representatives from the Environmental Services Department (WPCP).

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. Purchasing staff determined that all proposals were responsive.

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 concluded that First Alarm Security & Patrol submitted a superior proposal, and recommended that oral presentations would not be necessary.

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.

Local and Small Business Preference (10%): In accordance with City policy, ten percent of the total evaluation points were reserved for local and small business preference. Four proposers requested and received the 5% Local Business Preference. First Alarm Security and Patrol

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applied for and was granted the City's local preference. The application of the local preference resulted in the recommendation to award the contract to First Alarm Security & Patrol as depicted in the table below.

	TECHNICAL SCORE (60 POINTS)	COST SCORE (30 POINTS)	LOCAL BUSINESS PREFERENCE (5 POINTS)	SMALL BUSINESS PREFERENCE (5 POINTS)	TOTAL SCORE (100 POINTS)
First Alarm Security & Patrol	59	27	5	0	91
Securitas	52	29	5	0	86
U.S. Security Associates	56	30	0	0	86
National Security Industries	49	29	5	0	84
Orion Security	46	26	5	0	77

The proposal submitted by First Alarm Security & Patrol, Inc was superior as follows:

- First Alarm has a substantial presence in the guard industry in Northern California including the State of California, Monterey County, Santa Cruz County, City of Santa Rosa, and is the current contractor for all other City of San Jose security and patrol requirements.
- First Alarm demonstrated a superior understanding of the City's security services requirements for WPCP.
- First Alarm submitted a superior resource plan demonstrating sufficient resources to cover supervision, guard services, guard breaks, vacations, and illness.

Protest Process: The City's RFP process provides for unsuccessful Proposers to protest the award recommendation. The ten-day protest period commenced on August 11, 2008. No protests were received.

Summary of Agreement and Implementation Plan: This agreement establishes a fixed monthly fee for guard services at WPCP and allows for additional charges for any pre-approved supplemental work. The current agreement is based on an hourly rate including overhead and profit requiring WPCP personnel to conduct audits of submitted invoices to reconcile charges with hours claimed. Converting to a fixed price agreement will result in a 5% cost savings and improved contract administration efficiencies.

Staff will work with the current and new contractor 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

Alternative #1: Do not award the contract for Security Services and direct staff to bring forward an amendment to the City's Living Wage Policy to include the WPCP contracts before re-soliciting a security services contract for the Plant.

Pros: Ensures a living wage floor.

Cons: There would be a greater cost for the service.

Reason for not recommending: The City's Living Wage Policy specifically exempts contracts for the Water Pollution Control Plant from the living wage requirement. Staff can only re-solicit security services which include a living wage requirement, if the Treatment Plant Advisory Committee and then the City Council rescind the exemption. The current Living Wage rate, when benefits are provided by the contractor, is \$12.83 per hour. The hourly wage paid under the recommended agreement is \$11.00 per hour.

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)**

While this requirement does not meet any of the above criteria, this memorandum is posted on the City's website for the September 16, 2008 Council agenda. On September 11, 2008, the Treatment Plant Advisory Committee approved this recommendation.

COORDINATION

This memorandum was coordinated with the Environmental Services Department, the 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

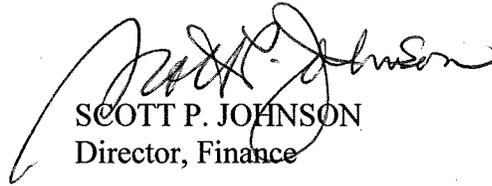
Not applicable.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	Operating Budget Page	Operating Budget Action (Date, Ord. No.)
513	0762	<u>WPCP</u> ESD Non-Personal Equipment	\$31,804,740	\$188,130	VIII-38	6/24/2008

CEQA

Not a project.


SCOTT P. JOHNSON
Director, Finance

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