



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: May 29, 2018

Approved

Date

6-8-18

**SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR HOMELESS
ENCAMPMENT CLEAN-UPS**

RECOMMENDATION

Adopt a resolution authorizing the City Manager to:

1. Execute an agreement with Tucker Construction, Inc. (San José, CA) for the clean-up of homeless encampments for an initial one-year term ending on June 30, 2019, with a maximum compensation not-to-exceed \$315,000.
2. Execute amendments and change orders to increase the maximum compensation as required in the event that clean-up requirements exceed staff estimates, subject to the appropriation of funds.
3. Exercise up to four one-year options to extend the term of the agreement through June 30, 2023, subject to the appropriation of funds.

OUTCOME

Approval of the above recommendations will provide for the timely and effective clean-up of homeless encampments as required by the City to remove trash and debris along the waterway and public right of way within San José.

BACKGROUND

San José has over 500 homeless encampments throughout its boundaries and along miles of waterways with over 600 to 1,000 homeless persons living in these encampments. Partnering with the Santa Clara Valley Water District and other agencies, the City actively works to clean up homeless encampments to remove trash along creeks and on public properties. In 2017, the

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City performed clean-ups at over 560 sites removing 862 tons of debris. It is anticipated that there will be 120 clean-ups per year on an ongoing basis.

On June 18, 2013¹, City Council approved the award of contract to Tucker Construction after a completion of a competitive Request for Proposal process. The services provided under the agreement included the following:

- Survey sites, collect debris, and dismantle temporary structures.
- Identify, sort, and tag personal property.
- Post notices to vacate at least 72 hours prior to the commencement of each clean-up.
- Provide trained specialists to deal with hazardous materials and biowaste.
- Attend regional encampment clean-up coordination meetings that involve multiple agencies, jurisdictions, and special interest organizations.

The current agreement expires on June 30, 2018.

ANALYSIS

In February 2018, staff issued a competitive Request for Proposal (RFP) for Homeless Encampment Clean-Ups utilizing the City's e-procurement system. A total of 47 companies viewed the RFP, and five proposals were received from the following firms:

- Clean Harbors Environmental Services (San José, CA)
- DeAngelo Brothers (Ontario, CA)
- HCI Environmental & Engineering Services (Corona, CA)
- OFRS (Signal Hill, CA)
- Tucker Construction (San José, CA)

A three-member evaluation team with representation from the Housing Department and the Santa Clara Valley Water District evaluated and scored the proposals pursuant to City procurement practices.

The final scores are summarized in the table below:

¹ Link to 2013 Council Memo: <http://sanjoseca.gov/DocumentCenter/View/18185>

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<u>Criteria</u>	<u>Max Points</u>	<u>Clean Harbors</u>	<u>DeAngelo Brothers</u>	<u>HCI</u>	<u>OFRS</u>	<u>Tucker Construction</u>
Experience	35	28	24	16	24	28
Technical Capability	40	24	26	13	21	28
Cost	10	10	8	10	10	10
Environmental Stewardship	5	2	3	3	4	4
Local Business Preference	5	5	0	0	0	5
Small Business Preference	5	0	0	0	0	5
Total	100	69	61	42	59	80

Local and Small Business Preference: In accordance with City policy, ten percent of the total evaluation points were set aside for the City’s Local and Small Business Preference. Clean Harbors requested and received five points for Local Business Preference. Tucker Construction requested and received ten points for both preferences. The preference was not a factor in the final award recommendation.

Protest: The RFP process included a ten-day protest period that commenced when the City issued the Notice of Intended Award on March 23, 2018. No protests were received.

Recommendation Summary: Staff recommends award of contract to Tucker Construction to perform homeless encampment clean-ups.

Tucker is the best value service provider for this program per the evaluation criteria set forth in the RFP. Tucker Construction will ensure there is qualified staffing to perform clean-up activities including dealing with hazardous materials and biowaste.

Staff conducted reference checks with the San José Water Company and the City of East Palo Alto. Both references checked positive.

Summary of Proposed Agreement: The agreement contains a detailed scope of services that includes the services outlined in the 2013 agreement (see Background) and addresses work standards, permitting requirements, and environmental considerations. As required by State law, Tucker Construction must comply with all applicable occupational safety and health standards, rules, and regulations to perform homeless encampment clean-ups.

Prior to the commencement of work, the contractor will be required to provide the City with a not-to-exceed estimate cost of the clean-up. The contractor is required to receive pre-authorization by the City if they exceed their estimate. The City will be invoiced in arrears at fixed hourly rates for the services. The hourly rates are fully loaded and include wages, overhead, general and administrative expenses, profit, tools, and most equipment required for the clean-up. Dumpsters, portable bathroom facilities, third-party services, and any heavy equipment that may be required and not owned by the contractor will be invoiced at contractor’s actual cost, plus a 20% markup.

The agreement is subject to the City's Prevailing/Living Wage Policy. Tucker Construction agreed to pay the prescribed prevailing and living wage rates identified in the RFP.

The initial term of the agreement is one year with the City's option to extend the agreement for four additional one-year terms. Rate adjustments in the option years shall not exceed 3%, except to reflect an increase to the City's Living/Prevailing Wage that is greater. The contractor must provide wages and benefits information to establish the amount paid to their workers to justify an adjustment that is greater than 3%. In no event will an adjustment greater than 3% be allowed for general and administrative expenses, overhead expenses, and profit.

EVALUATION AND FOLLOW-UP

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

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the June 19, 2018, Council Agenda.

COORDINATION

This memorandum has been coordinated with the Housing Department, the Department of Public Works Office of Equality Assurance, the City Manager's Budget Office, and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

The Housing Community and Development Commission advises the Housing Director on the use of Housing Trust Funds only. The funding of other homeless activities does not fall under the functions, powers, and duties of the Commission delineated in Section 2.08.2840 of the San José Municipal Code. The Housing Department regularly provides the Commission updates on homeless programs.

FISCAL/POLICY ALIGNMENT

This action is consistent with the City's 2018-2019 Proposed Operating Budget City Service Areas Delivery Framework for Performance Driven Government for Community and Economic Development: Coordinate local and regional efforts to end homelessness and respond to encampment and community concerns.

COST SUMMARY/IMPLICATIONS

The following outlines the elements of the contract.

1. AMOUNT OF RECOMMENDATION (1-year term): **\$315,000**

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

<u>Description</u>	<u>Rate</u>
- Laborer (non-hazardous)	\$75.00 per hour
- Laborer (hazardous)	\$105.00 per hour
- Supervisor	\$85.00 per hour
- Supplemental equipment/materials/third-party services (markup on actual cost)	20%

3. SOURCE OF FUNDING: Fund 001 – General Fund

4. FISCAL IMPACT:

The services provided under this agreement are funded via the General Fund (Fund 001) and are subject to the appropriation of funds.

BUDGET REFERENCE

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

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2018-2019 Proposed Operating Budget Page*	Last Budget Action (Date, Ord No.)
001	2061	Homeless Response Team	\$1,500,000	\$315,000	VIII-154	

*The FY 2018-2019 Proposed Operating Budget is scheduled to be approved by Council on June 12, 2018 and adopted on June 19, 2018.

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.