



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Rick Bruneau

SUBJECT: SEE BELOW

DATE: March 27, 2023

Approved

Date

4/5/23

**SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR GRAFFITI
ABATEMENT SERVICES**

RECOMMENDATION

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

- (a) Negotiate and execute an agreement with Graffiti Protective Coatings, Inc. (Los Angeles, CA) for Citywide Graffiti Abatement Services with an initial three-year term beginning July 1, 2023 and ending June 30, 2026 and a maximum compensation not to exceed \$5,934,000 for the initial term, subject to the appropriation of funds;
- (b) Negotiate and execute amendments and change orders as required to add, delete, or modify services due to budgetary constraints or unanticipated changes in demand, subject to the appropriation of funds; and
- (c) Exercise up to three two-year options to extend the term of the agreement through June 30, 2032, subject to the appropriation of funds.

SUMMARY AND OUTCOME

Authorizing the City Manager to take this action provides City Council, staff, and residents with ongoing graffiti abatement services in support of the City [BeautifySJ](#) initiative to clean up and restore the San José community. The City abates approximately 2,300,000 square feet of graffiti in response to over 30,000 reports received each year.

BACKGROUND

The Parks, Recreation and Neighborhood Services Department manages the City BeautifySJ programs focused on citywide beautification and blight reduction, which includes graffiti

removal. The Department coordinates with interagency partners, volunteers, and local businesses as well as currently contracts with Graffiti Protective Coatings, Inc. to support these graffiti abatement and removal efforts.

In November 2018,¹ City Council directed staff to release a Request for Proposal (RFP) for graffiti abatement services by August 2019. In June 2020,² staff returned to City Council requesting authorization to execute the Third Amendment to the Agreement to extend for one additional two-year option through June 26, 2022, as the Department had not yet completed the scope for the RFP due to the complexity of the requirements. In June 2022,³ staff returned to City Council to seek approval for the Fourth Amendment to the Agreement to add an additional two-year option to extend the term to June 26, 2024 to allow staff additional time to complete the RFP.

ANALYSIS

In August 2022, the Finance Department released an RFP for Graffiti Abatement Services through the City's e-procurement system, Biddingo. A total of 10 companies viewed the RFP, and one responsive proposal was received prior to the submittal deadline. Staff reviewed and confirmed that the proposal met or exceeded the requirements set forth in the RFP. A best and final offer was conducted with the one respondent to make additional clarifications and obtain final pricing.

Local and Small Business Enterprise Preference: In accordance with City of San José Municipal Code, [Section 4.12.320](#), 10 percent of the total evaluation points were reserved for the local and small business preference. The proposer did not request these preferences.

Protest: The City's RFP process included a 10-day protest period that began when the City issued the Notice of Intended Award on January 13, 2023. No protests were received.

Office of Equality Assurance: The City of San José's Prevailing Wage Policy applies to this agreement. The vendor will comply with applicable prevailing wages as specified in the agreement. The Office of Equality verified that there were no wage theft violations found for the selected vendor in accordance with the City's [Wage Theft Prevention Policy](#).

Award Recommendation: Based on the results of the RFP, staff recommends award of contract to Graffiti Protective Coatings, Inc. as the sole responsive and responsible vendor per the evaluation criteria and specifications set forth in the RFP.

¹ 2018 Council Meeting: <https://sanjose.legistar.com/View.ashx?M=M&ID=610824&GUID=30880974-2ABD-43AF-B478-D389F066D8C7>

² 2020 Council Meeting: <https://sanjose.legistar.com/View.ashx?M=F&ID=8453606&GUID=83C991AA-6DB5-46B6-BD1A-779BB1AB4CB3>

³ 2022 Council Meeting: <https://sanjose.legistar.com/View.ashx?M=F&ID=10978166&GUID=C70C1CAD-5216-49A3-906B-E06FEEF60DB5&G=920296E4-80BE-4CA2-A78F-32C5EFCF78AF>

References: Staff conducted reference checks with the City of San José (CA) and City of Torrance (CA). Both references provided positive feedback.

Summary of Proposed Agreement: A new agreement with Graffiti Protective Coasting, Inc. will be executed based on the City's standard term and conditions and will include the following provisions:

- A detailed scope of work to ensure that the provided services comply with the City's requirements for a turnkey graffiti abatement program with a work order management system that integrates with San José 311 to track and assess abatement status;
- Response time requirements from notification to abatement as follows:
 - ≤ 24 hours to remove "offensive" graffiti, such as hate speech or gang tagging
 - ≤ 72 hours to remove "typical" graffiti, which includes anything not categorized as "offensive";
- Fixed, not-to-exceed pricing for the initial three-year term; and
- Three two-year options to extend the agreement through June 30, 2032, with vendor requests for price adjustments to be considered by the City in accordance with Consumer Price Index but not to exceed three percent over the previous year unless applicable Prevailing Wages increase by more than three percent.

Termination of Current Agreement: Although the option period for the current agreement with Graffiti Protective Coating, Inc. does not end until June 26, 2024, the City will terminate the current option as of the effective date of the new agreement beginning July 1, 2023.

Climate Smart San José Analysis: The recommendation in this memorandum facilitates the reduction of energy or water use consumption or increases the demand for renewable energy. The selected vendor will utilize water recovery equipment to capture and filter wastewater in their truck-mounted water tanks so it can be re-used for additional cleanings.

EVALUATION AND FOLLOW-UP

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

COST SUMMARY/IMPLICATIONS

The agreement recommended in this memorandum will be funded by the existing General Fund appropriation. Funds for the Graffiti Removal Program are ongoing and appropriated each year through the City's annual budget process. The agreement includes an initial three-year term with fixed pricing and three two-year options, with the ability for the vendor to submit requests for price adjustments during the option terms in accordance with the Consumer Price Index but not to exceed three percent over the previous year unless applicable Prevailing Wages increase by more than three percent.

1. AMOUNT OF RECOMMENDATION (Three-Year Initial Term) \$5,934,000

2. COST ELEMENTS:

Since this recommendation is for an award of contract to the incumbent vendor, there are no implementation costs required for this new agreement.

Ongoing Costs (Three-Year Initial Term)

- Year One Abatement*	\$1,978,000
- Year Two Abatement*	1,978,000
- Year Three Abatement*	1,978,000
- Support, Maintenance, Software Licenses/Subscriptions, Data Storage, and Hosting	0

Ongoing Costs (Three-Year Initial Term) Subtotal \$5,934,000

CONTRACT NOT-TO-EXCEED TOTAL (Three-Year Initial Term) \$5,934,000

*Not to exceed amounts based on an estimated 2,300,000 square feet of abatement per year at \$0.86 per square foot.

BUDGET REFERENCE

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

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2022-2023 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	0642	Non-Personal/Equipment	\$26,527,096	\$5,934,000	701	02/14/2023 30883

COORDINATION

This memorandum has been coordinated with the Parks, Recreation, and Neighborhood Services Department, the City Attorney’s Office, and City Manager’s Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City’s Council Agenda website for the April 18, 2023 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

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

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

RICK BRUNEAU
Director of Finance

For procurement- and contract-related questions, please contact Albie Udom, Deputy Director of Finance – Purchasing & Risk Management, at albie.udom@sanjoseca.gov. For program-related questions, please contact Andrea Flores-Shelton, Deputy Director of Parks, Recreation, and Neighborhood Services, at andrea.floresshelton@sanjoseca.gov.