



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Scott P. Johnson  
Julie Edmonds-Mares

**SUBJECT:** SEE BELOW

**DATE:** 05-31-11

Approved

Date

6-1-11

**COUNCIL DISTRICT:** Citywide

**SUBJECT: ACTIONS RELATED TO REPORT ON REQUEST FOR PROPOSAL FOR  
GRAFFITI ABATEMENT SERVICES**

## RECOMMENDATION

- A. Accept the Report on Request for Proposal (RFP) for Graffiti Abatement Services; and
- B. Adopt a resolution authorizing the Director of Finance, subject to the appropriation of funds, to:
  1. Negotiate and execute an agreement with Graffiti Protective Coatings, Inc. (Los Angeles, CA) to provide Citywide Graffiti Abatement Services for an initial five-year term of June 27, 2011 through June 30, 2016, with a maximum compensation amount not to exceed \$3,166,503 for the initial term; and
  2. Execute two (2) two-year options to renew the agreement.

## OUTCOME

To reduce costs for graffiti removal by contracting with a private service provider and continue to meet the graffiti removal needs of the community. If approved, this service will include removal of graffiti within 24 hours of assignment and implementation of a web-based work order management system for logging, tracking and documenting all graffiti abatement activity.

## BACKGROUND

The City's existing Anti-Graffiti program focuses on three areas: Community Involvement, Eradication, and Enforcement. The program provides a 24 hour Hotline which is available for anyone to notify the City of gang or non-gang related graffiti within the City boundaries. Currently,

City staff responds by evaluating the calls and distributing assignments for removal based on geography, complexity, volume, equipment availability, and removal priority. In Fiscal Year 2009-2010, this unit was responsible for the removal of approximately 147,786 graffiti tags which translates into 1,520,517 square feet (with an additional 180,000 square feet of graffiti eradication at City facilities performed by Public Work's Painter position).

In preparation for the proposed 2011-2012 budget, staff evaluated the City's Anti-Graffiti Program to determine whether the services could be provided more cost effectively. Pursuant to Council Policy 0-41, a preliminary business case analysis was transmitted to the City Council in February 2011 that provided cost savings estimates based on the service costs of other agencies that utilize contracted services, and the schedule for conducting a competitive procurement to validate the cost estimates.

As part of solving the approximately \$115 million 2011-2012 General Fund shortfall, the 2011-2012 Proposed Operating Budget, which was issued on May 2, 2011 contains a recommendation to outsource this service generating savings of \$363,000. After evaluation of proposals received in response to the Request for Proposal to outsource Graffiti Abatement Services, the Administration issued the final business analysis on May 27, 2011 through the Manager's Budget Addendum #39. Based on the evaluation of proposals, the business case concluded that a contracted service model would generate an additional savings of \$250,000 resulting in \$613,000 savings in 2011-2012 and at the same time provide service enhancements as discussed in this memorandum. In the Manager's Budget Addendum, staff recommended that the City proceed with a private contractor to provide graffiti eradication (removal) services, and to retain in-house staff to continue the management of the community involvement and enforcement components of the program.

## **ANALYSIS**

On March 23, 2011, the Finance Department released an RFP for a graffiti abatement service provider. A total of six proposals were received by the April 18, 2011 deadline as follows:

- Clean Innovation Corporation (Santa Clara, CA)
- Graffiti Protective Coatings, Inc (Los Angeles, CA)
- Moreno & Associates, Inc. (San Jose, CA)
- San Jose Conservation Corps & Charter School (San Jose, CA)
- Tucker Construction Inc. (San Jose, CA)
- Universal Sweeping Services (San Jose, CA)

***Evaluation Team:*** A three-member evaluation team was named with representatives from the Department of Parks Recreation and Neighborhood Services (PRNS). All three members have extensive knowledge of the City's graffiti requirements as well as the City's program for graffiti abatement.

***Technical Evaluation (25%):*** The technical evaluation consisted of a review of each company's written proposal for operational readiness and approach to eradicating graffiti; certificate and license

requirements; description of the work order and tracking system to record assignments; and implementation of background checks. Proposals were independently scored by the evaluation team.

**Experience Evaluation (25%):** The experience evaluation consisted of a review of each company’s written proposal for the type of eradication performed such as paint only, structural, commercial and/or residential work. Additionally, this section included an evaluation of each company’s staffing plan, hazard/safety plan as well as an understanding of the graffiti workload level currently/previously experienced.

**Environmental Stewardship (5%):** The environmental stewardship consisted of a review of each company’s written proposal to apply the City’s adopted “Environmentally Preferable Procurement Policy.”

**Cost Proposals (35%):** Cost proposals including graffiti removal and paint out services were independently evaluated and scored.

**Oral Interview/Presentations:** At the conclusion of the proposal evaluation process described above, the evaluation team determined that the three highest ranked proposers, Graffiti Protective Coatings, Inc., San Jose Conservation Corps & Charter School and Universal Sweeping Services, should be invited to participate in oral presentations to further demonstrate their understanding of the City’s requirements, explain their methods of operation, and describe the equipment they will use in the performance of their duties. At the conclusion of the oral presentations, proposal scores were adjusted and finalized.

**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. Moreno & Associates, Inc, San Jose Conservation Corps & Charter School, Tucker Construction Inc., and Universal Sweeping requested and were granted the local preference. In addition, Tucker Construction requested and was granted the small business preference with 35 or fewer employees.

The final scores from the top three proposers are demonstrated in the table below:

	Max Points		Graffiti Protective Coatings	SJCC	Universal Sweeping
Technical Capability	25		22	14	19
Experience	25		24	7	18
Environmental Stewardship	5		2	2	4
Cost	35		18	35	12
Local	5		0	5	5
Small	5		0	0	0
<b>TOTAL</b>	<b>100</b>		<b>66</b>	<b>63</b>	<b>58</b>

**Protest Period:** The RFP process included a ten-day protest period that commenced when Proposers received the City's Notice of Intended Award on May 20, 2011. No protests were received.

**Award Recommendation:** Staff recommends award of the contract to Graffiti Protective Coating, Inc (GPC) because the evaluation committee deemed GPC's proposal to be the most advantageous and "best value" for the City. GPC submitted the most detailed and comprehensive proposal that met the RFP requirements. GPC's enhanced services include:

- A fully operational web-based system to track and report graffiti abatement activity.
- Smart phone compatibility to report graffiti.
- A proven track record of working with municipalities such as the City of Santa Cruz, California; City of Santa Ana, California; City of Long Beach, California; and City of Mesa, Arizona, to remove graffiti in a timely manner. Staff has contacted the County of Alameda and City of Santa Cruz. The checks consisted of discussions about GPC's web-based work order system, customer relation skills, smart-phone interface, eradication cycle time, and overall quality of work. Both references checked out very positive.
- Improved paint matching techniques.

**Summary of Agreement:** The initial term of the agreement is five years with two (2) two-year options to renew for a total of nine years. Compensation is "fixed price" based on a cost per square foot for abatement services performed. For the first two years of the agreement, pricing will be fixed at \$.40 per square foot. After this period, price adjustments may be granted as requested and justified by the contractor and approved by the City, not to exceed 5% annually. The agreement will list specific outcomes and performance measures such as the eradication of graffiti within 24 hours of assignment receipt, use of removal methods that do not harm, deface or mark the surface and use of removal methods that do not leave shadows or ghosts. These measurements will be monitored by a City project manager.

As detailed in MBA #39, the outsourcing of this service will save the City approximately \$613,000 in 2011-2012. This agreement will include a termination for convenience clause that will allow the City to terminate the agreement at any time, for any reason, with thirty days written notice.

**PRNS Coordination:** In addition to providing contract management of the graffiti abatement services agreement, PRNS staff will continue to facilitate community involvement and coordinate enforcement with the Police Department and the Planning, Building, and Code Enforcement Department through activities such as organizing Citywide graffiti events, instructing graffiti volunteers about eradication methods, scheduling graffiti volunteer appreciation days, and working with the Mayor's Gang Prevention Task Force. Additionally, PRNS staff will manage the current network of business and community partnerships engaged in graffiti abatement initiatives and supervise participants performing graffiti abatement through the County of Santa Clara's Sentencing Alternatives Program.

### EVALUATION AND FOLLOW-UP

Should this recommendation be adopted, PRNS will consult with the Parks and Recreation Commission to establish either a Commission subcommittee or a working group comprised of interested persons such as Commission members, Anti-Graffiti volunteers and other stakeholders, to evaluate the effectiveness of the vendor and outsourced service. This group would then make a report first to the Parks and Recreation Commission and subsequently to the Neighborhood Services and Education Committee, after the first six and twelve months of service. The Contractor will be present at these public forums to support City staff and engage the public about graffiti abatement services.

### 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)**

On March 23, 24 and 29, 2011, PRNS held a series of community meetings to discuss the alternate service delivery model for graffiti eradication. Both City staff and community members were in attendance at these meetings. Some members of the community supported the recommendation as a means to maintain services at a lower cost, while other members voiced concern about outsourcing, most often in conjunction with concerns about work quality that the vendors would provide. The issue of alternative service delivery also surfaced at most of the Community Budget Meetings, with similar comment themes.

### COORDINATION

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

### FISCAL/POLICY ALIGNMENT

This action is consistent with the following General Budget Principles "We must focus on protecting our vital core city services for both the short and long-term" and "We must continue to streamline, innovate, and simplify our operations so that we can deliver services at a higher quality level, with better flexibility, at a lower cost."

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**COST IMPLICATIONS**

Service cost in year 1 is approximately \$595,000. The four days of cost experienced in fiscal year 2010-2011 (June 27<sup>th</sup> through June 30<sup>th</sup>), which is estimated to be approximately \$7,000.00, will be absorbed by PRNS's non-personal services appropriation.

**BUDGET REFERENCE**

FY 2011-2012 Proposed Operating Budget Page VIII-249-250

**CEQA**

Exempt, File No. PP11-046

/s/

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/s/

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For questions please contact Mark Giovannetti, Purchasing Officer, at 408-535-7052.