



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Julia H. Cooper

**SUBJECT:** SEE BELOW

**DATE:** September 14, 2020

Approved

Date

9/23/2020

**SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR CITYWIDE JANITORIAL SERVICES**

## **RECOMMENDATION**

Accept the report on the Request for Proposal and adopt a resolution authorizing the City Manager to:

- (a) Negotiate and execute agreements with Flagship Facility Services, Inc. (San José, CA), PRIDE Industries One Inc. (Roseville, CA), Impec Group Inc. (Santa Clara, CA), and Universal Building Services and Supply Co. (Richmond, CA) for Janitorial Services for an initial one-year term beginning on or about October 7, 2020 through October 6, 2021 with a total maximum compensation for all agreements not to exceed \$13,077,388 for the initial term;
- (b) Negotiate and execute amendments and change orders as required to add, delete, or modify services to address seasonal variations, budgetary constraints, or unanticipated changes in demand, subject to the appropriation of funds; and
- (c) Exercise up to nine (9) one-year options to extend the terms of the agreements through October 6, 2030, subject to the appropriation of funds.

## **OUTCOME**

To provide high quality, cost-effective janitorial services to clean, sanitize, and maintain City facilities for City staff and the public.

## **BACKGROUND**

The City of San José utilizes third-party vendors to provide janitorial services at various City facilities and locations. In November 2011,<sup>1</sup> City Council authorized staff to execute janitorial services agreements for the Airport, Office of Cultural Affairs (OCA), Department of Parks, Recreation, and Neighborhood Services (PRNS), Department of Public Works (PW), and the Environmental Services Department (ESD) with GCA Services Group (GCA). These agreements covered janitorial services for the Airport, public art, park restrooms, City Hall, libraries, community centers, Police Department facilities, and the Regional Wastewater Facility. In September 2017, ABM Industries, Inc. (ABM) purchased GCA and assumed responsibility for the agreements. In October 2019,<sup>2</sup> City Council authorized staff to extend the agreements through October 31, 2020.

## **ANALYSIS**

In June 2020, the Finance Department released a Request for Proposal (RFP) for Citywide Janitorial Services through the City's e-procurement system, Biddingo. Due to varying operational needs for each City department, the RFP was divided into five (5) packages: Package A – Airport, Package B – OCA, Package C – PRNS, Package D – PW, and Package E – ESD. Each package included a unique scope of services, and proposers could submit proposals for any or all the packages. Dividing the City's overall janitorial requirements into separate packages helped encourage maximum participation by allowing janitorial vendors who specialized in specific areas to only apply for those areas and not limit participation to only those vendors who provide all services.

A total of fifty-seven (57) companies viewed the RFP, and seven (7) proposal responses were received prior to the submittal deadline from the following companies noted below. The incumbent, ABM, did not submit a proposal response by the RFP deadline.

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<sup>1</sup> November 2011 Council Meeting: [http://www3.sanjoseca.gov/clerk/Agenda/20111108/20111108\\_0303.pdf](http://www3.sanjoseca.gov/clerk/Agenda/20111108/20111108_0303.pdf)

<sup>2</sup> October 2019 Council Meeting: <http://sanjose.legistar.com/gateway.aspx?M=F&ID=37889ebe-d5cf-4574-8dfc-0494c07e6742.pdf>

	Package				
	<u>A</u> Airport	<u>B</u> OCA	<u>C</u> PRNS	<u>D</u> PW	<u>E</u> ESD
Flagship Facility Services, Inc. (San José, CA)	✓				
Impec Group Inc. (Santa Clara, CA)	✓	✓	✓	✓	✓
LGC Global Energy FM, LLC (Detroit, MI)	✓	✓	✓	✓	✓
PRIDE Industries One Inc. (Roseville, CA)	✓	✓		✓	✓
Service by Medallion (Mountain View, CA)	✓	✓	✓	✓	✓
SWA Services Group, Inc. (Santa Clara, CA)	✓	✓	✓	✓	✓
Universal Building Services and Supply Co. (Richmond, CA)					✓

**Evaluation Process:** Proposals for all five packages were evaluated and scored independently, in accordance with the evaluation criteria set forth in the RFP, by a four-member evaluation team comprised of representatives from the Airport, ESD, PRNS, and PW. The City did not conduct on-site walkthroughs due to the ongoing COVID-19 pandemic and social distancing requirements. Evaluation results by package are as follows:

**Package A – Airport**

Package A provided a scope of services for the cleaning of Airport facilities. The City received six (6) written proposals by the RFP deadline. Two (2) finalists were selected to participate in oral interviews. Scores for finalists following oral interviews are as follows:

<b>Evaluation Criteria</b>	<b>Maximum Points</b>	<b>Flagship Facility Services, Inc.</b>	<b>PRIDE Industries One Inc.</b>
General Requirements	5	5	4
Experience and Qualifications	10	9	8
Technical Capabilities	15	14	12
Project Approach/Schedule	15	13	12
Cost Proposal	15	15	12
Local Business Enterprise	5	5	5
Small Business Enterprise	5	0	0
Oral Interview	30	29	19
<b>TOTAL</b>	<b>100</b>	<b>90</b>	<b>72</b>

**Package B – OCA**

Package B provided a scope of services for the cleaning of the City’s public art collection. The City received five (5) written proposals by the RFP deadline. The evaluation team evaluated the written proposals; oral interviews were not necessary and therefore not conducted. Final scores for all proposers are as follows:

<b>Evaluation Criteria</b>	<b>Maximum Points</b>	<b>Impec Group Inc.</b>	<b>LGC Global Energy FM, LLC</b>	<b>PRIDE Industries One Inc.</b>	<b>Service by Medallion</b>	<b>SWA Services Group Inc.</b>
General Requirements	5	3.00	3.25	4.25	1.50	3.25
Experience and Qualifications	10	6.00	6.70	7.30	5.00	7.00
Technical Capabilities	25	15.63	17.38	19.38	6.63	18.25
Project Approach/Schedule	25	16.00	15.56	19.63	5.88	18.06
Cost Proposal	25	25.00	24.89	12.53	0.00	12.24
Local Business Enterprise	5	0.00	0.00	5.00	0.00	5.00
Small Business Enterprise	5	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>100</b>	<b>65.63</b>	<b>67.78</b>	<b>68.09</b>	<b>19.01</b>	<b>63.80</b>

**Package C – PRNS**

Package C provided a scope of services for the cleaning of the City park restrooms. The City received four (4) written proposals by the RFP deadline. The evaluation team evaluated the written proposals; oral interviews were not deemed necessary and therefore not conducted. Final scores for all proposers are as follows

<b>Evaluation Criteria</b>	<b>Maximum Points</b>	<b>Impec Group Inc.</b>	<b>LGC Global Energy FM, LLC</b>	<b>Service by Medallion</b>	<b>SWA Services Group Inc.</b>
General Requirements	5	3	3	2	3
Experience and Qualifications	10	7	7	5	7
Technical Capabilities	25	16	18	7	18
Project Approach/Schedule	25	15	16	6	19
Cost Proposal	25	25	18	0	12
Local Business Enterprise	5	0	0	0	5
Small Business Enterprise	5	0	0	0	0
<b>TOTAL</b>	<b>100</b>	<b>66</b>	<b>62</b>	<b>20</b>	<b>64</b>

**Package D – Public Works**

Package D provided a scope of services for the cleaning of City Hall and remote facilities, community centers, libraries, and Police Department facilities. The City received five (5) written proposals by the RFP deadline. The evaluation team evaluated the written proposals; oral interviews were not deemed necessary and therefore not conducted. Final scores for all proposers are as follows:

<b>Evaluation Criteria</b>	<b>Maximum Points</b>	<b>Impec Group Inc.</b>	<b>LGC Global Energy FM, LLC</b>	<b>PRIDE Industries One Inc.</b>	<b>Service by Medallion</b>	<b>SWA Services Group Inc.</b>
General Requirements	5	3	3	4	2	3
Experience and Qualifications	10	7	7	9	6	8
Technical Capabilities	25	16	17	20	7	18
Project Approach/Schedule	25	15	16	20	6	18
Cost Proposal	25	8	9	8	25	8
Local Business Enterprise	5	0	0	5	0	5
Small Business Enterprise	5	0	0	0	0	0
<b>TOTAL</b>	<b>100</b>	<b>49</b>	<b>52</b>	<b>66</b>	<b>46</b>	<b>60</b>

**Package E – ESD**

Package E provided a scope of services for the cleaning of the Regional Wastewater Facility. The City received six (6) written proposals by the RFP deadline. The evaluation team evaluated the written proposals; oral interviews were not deemed necessary and therefore not conducted. Two (2) finalists were selected to participate in a Best and Final Offer (BAFO). Scores for finalists following the BAFO are as follows:

<b>Evaluation Criteria</b>	<b>Maximum Points</b>	<b>PRIDE Industries One Inc</b>	<b>Universal Building Services and Supply Co.</b>
General Requirements	5	4	4
Experience and Qualifications	10	8	7
Technical Capabilities	25	19	20
Project Approach/Schedule	25	20	17
Cost Proposal (BAFO)	25	21	25
Local Business Enterprise	5	5	5
Small Business Enterprise	5	0	0
<b>TOTAL</b>	<b>100</b>	<b>77</b>	<b>78</b>

***Local and Small Business Enterprise Preference:*** In accordance with City policy, ten percent of the total evaluation points were reserved for local and small business preference. Four (4) proposers (PRIDE Industries One Inc., Universal Building Services and Supply Co., SWA Services Group Inc., and Flagship Facility Services Inc.) requested and qualified for the City’s local business preference for their local offices located within Santa Clara County. None of the

proposers qualified for the small business preference. The local business preference was a factor in the final award for Package B.

**Protest:** The City’s RFP process included a ten-day protest period that began when the City issued the Notice of Intended Award on August 31, 2020. No protests were received.

**Award Recommendations:** Staff recommends awards of contract to the vendors identified below whose proposals were scored as the best value proposals per the evaluation criteria set forth in the RFP:

<b>Department</b>	<b>Vendor</b>	<b>Maximum Compensation</b>
Airport	Flagship	\$4,188,315
Office of Cultural Affairs	PRIDE	40,388
Parks, Recreation, and Neighborhood Services	Impec	1,284,280
Public Works	PRIDE	6,810,046
Environmental Services	Universal	754,359
<b>TOTAL NOT-TO-EXCEED INITIAL ONE-YEAR TERM</b>		<b>\$13,077,388</b>

**Package A – Airport:** Staff recommends award of contract for Package A – Airport to **Flagship Facility Services, Inc. (Flagship)**, whose proposal met or exceeded all RFP specifications and scored highly in the following key areas:

- Extensive experience, knowledge, and expertise in providing janitorial services for airports.
- Thorough training program to maintain and provide well-trained personnel.
- Innovative policies and procedures to promote cleanliness and sanitation.
- A cost-effective solution.

Staff conducted reference checks with the San Diego County Regional Airport Authority (CA), Salt Lake City International Airport (UT), and Orange County John Wayne Airport (CA). All references provided positive feedback.

**Package B – OCA:** Staff recommends award of contract for Package B – OCA to **PRIDE Industries One Inc.**, whose proposal met or exceeded all RFP specifications and scored highly in the following key areas:

- Extensive experience, knowledge, and expertise in providing janitorial services.
- Innovative policies and procedures to promote cleanliness and sanitation.
- Thorough training program to maintain and provide well-trained personnel.

Staff conducted reference checks with the County of Santa Clara (CA), County of Los Angeles (CA), and County of Placer (CA). All references provided positive feedback.

**Package C – PRNS:** Staff recommends award of contract for Package C – PRNS to *Impec Group, Inc.*, whose proposal met or exceeded all RFP specifications and scored highly in the following key areas:

- Extensive experience, knowledge, and expertise in providing janitorial services.
- Innovative policies and procedures to promote cleanliness and sanitation.
- Thorough training program to maintain and provide well-trained personnel.

Staff conducted reference checks with the City of Walnut Creek (CA) and the City of Cupertino (CA). Both references provided positive feedback

**Package D – PW:** Staff recommends award of contract for Package D – PW to *PRIDE Industries One Inc.*, whose proposal met or exceeded all RFP specifications and scored highly in the following key areas:

- Extensive experience, knowledge, and expertise in providing janitorial services.
- Innovative policies and procedures to promote cleanliness and sanitation.
- Thorough training program to maintain and provide well-trained personnel.

Staff conducted reference checks with the County of Santa Clara (CA), County of Los Angeles (CA), and County of Placer (CA). All references provided positive feedback.

**Package E – ESD:** Staff recommends award of contract for Package E – ESD to *Universal Building Services and Supply Co.*, whose proposal met or exceeded all RFP specifications and scored highly in the following key areas:

- Extensive experience, knowledge, and expertise in providing janitorial services.
- Thorough training program to maintain and provide well-trained personnel.
- Innovative policies and procedures to promote cleanliness and sanitation.
- A cost-effective solution.

Staff conducted reference checks with the Renesas Electronics America, Inc. (CA) and Fox Factory Inc. (CA). Both references provided positive feedback.

***Office of Equality Assurance:*** The City of San José’s Living/Prevailing Wage Policy applies to these Agreements.

***Environmentally Preferable Products and Services:*** In accordance with the City’s “Environmentally Preferable Procurement” (EPP)<sup>3</sup> policy, all vendors are encouraged to offer Energy Star, Green Seal, EcoLogo, or EPEAT certified products as applicable. Additionally, products and services should be produced or delivered with minimal use of virgin materials, maximum use of recycled materials, and reduced waste, energy usage, water utilization, and toxicity where possible. All products provided by the vendors will be subject to City review and approval.

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<sup>3</sup> Environmentally Preferable Policy: <https://www.sanjoseca.gov/home/showdocument?id=1268>

***Summary of Proposed Agreements:*** The agreements with the selected janitorial service providers will be in accordance with the City's standard terms and conditions and include the following provisions:

1. Fixed not-to-exceed pricing for the initial one-year term, with compensation based on actual services provided and consumable usage;
2. Up to nine (9) one-year options to extend the agreements, with price adjustments to be considered by the City upon request, but not to exceed 3% over the previous year unless the City's Living Wage and/or Prevailing Wage increases by more than 3%;
3. Detailed scope of services to ensure that the janitorial services comply with the City's requirements; and
4. Transition plan that meets the City's requirements for transition from the existing vendor.

***Employee Retention Requirements:*** All vendors are expected to comply with the City's Living Wage Policy which sets forth employee retention requirements for janitorial services. The policy requires awarded contractors to provide for the continuation of services by retaining employees of the City's current janitorial services contractor, ABM Industries, Inc.

***Key Modifications in Scope, Delivery and Management:*** The not-to-exceed amounts of four of the five proposed agreements are higher than the current budgeted amounts for the agreements with the incumbent ABM Industries, but the two sets of agreements are not equal comparisons due to differences in scopes and requirements. Additional sites, services and different service level response times were added to multiple packages. For Package D-Public Works in particular, the new vendor will be responsible for purchasing consumables instead of the City, which was not the practice with the existing contract. Most vendors of the new proposed agreements are offering a higher baseline level of staffing to ensure each facility has the adequate staffing to meet the City's new cleaning requirements. Lastly, the new proposed agreements are structured to be scalable based on actual usage of services and consumables, which differs from the current agreements with ABM Industries which are based on fixed fee. The cost structure of the new proposed agreements is more advantageous to the City by providing flexibility to pay for services provided and consumables used, rather than a fixed amount per month, regardless of usage and need. The not-to-exceed amount in the recommendation sets a cap to each agreement; actual costs may be lower.

The proposed agreements' provisions on technology, invoicing, and business reviews will help enable department staff to assess the actual level of services provided and consumables used. Many of the awarded vendors include technology solutions, to which the applicable department will have access to monitor inventory levels and usage in real time, as well as staff deployments, assignments, and completion status. Some vendor software solutions also allow the department to take pictures and submit issues to the vendor through a phone or handheld device.

Additionally, all agreements require the vendor to submit detailed monthly invoices, accompanied by certified payrolls and copies of their purchase receipts for consumables. Semi-annual business reviews are to be performed for each contract by the responsible department



(Airport, Public Works, PRNS and ESD) to review vendor performance, and all contracts are subject to audit at any time by the City.

### **CONCLUSION**

Approval of this recommendation will ensure ongoing janitorial services to provide clean, well-maintained, and safe facilities for City employees and the public.

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

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

### **CLIMATE SMART SAN JOSE**

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

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the City of San José Council meeting to be held on October 6, 2020.

### **COORDINATION**

This memorandum has been coordinated with the Airport, the Department of Parks, Recreation, and Neighborhood Services, the Department of Public Works, the Office of Cultural Affairs, the Environmental Services Department, the Office of Equality Assurance, the City Attorney's Office, and the City Manager's Budget Office.

### **COMMISSION RECOMMENDATION/INPUT**

This item will be reviewed at the October 8, 2020 Treatment Plant Advisory Committee (TPAC) meeting as the current janitorial services agreement for ESD will be expiring on October 31, 2020.

**FISCAL/POLICY ALIGNMENT**

This action is consistent with the City’s 2020-2021 Adopted Operating Budget and City Service Areas of Neighborhood Services, Transportation and Aviation Services, and Strategic Support to ensure: (1) safe and clean parks, facilities, and attractions; (2) travelers have a positive, reliable, and efficient experience; and (3) safe and functional public infrastructure, facilities, and equipment.

**COST SUMMARY/IMPLICATIONS**

<b>1. AMOUNT OF RECOMMENDATION (one-year initial term)</b>	<b>\$13,077,388</b>
 <b>2. COST ELEMENTS:</b>	
<b><u>Package A – Airport Costs</u></b>	
- Base Services	\$3,988,315
- Supplemental Services	200,000
Airport Subtotal	<u>\$4,188,315</u>
 <b><u>Package B – OCA Costs</u></b>	
- Base Services	\$40,388
OCA Subtotal	<u>\$40,388</u>
 <b><u>Package C – PRNS Costs</u></b>	
- Base Services	\$1,184,280
- Supplemental Services	100,000
PRNS Subtotal	<u>\$1,284,280</u>
 <b><u>Package D – PW Costs</u></b>	
- Base Services	\$6,710,046
- Supplemental Services	100,000
PW Subtotal	<u>\$6,810,046</u>
 <b><u>Package E – ESD Costs</u></b>	
- Base Services	\$704,359
- Supplemental Services	50,000
ESD Subtotal	<u>\$754,359</u>
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<b>INITIAL ONE-YEAR TERM NOT-TO-EXCEED (ALL CONTRACTS)</b>	<b>\$13,077,388</b>

**3. SOURCE OF FUNDING:** Airport Maintenance and Operation Fund (523), General Fund (001), San José - Santa Clara Treatment Plant Operating Fund (513)

**4. FISCAL IMPACT:** The ongoing janitorial services will be fully funded from the Airport Maintenance and Operation Fund, General Fund, and the San José - Santa Clara Treatment Plant Operating Fund.

**BUDGET REFERENCE**

The table below identifies the funds and appropriations to fund the contract recommended as part of this memorandum.

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract*	2020-2021 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
523	0802	Non-Personal / Equipment (Airport)	\$48,519,899	\$4,188,315	IX - 3	06/23/2020, Ord# 30437
001	0642	Non-Personal / Equipment (PRNS)	\$19,821,075	\$1,284,280	VII - 218	06/23/2020, Ord# 30437
001	0572	Non-Personal / Equipment (PW)**	\$14,382,390	\$6,850,434	VII - 279	06/23/2020, Ord# 30437
513	0762	Non-Personal / Equipment (ESD)	\$34,680,552	\$754,359	IX - 87	06/23/2020, Ord# 30437

\* The FY 2020-2021 Proposed Operating Budget was adopted by Council on June 23, 2020 but is not yet published.

\*\*Includes funds for both the PW and OCA contracts.

**CEQA**

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

/s/  
 JULIA H. COOPER  
 Director of Finance

For questions, please contact Jennifer Cheng, Deputy Director of Finance, at (408) 535-7059.