



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: January 3, 2023

Approved

Date

1/5/23

**SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR CITYWIDE SECURITY
GUARD 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 Good Guard Security, Inc. (Chatsworth, CA) for security guard services for the Airport, Transportation, Public Works, Parks, Recreation and Neighborhood Services, Library, and Environmental Services Departments with an initial 14-month term beginning on or about February 1, 2023 and ending March 31, 2024, with a total aggregate compensation for all agreements not to exceed \$9,048,442 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, such as for special events, or to address seasonal variations, budgetary constraints, or unanticipated changes in demand, subject to the appropriation of funds.
- (c) Exercise up to four one-year options to extend the terms of the agreements through March 31, 2028, subject to the appropriation of funds.
- (d) Negotiate and execute additional agreements or purchase orders with Good Guard Security, Inc. leveraging the same Request for Proposal to provide security guard services for other City departments as requested, subject to substantially the same material terms and conditions and the appropriation of funds.

OUTCOME

Authorizing the City Manager to take this action ensures continuity of security guard services to provide for a safer San José.

EXECUTIVE SUMMARY

The City needs security guard services to ensure the safety of the public and City employees, as well as to comply with Transportation Security Administration requirements and applicable federal laws at the Airport. This memorandum provides a report on the Request for Proposal (RFP) process conducted by the Finance Department for citywide security guard services and staff recommendations of award to Good Guard Services, Inc. as the best value vendor, responsive, and responsible proposer in accordance with the evaluation criteria set forth in the RFP. The resulting agreements will require that (1) services be provided at a fixed, fully burdened, hourly rate, (2) the City pay monthly in arrears for actual services provided in the previous month, and (3) the awarded vendor comply with all requirements set forth in the RFP, including employee retention requirements specified in the City's [Living Wage Policy](#).

BACKGROUND

In March 2013,¹ City Council authorized staff to execute security guard services agreements with First Alarm Security & Patrol, Inc., dba First Security Services. In November 2019, Universal Protection Service, LP dba Allied Universal Security Services acquired First Security Services and assumed responsibility for the agreements. In June 2017,² City Council authorized staff to execute an additional agreement with First Alarm Security & Patrol, Inc., dba First Security Services to provide on-call Airport terminal support services at the Norman Y. Mineta San José International Airport as the result of another competitive RFP process. In May 2022,³ City Council authorized staff to extend the existing agreements as required to allow staff sufficient time to complete a new citywide RFP.

ANALYSIS

In March 2022, the Finance Department released an RFP for security guard services through the City's e-procurement system, Biddingo. The RFP was divided into five packages:

- Package A: Norman Y. Mineta San José International Airport

¹ March 2013 City Council Resolution: <https://records.sanjoseca.gov/Resolutions/RES76582.PDF>

² June 2017 City Council Resolution: <https://records.sanjoseca.gov/Resolutions/RES78243.PDF>

³ May 2022 City Council Memorandum: <http://sanjose.legistar.com/gateway.aspx?M=F&ID=033ace93-980a-4d7f-923c-2c9535a94bee.pdf>

- Package B: Parks, Recreation and Neighborhood Services and San José Public Library
- Package C: Department of Public Works
- Package D: Department of Transportation
- Package E: Environmental Services Department

Each package included a unique scope of services, and proposers could submit proposals for any or all the packages. A total of 39 companies viewed the RFP, and 13 vendors submitted proposals for various packages prior to the submittal deadline as summarized below:

| | <u>Package A:</u> Airport Department | <u>Package B:</u> Parks, Recreation and Neighborhood Services and Library | <u>Package C:</u> Department of Public Works | <u>Package D:</u> Department of Transportation | <u>Package E:</u> Environmental Services Department |
|---|--|--|---|--|--|
| American Guard Services Inc. | ✓ | ✓ | ✓ | ✓ | ✓ |
| ARYA Security Services Inc., dba United Security Services | ✓ | ✓ | ✓ | ✓ | ✓ |
| Aventus Security, LLC. | ✓ | | | | |
| Creative Security Company, Inc. | | | ✓ | ✓ | ✓ |
| D Block Security | ✓ | ✓ | ✓ | ✓ | |
| First Shield Security and Patrol Inc | | ✓ | ✓ | ✓ | ✓ |
| Genesis Private Security, Inc. | ✓ | ✓ | ✓ | ✓ | ✓ |
| Global Aviation Management Group, Corp | ✓ | | | | |
| Good Guard Security, Inc. | ✓ | ✓ | ✓ | ✓ | ✓ |
| National Security Industries | ✓ | | ✓ | ✓ | ✓ |
| Stratton Security, Inc. | ✓ | | | | |
| United Security Specialists | ✓ | ✓ | ✓ | ✓ | ✓ |
| Universal Protection Service, LP dba Allied Universal Security Services | ✓ | ✓ | ✓ | ✓ | ✓ |

Evaluation Process: Proposals by package 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 Department, Environmental Services Department, Department of Transportation, and Department of Public Works. Evaluation results by package are as follows:

Package A – Airport

Package A included a scope of work for security guard services at Airport facilities, including as-required terminal support services. The City received 11 written proposals for this package. Five vendors scored in the competitive range based on an evaluation of their written proposals and were invited to participate in oral interviews. The two highest scoring vendors after oral interviews participated in a Best and Final Offer (BAFO). One finalist was subsequently disqualified for violations of the City’s [Wage Theft Prevention Policy](#) (see **Office of Equality Assurance** section below for details). Final scores for the remaining finalist are as follows:

| Evaluation Criteria | Maximum Points | Good Guard Security, Inc. |
|-------------------------------|-----------------------|----------------------------------|
| General Requirements | 10 | 9 |
| Experience and Qualifications | 10 | 8 |
| Technical Capabilities | 10 | 9 |
| Project Approach/Schedule | 10 | 9 |
| Oral Interview | 20 | 20 |
| Cost Proposal (BAFO) | 30 | 25 |
| Local Business Enterprise | 5 | 0 |
| Small Business Enterprise | 5 | 0 |
| TOTAL | 100 | 80 |

Package B – Parks, Recreation and Neighborhood Services/Library

Package B included a scope for on-call alarm monitoring and response and security guard services for community centers, libraries, and other Parks, Recreation and Neighborhood Services and Library locations. The City received eight written proposals for this package. Four vendors scored in the competitive range based on an evaluation of their written proposals and were invited to participate in oral interviews. The two highest scoring vendors after oral interviews participated in a BAFO. One finalist was subsequently disqualified for violations of the City’s [Wage Theft Prevention Policy](#) (see **Office of Equality Assurance** section below for details). Final scores for the remaining finalist are as follows:

| Evaluation Criteria | Maximum Points | Good Guard Security, Inc. |
|-------------------------------|-----------------------|----------------------------------|
| General Requirements | 10 | 9 |
| Experience and Qualifications | 10 | 8 |
| Technical Capabilities | 10 | 9 |
| Project Approach/Schedule | 10 | 9 |
| Oral Interview | 20 | 19 |
| Cost Proposal (BAFO) | 30 | 25 |
| Local Business Enterprise | 5 | 0 |
| Small Business Enterprise | 5 | 0 |
| TOTAL | 100 | 79 |

Package C – Department of Public Works

Package C included a scope of services for security at City Hall and the Central Service Yard, including as-needed event security. The City received 10 written proposals for this package. Two vendors scored in the competitive range based on an evaluation of their written proposals and were invited to participate in oral interviews followed by a BAFO. One finalist was subsequently disqualified for violations of the City’s [Wage Theft Prevention Policy](#) (see **Office of Equality Assurance** section below for details). Final scores for the remaining finalist are as follows:

| <u>Evaluation Criteria</u> | <u>Maximum Points</u> | <u>Good Guard Security, Inc.</u> |
|-------------------------------|-----------------------|----------------------------------|
| General Requirements | 10 | 9 |
| Experience and Qualifications | 10 | 8 |
| Technical Capabilities | 10 | 9 |
| Project Approach/Schedule | 10 | 9 |
| Oral Interview | 20 | 20 |
| Cost Proposal (BAFO) | 30 | 25 |
| Local Business Enterprise | 5 | 0 |
| Small Business Enterprise | 5 | 0 |
| TOTAL | 100 | 80 |

Package D – Department of Transportation

Package D included a scope of work for vehicle abatement and security services for City parking garage facilities and surface lots. The City received 10 written proposals for this package. Two vendors scored in the competitive range based on an evaluation of their written proposals and were invited to participate in oral interviews and a BAFO. One finalist was subsequently disqualified for violations of the City’s [Wage Theft Prevention Policy](#) (see **Office of Equality Assurance** section below for details). Final scores for the remaining finalist are as follows:

| <u>Evaluation Criteria</u> | <u>Maximum Points</u> | <u>Good Guard Security, Inc.</u> |
|-------------------------------|-----------------------|----------------------------------|
| General Requirements | 10 | 9 |
| Experience and Qualifications | 10 | 8 |
| Technical Capabilities | 10 | 9 |
| Project Approach/Schedule | 10 | 9 |
| Oral Interview | 20 | 20 |
| Cost Proposal (BAFO) | 30 | 25 |
| Local Business Enterprise | 5 | 0 |
| Small Business Enterprise | 5 | 0 |
| TOTAL | 100 | 80 |

Package E – Environmental Services Department

Package E included a scope for security services at the Municipal Water Facility, Water Pollution Control Plant (also known as the Regional Wastewater Facility), and the Singleton Closed Landfill. The City received nine written proposals for this package. Two vendors scored in the competitive range based on an evaluation of their written proposals and were invited to participate in oral interviews and a BAFO. One finalist was subsequently disqualified for violations of the City’s [Wage Theft Prevention Policy](#) (see **Office of Equality Assurance** section below for details). Final scores for the remaining finalist are as follows:

| Evaluation Criteria | Maximum Points | Good Guard Security, Inc. |
|-------------------------------|-----------------------|----------------------------------|
| General Requirements | 10 | 9 |
| Experience and Qualifications | 10 | 8 |
| Technical Capabilities | 10 | 9 |
| Project Approach/Schedule | 10 | 9 |
| Oral Interview | 20 | 20 |
| Cost Proposal (BAFO) | 30 | 25 |
| Local Business Enterprise | 5 | 0 |
| Small Business Enterprise | 5 | 0 |
| TOTAL | 100 | 80 |

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 local and small business preference. Three proposers (Creative Security Company, Inc., National Security Industries, and United Security Specialists) requested and received 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 not a factor in the final award for any packages.

Protest: The City’s RFP process included a 10-day protest period that began when the City issued the Notice of Intended Award on November 4, 2022. No protests were received.

Award Recommendations: Based on the results of the evaluation, staff recommends awards of contract for all packages to Good Guard Services whose proposals were scored as the best value proposal for each package per the evaluation criteria set forth in the RFP, met or exceeded the RFP specifications, and scored highly in the following key areas:

- Extensive experience, knowledge, and expertise in providing security services;
- Thorough training program to maintain and provide well-trained personnel;
- Innovative policies, procedures, and technologies to ensure security of department facilities; and
- A cost-effective solution.

References: Staff conducted reference checks for Good Guard Services customers by package as follows:

- Package A – Airport: Ontario Airport (CA), Kaiser Permanente West Los Angeles Medical Center (CA), and County of Santa Cruz Human Services Department (CA). All references provided positive feedback.
- Package B – Parks, Recreation and Neighborhood Services/Library: Altadena Library (CA), Kaiser Permanente West Los Angeles Medical Center (CA), and County of Santa Cruz Human Services Department (CA). All references provided positive feedback.
- Package C – Department of Public Works: County of Santa Cruz Human Services Department (CA) and the City of Oxnard – Wastewater Division (CA). References provided mixed feedback with one positive and one negative response.
- Package D – Department of Transportation: County of Santa Cruz Human Services Department (CA), PATH - People Assisting the Homeless (CA), and the City of Oxnard – Wastewater Division (CA). References provided mixed feedback with two positive and one negative responses.
- Package E – Environmental Services Department: County of Santa Cruz Human Services Department (CA) and the City of Oxnard – Wastewater Division (CA). References provided mixed feedback with one positive and one negative response.

Office of Equality Assurance: The City of San José’s [Living Wage Policy](#) applies to these agreements. The City’s [Wage Theft Prevention Policy](#) requires that:

A potential contractor that has submitted a formal or informal bid or proposal to provide supplies, materials, goods and/or services to the City pursuant to San José Municipal Code Chapter 4.12 ***shall be disqualified*** if the potential contractor has been found, by a court or by final administrative action of an investigatory government agency, to have ***violated applicable wage and hour laws*** on ***more than one occasion*** or ***has one unpaid wage judgment in the past five years*** prior to the date of submission of a bid or proposal to provide supplies, materials, goods and/or services.

The disqualified vendor noted in the analysis above was found by the City’s Office of Equality Assurance to have a total of 25 security services-related violations in the past five years, including 15 violations reported by the U.S. Department of Labor, with four of those located in California, and 10 violations reported by the California Department of Labor Standards Enforcement, of which only one violation was identified as fully satisfied.

Summary of Proposed Agreements: An agreement with Good Guard Security, Inc. will be executed for each package in accordance with the City’s standard terms and conditions, and all agreements will include the following provisions:

- Fixed hourly rates with not-to-exceed pricing for the initial one-year term and compensation to be paid monthly in arrears based on actual services provided;

- Up to four one-year options to extend the agreements, with price adjustments to be considered by the City upon request, but not to exceed three percent over the previous year unless the City's Living Wage increases by more than three percent;
- Detailed scopes of services to ensure that the security services comply with the City's requirements;
- A price list for supplemental services to allow departments to schedule additional services as required, subject to the appropriation of funds, up to the contracted allotment; and
- A transition plan that meets the City's [Living Wage Policy](#) requirements for employee retention of existing security guards. The policy requires the awarded contractor to provide continuation of services by retaining employees of the City's current security guard services contractor.

CONCLUSION

Approval of this recommendation provides ongoing security guard services in support of the City Council priority for a Safer San José.

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 Council meeting to be held on January 24, 2023.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

The Treatment Plant Advisory Committee will consider this item on January 12, 2023. A supplemental memorandum with the committee’s recommendation will be included in the amended January 24, 2023 City Council meeting agenda.

FISCAL/POLICY ALIGNMENT

This action is consistent with the City’s 2022-2023 Adopted Operating Budget and City Service Areas of Neighborhood Services, Transportation and Aviation Services, and Strategic Support for a Safer San José.

COST SUMMARY/IMPLICATIONS

| | |
|---|---------------------------|
| 1. AMOUNT OF RECOMMENDATION (one-year initial term) | \$9,048,442 |
| 2. COST ELEMENTS: | |
| <u>Package A – Airport</u> | |
| - Base Services | \$3,707,315 |
| - Provision for Supplemental Services | 200,000 |
| Airport Subtotal | <u>\$3,907,315</u> |
| <u>Package B – Parks, Recreation and Neighborhood Services/Library</u> | |
| - Base Services | \$943,564 |
| - Provision for Supplemental Services | 200,000 |
| Parks, Recreation and Neighborhood Services/Library Subtotal | <u>\$1,143,564</u> |
| <u>Package C – Public Works</u> | |
| - Base Services | \$903,961 |
| - Provision for Supplemental Services | 200,000 |
| Public Works Subtotal | <u>\$1,103,961</u> |
| <u>Package D – Transportation</u> | |
| - Base Services | \$1,557,697 |
| - Provision for Supplemental Services | 50,000 |
| Transportation Subtotal | <u>\$1,607,697</u> |
| <u>Package E – Environmental Services</u> | |
| - Base Services | \$1,085,905 |
| - Provision for Supplemental Services | 200,000 |
| Environmental Services Subtotal | <u>\$1,285,905</u> |
| INITIAL ONE-YEAR TERM NOT-TO-EXCEED (ALL CONTRACTS) | <u>\$9,048,442</u> |

- 3. SOURCE OF FUNDING:** Airport Maintenance and Operation Fund (523), General Fund (001), Library Parcel Tax Fund (418), General Purpose Parking Fund (533), San José - Santa Clara Treatment Plant Operating Fund (513), Water Utility Fund (515).
- 4. FISCAL IMPACT:** Ongoing security services will be fully funded from the Airport Maintenance and Operation Fund, General Fund, General Purpose Parking Fund, the San José – Santa Clara Treatment Plan Operating Fund, and the Water Utility 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 | 2022-2023 Adopted Operating Budget Page | Last Budget Action (Date, Ord. No.) |
|---------------|----------------|----------------------------|--------------------|--------------------------|--|--|
| 523 | 0802 | Non-Personal/Equipment | \$51,142,505 | \$3,907,315 | 836 | 6/21/2022 30790 |
| 001 | 0642 | Non-Personal/Equipment | \$26,501,582 | \$934,211 | 700 | 10/18/2022 30833 |
| 418 | 0722 | Non-Personal/Equipment | \$2,166,348 | \$209,353 | 676 | 10/18/2022 30833 |
| 001 | 0572 | Non-Personal/Equipment | \$17,626,917 | \$1,103,961 | 707 | 6/21/2022, 30790 |
| 001 | 0512 | Non-Personal/Equipment | \$21,916,626 | \$483,800 | 830 | 06/21/2022, 30790 |
| 533 | 0512 | Non-Personal/Equipment | \$7,793,897 | \$1,123,897 | 995 | 06/21/2022, 30790 |
| 513 | 0762 | Non-Personal/Equipment | \$38,660,941 | \$531,028 | 1040 | 10/18/2022, 30833 |
| 001 | 4089 | Closed Landfill Compliance | \$2,904,000 | \$276,174 | 791 | 10/18/2022, 30833 |

| Fund # | Appn. # | Appn. Name | Total Appn. | Amt. for Contract | 2022-2023 Adopted Operating Budget Page | Last Budget Action (Date, Ord. No.) |
|---------------|----------------|------------------------|--------------------|--------------------------|--|--|
| 515 | 0762 | Non-Personal/Equipment | \$43,799,019 | \$478,701 | 1053 | 10/18/2022, 30833 |

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 Luz Cofresi-Howe, Assistance Director of Finance, at luz.cofresi-howe@sanjoseca.gov.