



COUNCIL AGENDA: 6/2/20
FILE: 20-606
ITEM: 7.1

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jon Cicirelli
Julia H. Cooper

SUBJECT: SEE BELOW

DATE: May 18, 2020

Approved

Date

5/21/2020

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

RECOMMENDATION

Adopt a resolution authorizing the City Manager to execute the Third Amendment to the Agreement for Graffiti Abatement Services with Graffiti Protective Coatings, Inc. ("GPC") (Los Angeles, CA) to extend services for one (1) additional two-year option term through June 26, 2022 for a not-to-exceed compensation of \$2,309,076 for June 27, 2020 through June 26, 2022, subject to the appropriation of funds.

OUTCOME

Ensure ongoing graffiti abatement services to improve residents' quality of life and support the City's BeautifySJ initiative.

BACKGROUND

The Anti-Graffiti Program is an integral component of BeautifySJ, the City's strategy for beautification and blight reduction. The Anti-Graffiti Program has been effective in abating graffiti throughout the City, including coordinating with external partners to address graffiti located within the City on non-City property. GPC, a critical partner in the success of the Anti-Graffiti Program, abated 2,285,681 square feet of graffiti in FY 2018-2019 and 2,101,804 square feet of graffiti in FY 2017-2018.

In June 2011,¹ the San José City Council adopted a resolution authorizing the Director of Finance to negotiate and execute an agreement with GPC for graffiti abatement services as a result of a competitive Request for Proposal (RFP) process. GPC abates graffiti by preparing graffiti-covered surfaces using techniques such as sandblasting and power washing, followed by a restorative process of painting that involves color-matching and painting over the target surfaces.

The City pays GPC a rate per square foot of graffiti abated for the services required; this rate is currently set at \$0.50 per square foot. Therefore, the Agreement's annual compensation is determined by (1) the rate per square foot and (2) the area (square footage) of graffiti abatement services required, which fluctuates year-to-year.

The initial term of the agreement was five (5) years with two (2) two-year options to renew, for a total of nine (9) years. The agreement was amended in February 2015 to allow for an increase in the maximum compensation for the initial five-year term and was subsequently amended in September 2017 to include integration of My San José with GPC's work order system to expedite the resolution of graffiti-related service requests entered in My San José, now San José 311. The last option of the current agreement will end on June 26, 2020.

ANALYSIS

In November 2018,² the City Council directed staff to release an RFP for graffiti abatement services by August 2019³. Parks, Recreation, and Neighborhood Services (PRNS) Department staff has been working on gathering requirements for the scope of work since that time. Preparation of the scope has taken longer than previously expected by staff due to the complexity of the requirements. The scope includes both the graffiti abatement services performed in the field as well as a software application that must integrate with San José 311 to manage Citywide service requests as they are received, performed, and completed.

When the RFP was originally awarded to GPC in 2011, the City did not have a CRM solution for the public to report graffiti and other requests, such as potholes, illegal dumping, and streetlight outages. The San Jose Clean App, provided by GPC, was utilized until San José 311 (formerly My San José) was released in July 2017.

Specifications related to the City's San José 311 application, portal, and integration engine will need to be included in the release of a new RFP for graffiti abatement services. This effort will to provide the San José community with a unified and consistent experience across all its service request types. Integration with San José 311 augments access to graffiti service requests as more

¹ 2011 Council Memo: http://www3.sanjoseca.gov/clerk/Agenda/20110614/20110614_0308.pdf

² 2018 Council Memos: <https://www.sanjoseca.gov/your-government/departments/city-clerk/council-agendas-information/council-agendas>

³ November 6, 2018 Council Meeting Synopsis: <https://sanjose.legistar.com/View.ashx?M=M&ID=610824&GUID=30880974-2ABD-43AF-B478-D389F066D8C7>

users of San José 311 now see and can enter graffiti requests. This integration has added additional complexity to the RFP and any successful proposal will need to have both graffiti abatement expertise and the technological infrastructure to integrate with San José 311. PRNS developed the specifications required for the graffiti abatement portion of the RFP; however, more time is needed to accurately scope the integration requirements for the City's San José 311.

While PRNS and the Information Technology Department were working to develop the integration specifications for the RFP, the City was also in the process of updating San José 311 which must be included in the updated integration specifications in the RFP. The inclusion of the updated specifications will ensure that a comprehensive RFP is developed that accurately reflects the requirements for graffiti abatement services. Therefore, additional time is needed by PRNS staff to complete requirements, finalize the scope, and obtain necessary approvals. Once completed, PRNS will submit a complete package to the Procurement Prioritization Board for procurement prioritization so that the RFP can be developed and the competitive solicitation process and new contract can be completed with Finance-Purchasing. Due to uncertainty surrounding current COVID-19 work efforts, staff anticipates an RFP release date in late-2020.

To continue graffiti abatement services until the RFP and contracting processes are complete, GPC has agreed to the terms of the proposed Third Amendment, which are consistent with the terms of the existing Agreement, with minor changes. The Agreement currently stipulates that GPC may request a price increase for the per-square-foot rate for consideration by the City, not to exceed 5%. With this proposed Third Amendment, GPC has agreed to hold pricing for the additional two-year option term at the current rate of \$0.50 per square foot.

The current Agreement will be terminated upon completion of the RFP, new contract negotiation and execution, and transition of graffiti abatement services to the new contract.

CONCLUSION

Approval of this recommendation will ensure uninterrupted graffiti abatement services and allow staff sufficient time to finalize scope development, initiate and conclude the RFP process, and implement the selected solution.

EVALUATION AND FOLLOW-UP

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

CLIMATE SMART SAN JOSE

The recommendation in this memo 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 2, 2020 City Council meeting.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

This action is consistent with the City's 2019-2020 Adopted Operating Budget, specifically with the following priorities of the City Service Area (CSA) for Neighborhood Services: 1) Ensure the continuance of quality neighborhood livability and community strengthening through graffiti and litter abatement, education, and enforcement; and 2) Provide responsive inspection services to ensure safe and sanitary housing, quality neighborhoods and business districts for the residents of San José.

It is also in alignment with the CSA for Neighborhood Services' stated strategic outcome of establishing San José as a graffiti-free and litter-free city.

COST SUMMARY/IMPLICATIONS

The following outlines the elements of the contract:

	<u>Current Agreement Not to Exceed</u>	<u>Third Amendment Not to Exceed</u>
1. AMOUNT OF RECOMMENDATION		\$2,309,076
2. COST ELEMENTS		
- 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	
- Option 2 (6/27/18 – 6/26/20)	2,254,098	
- New Option 3 (6/27/20 – 6/26/22) (estimated)*		2,309,076
TOTAL	\$8,554,488	\$2,309,076

* Estimate is based on \$0.50 per square foot of graffiti abated, projected square footage, and includes \$209,916 in contingency, subject to the appropriation of funds.

3. SOURCE OF FUNDING: Parks, Recreation, and Neighborhood Services Department Non-Personal/Equipment General Fund appropriation.

4. FISCAL IMPACT: The Third Amendment to the Graffiti Protective Coatings Inc. Agreement and continuation of the current rate of \$0.50 per square foot abated is consistent with the program’s current annual funding allocation within the Parks, Recreation, and Neighborhood Services Non-Personal/Equipment Budget. The ongoing 2019-2020 Base Operating Budget allocation for graffiti abatement is approximately \$1,213,000, which is sufficient to address the estimated expenditure level through the end of the fiscal year, as well as estimated expenditures for 2020-2021.

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 **	2019-2020 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	0642	Anti-Graffiti and Anti-Litter Program	\$26,261,432	\$2,309,076	VIII-282	2/11/2020 30361

** Ongoing funds are currently allocated for graffiti abatement services in 2019-2020 and recommended as part of the 2020-2021 General Fund Base Operating Budget. Funding adjustments to account for fluctuations in activity will be brought through the annual budget development process.

HONORABLE MAYOR AND CITY COUNCIL

May 18, 2020

Subject: Third Amendment to the Agreement for Graffiti Abatement Services

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CEQA

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

/s/
JON CICIRELLI
Director of Parks, Recreation,
and Neighborhood Services

/s/
JULIA H. COOPER
Director of Finance

For questions regarding the graffiti abatement program, please contact Neil Rufino, Assistant Director of Parks, Recreation, and Neighborhood Services, at (408) 535-3572.

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