

MEMORANDUM

TO: San Jose Downtown Property Owner's Association Board of Directors

FROM: Scott Knies, Executive Director

DATE: November 16, 2007

RE: Report on RFP for Clean & Safe services

RECOMMENDATION

Authorize the Executive Director of the San Jose Downtown Association to negotiate and execute a two year agreement, with three one year options with Service Group, Inc. (SGI) at a not to exceed amount of \$1,509,526.56 for the first 12 months, with annual inflation adjustments based upon the changes in the consumer price index.

BACKGROUND

After formation of the Downtown San Jose Property Business Improvement District (PBID) in August 2007, the attention of the PBID focused on the election and appointment of the 11 member Board of Directors and the competitive procurement of cleaning and safety ambassador services as described in the PBID Management Plan. At its first Board meeting on October 2, 2007, the PBID Board established three working sub-committees of the Board. One sub-committee was charged with overseeing the process to procure cleaning and safety ambassador services.

SJDA staff, in coordination with the PBID Board's Clean and Safe sub-committee, researched information from a variety of sources to develop a Request for Proposals (RFPs). The relevant information included the approved PBID Management Plan, RFPs related to cleaning and safety ambassador services from other PBIDs, and the City of San Jose. The final RFP was submitted to all PBID Board members prior to its issuance for review and comment.

On October 19, 2007, an RFP for Cleaning and Maintenance Services and Information and Safety Ambassador Services for the Downtown San Jose PBID was issued to 20 prospective vendors electronically and was posted on the International Downtown Association and San Jose Downtown Association websites, and linked from the City of San Jose's page. On October 25, 2007, SJDA staff and members of the Clean and Safe sub-committee conducted a voluntary pre-proposal conference to describe the goals, services, and requirements of the RFP; and provided potential vendors with an opportunity to ask questions and receive clarification on the RFP requirements. A dozen potential proposers attended the conference. The RFP invited companies to either submit combined proposals for cleaning and safety and ambassador services; or separate proposals for each service. Proposals were due on November 6, 2007.

ANALYSIS

Six separate companies submitted various combinations of proposals by the deadline. The various proposals submitted were as follows:

Combined	Cleaning and Maintenance	Safety Ambassadors
<ul style="list-style-type: none">• Block by Block/ Universal Maintenance• Clean Innovation• One Source• Service Group, Inc.	<ul style="list-style-type: none">• Service Group, Inc.• Universal Maintenance• Universal Sweeping	<ul style="list-style-type: none">• Block by Block• Service Group, Inc.

The RFP established criteria that was used to evaluate the proposals with the goal of identifying the most advantageous proposal(s) for the PBID with respect to the vendor’s ability to perform the services as requested; to meet the aggressive start up timeframe of January 2008; their background and experience in comparable service delivery environments; review of relevant financial and business references; overall responsiveness to the requirements of the RFP including innovative management and business approaches and environmentally responsible business practices; and cost and value of the proposal.

At the PBID Board meeting of October 23, 2007, the Board established a six-person evaluation panel of SJDA staff and PBID Board members. The evaluation panel conducted a preliminary review of the proposals to determine if proposals were complete and all requirements of the RFP were met and to develop a list of finalists for face-to-face interviews. The evaluation panel selected four firms to participate in face-to-face interviews that were conducted on November 15, 2007.

Evaluation of the Proposals

Each firm submitted impressive proposals and had well-prepared presentations for the interviews. However, the evaluation panel was unanimous in its conclusion that the proposal from Service Group, Inc. (SGI) was superior for the reasons summarized below:

The panel evaluated each proposal based on the firm’s experience; technical evaluation including equipment, training and innovation; cost benefit/value; local business preference; and green procurement policy. The cost difference between SGI and the firm(s) ranked next highest by the evaluation panel was approximately \$200,000.

SGI’s combined clean and safe proposal cost was approximately \$1.51 million. Universal Maintenance (clean) and Block by Block (safe) combined bid was approximately \$1.71 million.

While the evaluation panel found both SGI and Block by Block's approach on safety ambassadors of very similar quality, SGI's clean team proposal was far superior, especially in the deployment of new equipment, productivity modeling and green policies/products.

By providing a single source for both cleaning and safety ambassadors, SGI also identified numerous management and marketing efficiencies that would benefit the district.

Furthermore, SGI promoted best practices from several national cities with improvement districts, including downtown Denver where SGI has provided clean and safe services since 2003 for a granite transit mall similar to downtown San Jose, with excellent references from the Denver PBID.

Cost Analysis

Under the proposed PBID Management Plan and budget, costs for clean and safe services were budgeted at \$1.5 million. The evaluation panel noted that Universal Sweeping's clean-only bid of \$822K was very strong, and ranked ahead of Universal Maintenance when comparing clean services only, and when paired with either Block by Block's safety-only bid (\$577K) or SGI's safety-only bid (\$575K) would potentially have the lowest total combined service cost at \$1.397 million. However, Universal Sweeping's proposal lacked detail on some of the district's overall cleaning objectives and they had no previous experience in the integration of their services with an ambassador program. Although SGI's combined proposal was approximately \$104K higher than a potential Universal Sweeping/SGI combined approach, the evaluation panel strongly preferred the efficiency and consistency offered for both clean team and safety ambassadors by one vendor.