



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jon Cicirelli  
Julia H. Cooper

**SUBJECT:** SEE BELOW

**DATE:** June 6, 2022

Approved

Date

**6/9/2022**

**SUBJECT: FOURTH AMENDMENT TO THE AGREEMENT FOR GRAFFITI  
ABATEMENT SERVICES WITH GRAFFITI PROTECTIVE COATINGS, INC.**

## **RECOMMENDATION**

Adopt a resolution authorizing the City Manager to negotiate and execute the Fourth Amendment to the Agreement for Graffiti Abatement Services with Graffiti Protective Coatings, Inc. (Los Angeles, CA) to add one additional two-year option for a total of four two-year options to extend services through June 26, 2024, under the same material terms and conditions as the original agreement, for a maximum compensation not to exceed \$2,800,000 for the option term beginning June 27, 2022 and ending June 26, 2024, subject to the appropriation of funds.

## **OUTCOME**

Authorizing the City Manager to take this action will ensure ongoing, uninterrupted graffiti abatement services to support the City of San José's (City) BeautifySJ initiative.

## **BACKGROUND**

The Parks, Recreation and Neighborhood Services Department (PRNS) manages the City's BeautifySJ programs focused on citywide beautification and blight reduction, which includes anti-graffiti efforts. PRNS coordinates with interagency partners, volunteers, and local businesses, as well as contracts services from Graffiti Protective Coatings, Inc. (GPC) to support these programs.

In June 2011,<sup>1</sup> City Council adopted a resolution authorizing the Director of Finance to negotiate and execute an agreement for Graffiti Abatement Services with GPC as a result of a competitive request for proposal (RFP) process. The services provided by GPC include sandblasting and power washing structures followed by a color-matched restorative painting process. The term of the Agreement was for a five-year initial term with up to two two-year options to renew for a total of nine years. The Agreement was amended in February 2015 to increase maximum compensation for

<sup>1</sup> 2011 City Council meeting: [http://www3.sanjoseca.gov/clerk/Agenda/20110614/20110614\\_0308.pdf](http://www3.sanjoseca.gov/clerk/Agenda/20110614/20110614_0308.pdf)

the initial five-year term and was again amended in September 2017 to integrate San José 311 with GPC's work order system with the objective of reducing resolution times.

In November 2018,<sup>2</sup> City Council directed staff to release an RFP for graffiti abatement services by August 2019. In June 2020,<sup>3</sup> staff returned to City Council requesting authorization to execute the Third Amendment to the GPC agreement to extend the Agreement for one additional two-year option through June 26, 2022, as PRNS had not yet completed the scope for the RFP due to the complexity of the requirements. That option will soon expire, and an RFP has not yet been released. Without further action from City Council on this matter, the Agreement will end on June 26, 2022.

## **ANALYSIS**

Due to the COVID-19 pandemic and reassignment of staff to the Emergency Operations Center, PRNS had to delay submittal of the request for the new anti-graffiti procurement. Furthermore, once staff transitioned back to business operations from the Emergency Operations Center, they had to focus on City Roadmap priorities, including BeautifySJ consolidation and filling critical staff vacancies.

PRNS completed and submitted its procurement request in late February 2022 for consideration by the City's Procurement Prioritization Board, which is comprised of the Assistant City Manager, the Budget Director, and the Director of Finance and is tasked with aligning the prioritization of new large-scale procurements with citywide goals. The RFP is in development and expected to be released in June 2022 but will not be completed prior to June 26, 2022.

To continue graffiti abatement services until the procurement, contracting, and implementation processes are complete, staff requests approval to negotiate and execute the Fourth Amendment to extend the Agreement for up to one additional two-year option. GPC has agreed to hold pricing for the additional option term at the current rate of \$0.50 per square foot, and the City may terminate the Agreement for convenience with 30 days' notice to GPC once the procurement is complete and services are implemented under a new contract.

## **CONCLUSION**

Approval of this recommendation will extend the current Agreement with GPC to allow staff sufficient time to complete the RFP, contracting, and implementation while continuing graffiti abatement services.

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<sup>2</sup> 2018 City Council Meeting: <https://sanjose.legistar.com/View.ashx?M=M&ID=610824&GUID=30880974-2ABD-43AF-B478-D389F066D8C7> (See Section 5.1 18-1509).

<sup>3</sup> 2020 City Council Meeting: <https://sanjose.legistar.com/View.ashx?M=F&ID=8453606&GUID=83C991AA-6DB5-46B6-BD1A-779BB1AB4CB3>

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

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

### **CLIMATE SMART SAN JOSE**

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals.

### **PUBLIC OUTREACH**

This item will be posted on the City's website for the June 21, 2022 City Council meeting.

### **COORDINATION**

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

### **COMMISSION RECOMMENDATION**

No commission recommendation or input is associated with this action.

### **FISCAL/POLICY ALIGNMENT**

This action is consistent with the City's 2021-2022 Adopted Operating Budget, and specifically with the Safe, Vibrant and Inclusive Neighborhoods and Public Life Enterprise Priority to ensure vibrant public spaces and places that are beautiful, safe, clean, and inclusive.

**COST SUMMARY/IMPLICATIONS**

The following outlines the elements of the Fourth Amended Agreement:

	<b>Current Agreement Not to Exceed</b>	<b>Fourth Amendment Not to Exceed</b>
<b>1. AMOUNT OF RECOMMENDATION</b>		<b>\$2,800,000</b>
<b>2. COST ELEMENTS</b>		
- Original Agreement (6/27/11 – 6/26/16)	\$3,159,503	
- First Amendment (increased compensation)	1,006,797	
- Option 1 (6/27/16 – 6/26/18)	2,046,090	
- Second Amendment (integration with My San José)	88,000	
- Third Amendment (additional option terms)	0	
- Option 2 (6/27/18 – 6/26/20)	2,254,098	
- Option 3 (6/27/20 – 6/26/22)	2,309,076	
- New Option 4 (6/27/22 – 6/26/24) (estimate*)		\$2,800,000
<b>TOTAL</b>	<b>\$10,863,564</b>	<b>\$2,800,000</b>
<b>3. SOURCE OF FUNDING:</b> Parks, Recreation, and Neighborhood Services Department's Non-Personal/Equipment in the General Fund and the American Rescue Plan Fund.		
<b>4. FISCAL IMPACT:</b> There are no operations and maintenance impacts as a result of the Fourth Amendment to the Agreement with Graffiti Protective Coatings, Inc.		

**BUDGET REFERENCE**

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

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract*	2021-2022 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	0642	Parks, Recreation, and Neighborhood Services – Non-Personal/Equipment	\$ 22,449,339	\$2,650,000	Page 697	2/8/22 #30717
402	217Y	BeautifySJ and Encampment Waste Pick Up - BeautifySJ Consolidated Model	\$14,000,000	\$150,000	Page 78	11/30/2021 #30693

*\*There is currently sufficient funding in the 2021-2022 Adopted Operating Budget and in the 2022-2023 Proposed Operating Budget, subject to the appropriation of funds, to fund graffiti abatement services with Graffiti Protective Coatings, Inc. over the fourth two-year option period. Once the RFP is complete, any funding adjustments due to compensation increases and/or fluctuations in activity will be brought forward during the budget development process.*

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**CEQA**

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

/s/

JULIA H. COOPER

Director of Finance

/s/

JON CICIRELLI

Director, Parks, Recreation and  
Neighborhood Services

For program-related questions, please contact Andrea Flores Shelton, Deputy Director of Parks, Recreation, and Neighborhood Services, at [andrea.floresshelton@sanjoseca.gov](mailto:andrea.floresshelton@sanjoseca.gov). For procurement- or contract-related questions, please contact Jennifer Cheng, Deputy Director of Finance, at [jennifer.cheng@sanjoseca.gov](mailto:jennifer.cheng@sanjoseca.gov).