



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Julia H. Cooper  
Jim Ortbal

**SUBJECT:** SEE BELOW

**DATE:** October 15, 2020

Approved

Date

10/16/2020

**SUBJECT: ACTIONS RELATED TO THE PURCHASE ORDERS FOR THE  
REMOVAL AND DISPOSAL OF TRASH, DEBRIS, AND BIO-WASTE AT  
HOMELESS ENCAMPMENT SITES**

## RECOMMENDATION

Adopt a resolution authorizing the City Manager to:

1. Execute purchase orders with NRC Environmental Services, Inc. (Alameda, CA), HCI Environmental and Engineering (Riverside, CA), and Tucker Construction, Inc. (San José, CA) for removal and disposal of trash, debris, and bio-waste at homeless encampment sites to mitigate the spread of COVID-19 within the encampments for an initial 11-week term retroactive to October 11, 2020 and ending on or about December 30, 2020, for a total cumulative compensation not-to-exceed amount of \$3,000,000.
2. Execute purchase orders for up to six, six-month options to extend the service with one or more of the vendors for removal and disposal of trash, debris and bio-waste at homeless encampment sites to address any ongoing public health and safety issues beginning December 31, 2020, subject to appropriations of funds.

## OUTCOME

Approval of these purchase orders will result in the removal and disposal of trash, debris and other waste at homeless encampment sites to mitigate the spread of coronavirus infectious disease (COVID-19) by supporting improved sanitary conditions in encamped areas.

## **BACKGROUND**

On March 17, 2020, the County of Santa Clara joined other Bay Area counties in an issuance of a Shelter-in-Place Order (SIP) to slow the spread of COVID-19. To prevent the spread of COVID-19, the Centers for Disease Control and Prevention (CDC) recommends if individual, non-congregate housing options are not available, people who are living unsheltered or in encampments should remain where they are. The CDC further recommends community coalitions work to improve sanitation in encampments. It is the City of San José's (City) Emergency Operation Center (EOC) goal to advance public health guidance related to unsheltered homeless communities.

In accordance with CDC guidance and Santa Clara County Public Health Orders to shelter-in-place, the City suspended encampment abatement activities except in instances where the public right of way is impeded causing hazardous conditions. This policy will remain in place until either the County shelter-in-place order is lifted, or CDC or Santa Clara County Public Health guidance related to unsheltered residents changes. With the SIP order in effect, the Valley Homeless Healthcare Program (VHHP) is providing mass asymptomatic COVID-19 swabbing for the homeless community at all encampments of ten or more people in order to help protect this vulnerable population, control potential outbreaks, and link residents with vital services. Additionally, medical providers visit encampments multiple times per week throughout the City to share information about COVID-19 and provide medical care. There have been no substantial outbreaks of COVID-19 in homeless encampments since this strategy was implemented on March 17, 2020.

While City-initiated encampment abatement activities are currently suspended, staff is working to improve sanitary conditions at encampments across the City and ensure that the public safety of unsheltered residents and the general public is not undermined by the location of encampments. The City activated the BeautifySJ Response EOC Branch in mid-June, with the goal of developing and delivering a regular trash service that provides the right level of service to the right location at the right frequency to result in a cleaner City for all.

Estimated expenses for Homeless Sheltering and Support efforts from the Coronavirus Relief Fund (CRF), as recommended by 2020-2021 Manager's Budget Addendum #3, *Coronavirus Relief Fund and General Fund Adjustments*, later modified by the Coronavirus Relief Fund Rebalancing actions approved by City Council on September 22, 2020, included \$4.0 million to rapidly scale BeautifySJ Response efforts with additional staff, materials, and contractual capacity, focusing on homeless encampments and transitional housing sites. Additional funding of \$3.0 million from the Continuity of Operations Reserve (General Fund) was approved by City Council on September 22, 2020 to more flexibly address illegal dumping locations and other blight abatement activities not directly related to preventing the spread of COVID-19.

After an intensive process to determine where homeless residents reside and the magnitude of trash including bio-waste generated at these encampments, the BeautifySJ Response Emergency

Operations Center (EOC) Branch initiated a three-tier service model. Sites requiring the lowest level of service are designated as Tier 1 or Tier 2 which comprise roadways and trails respectively. These forty-eight (48) sites have been assigned to non-profit partners who have been provided with CRF funded grant agreements and are currently providing services. Staff determined that there are approximately 150 additional sites requiring substantial levels of service to include deep cleaning, bio-waste services, and other waste disposal.

The purchase orders to be awarded will allow staff to divide the sites into three “zones”, one to be assigned to each vendor, to increase service levels and frequency significantly in the most heavily-impacted areas. Staff proposes to return to the City Council at its study session scheduled for December 4, 2020 to discuss the lessons learned, results achieved and proposed future levels of service based upon the data collected across all three tiers of service.

## **ANALYSIS**

Concurrent with the initial issuance of purchase orders based on the emergency exemption to San José Municipal Code Section 4.12.220 for sole sourcing under a public emergency, a competitive Request for Bid (RFB) on August 28, 2020 was issued by the Finance Department to procure these services for the longer term. The RFB was structured to allow for multiple awards. One hundred eight companies were invited through Biddingo, the City’s e-procurement system, and 23 companies downloaded the bid package. The bid was initially posted for 15 days. Staff received 11 detailed multi-part questions resulting in a total of 37 actual questions.

In order to allow bidders sufficient time to submit questions and staff to appropriately review and respond, the bid was extended four times for a total noticing period of 24 days. An addendum to the bid was posted on September 18, 2020 and included changes to the minimum qualification, scope changes to add hazardous and universal waste and clarification to fees, and the cost proposal form. The minimum qualifications were updated to amend requirements for Class A or B driver’s license, and add training and licensing requirements for handling, transporting, and disposal of bio-waste and hazardous waste. Eight bids were received, but three were rejected for being non-responsive. No protests were received by the protest deadline.

Staff recommends award to NRC Environmental, Inc., HCI Environmental, Inc., and Tucker Construction, Inc. as the three lowest-priced responsive, responsible bidders pursuant to the bidding procedures of the San José Municipal Code, Section 4.12.310.B. The Office of Equality Assurance confirmed that the City of San José Living Wage and Prevailing Wage are applicable under this purchase order.

The RFB solicitation was made in accordance with Federal procurement standards pursuant to 2 C.F.R. § 200.320(c) because they were stricter than the Care Relief Guidelines, and we were uncertain which funding source would be available at the time of the release of the bid. City staff

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plan to apply CRF funding because the services are expenses for public safety measures undertaken in response to COVID-19<sup>1</sup>.

Approval of the recommendation would enable purchase orders to be awarded to each vendor for a total aggregate amount of \$3,000,000 through December 30, 2020. If the encampment abatement activities are suspended due to COVID-19 health orders and CDC guidance, sanitary conditions at encampments across the City will most likely continue to endanger the public safety of unsheltered residents and the general public and consequently services will still need to be maintained. In the event this occurs, the City Manager would also have the authority to exercise six, six-month options to be funded by the general fund.

### **CONCLUSION**

Approval of this recommendation will ensure removal and disposal of trash, debris, and bio-waste services at homeless encampment sites will be provided to help keep the homeless population healthy and mitigate the spread of COVID-19.

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

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

### **CLIMATE SMART SAN JOSE**

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

### **COORDINATION**

This memorandum has been coordinated with the EOC Beautify SJ Branch, the Office Equality Assurance, the City Attorney's Office, and the City Manager's Budget Office.

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<sup>1</sup> U.S. Treasury *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments Updated September 2, 2020*, <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

**COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

**FISCAL/POLICY ALIGNMENT**

This Council item is consistent with the City's 2020-2021 Adopted Budget and City Service Area of Community and Economic Development to provide a safe, healthy, attractive and vital community.

**COST SUMMARY/IMPLICATIONS**

The following outlines the elements of the purchase order:

**1. AMOUNT OF RECOMMENDATION** **\$3,000,000**

**2. COST ELEMENTS**

Purchase Order with NRC Environmental, Inc.	\$1,000,000
Purchase Order with HCI Environmental, Inc.	1,000,000
Purchase Order with Tucker Construction, Inc.	1,000,000
<b>PURCHASE ORDER NOT-TO-EXCEED TOTAL</b>	<b>\$3,000,000</b>

**3. SOURCE OF FUNDING:** Coronavirus Relief Fund, CRF Funding 401 64-983708-4052

**4. FISCAL IMPACT:** N/A

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**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Recommendation	2020-2021 Proposed Budget Page	Last Budget Action (Date, Ord. No)
401	201S	Cares Relief Fund	\$4,000,000	\$3,000,000	Proposed Operating Budget, page IX-4	9/22/20, #30482

**CEQA**

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/  
JIM ORTBAL  
Deputy City Manager

/s/  
JULIA H. COOPER  
Director of Finance

For questions regarding the procurement, please contact Jennifer Cheng, Deputy Director of Finance, at (408) 535-7059. For questions regarding the program, please contact Rick Scott, EOC BeautifySJ Branch Director at (408) 794-1925.