

CITY OF OAKLAND

AGENDA REPORT

2011 JUN -2 PM 5: 57

TO: Office of the City Administrator
ATTN: P. Lamont Ewell
FROM: Public Works Agency
DATE: June 14, 2011

RE: Report and Resolution:

- 1) Awarding A Property Management And Maintenance Contract To ABM Facility Services To Manage, And Maintain The East Oakland Sports Complex (EOSC) For A Term Of Two Years In An Amount Not-To-Exceed Seven Hundred Thousand Dollars (\$700,000.00) (\$350,000.00 Annually), And
- 2) Authorizing The City Administrator Or His Designee To Exercise Two One-Year Options To Renew Up To An Amount Not-To-Exceed Three Hundred Eighty Five Thousand Dollars (\$385,000.00) In The Third Year And Up To An Amount Not-To-Exceed Four Hundred Twenty Three Thousand Five Hundred Dollars (\$423,500.00) In The Fourth Year, Which Includes 10% Increases In Each Additional Year To Cover Increased Labor Costs, And
- 3) Waiving The City's Advertising And Bidding Requirements For The Purchase Of Products, Parts And Other Materials Needed To Manage And Maintain The EOSC And Authorizing The City Administrator To Include Such Necessary Purchases In The Management And Maintenance Contract With ABM Facility Services

SUMMARY

A resolution has been prepared authorizing the City Administrator to enter into a management and maintenance contract with ABM Facility Services (ABM), for two years with two one year renewal options in an amount not-to-exceed \$700,000.00 and to, at the City's discretion, exercise the option to extend the agreement twice, one year at a time, in an amount not-to-exceed up to \$385,000.00 in the third year and \$423,500.00 in the fourth year, each of which includes an annual increase of 10% in the previous year's contract amount to cover increased labor costs, if any.

In addition to providing management and maintenance of the new sports facility, ABM will be responsible for purchasing and supplying the services, products, equipment and parts needed to manage and maintain the facility under its contract. These costs are to be included in the contract caps stated above.

The City initiated the request for qualifications (RFQ) process to select the most qualified building maintenance firm to meet the operational needs of the East Oakland Sports Complex (EOSC). The

RFQ process was successfully completed and the process produced one highly qualified building management company, ABM Facility Services, with a vast array of facilities maintenance expertise in all key areas including HVAC, landscaping, custodial, mechanical, electrical and plumbing (MEP), elevator and pool maintenance.

FISCAL IMPACT

Approval of the resolution would authorize the City Administrator to award ABM Facility Services a two year contract in an amount not to exceed \$700,000.00, with two one-year renewal options and authorize the City Administrator to, at the City's discretion, exercise the option to extend the agreement twice, one year at a time, in an amount not-to-exceed up to \$385,000.00 in the third year and \$423,500.00 in the fourth year, each of which includes an annual increase of 10% in the previous year's contract amount to cover increased labor costs, if any.

ABM will provide all building maintenance and management services and products, equipment and parts to manage and maintain the facility. The City will pay the Pacific, Gas & Electric ("PG&E") and East Bay Municipal Utility District ("EBMUD") costs to operate the facility.

The funds for this professional services contract are budgeted in FY 2011-2012 in the Facilities Services Fund (4400); Organization 30634; Account 54919; Program IN02. The funds for PG&E and EBMUD are budgeted in FY 2011-2012 in the Facilities Services Fund (4400); Organization 30611; Accounts 53111 and 53114; Program IN02.

BACKGROUND

The City of Oakland Office of Parks and Recreation will operate this newly constructed multi-purpose sports building and manage the programming schedule for activities including but not limited to: swimming, aerobics/dance classes, fitness training, private parties and other various recreational activities.

The Complex is situated at 9175 Edes Avenue at Ira Jinkins Park, it is a LEED-Certified, two-story 22,500 sq. ft. facility which consists of a 4,500 sq. ft. leisure pool and water slide inside a 9,000 sq. ft. natatorium, a 3,000 sq. ft. fitness room, an 11,000 sq. ft. multipurpose room, and all applicable mechanical, electrical and plumbing equipment.

The perimeter consists of a 20,000 sq. ft. parking lot and 18,000 sq. ft. of landscaping. There is an auxiliary mechanical building that separately houses the pool controls and equipment.

ABM will provide a full range of building maintenance and management services and products, equipment and parts to manage and maintain the facility, either directly or through subcontracting. All subcontracts will be administered and paid for by ABM, the City will be billed on an all inclusive basis for all maintenance services, equipment, materials and parts. The City will pay for PG&E and EBMUD costs to operate the facility. The funds for PG&E and EBMUD are budgeted in FY 2011-2012 in the Facilities Services Fund (4400); Organization 30611; Accounts 53111 and 53114; Program IN02.

The effective date of the ABM contract is July 1, 2011.

KEY ISSUES AND IMPACTS

The City seeks to provide through approval of this resolution, qualified contracted property management and maintenance services to meet the current needs of the EOSC. Those needs are identified by the Office of Parks and Recreation's operational program and the scope of services including maintenance of the heating, ventilating and air conditioning system ("HVAC"); the mechanical, electrical and plumbing systems; the elevator and aquatic systems, janitorial and landscaping maintenance as well as supplying all necessary materials, tools and equipment required to support the operations.

The East Oakland Sports Center is a state of the art facility unlike any other aquatics or recreation facility the City currently operates and maintains. It requires a network of building equipment to work in concert to control the heating, air conditioning, radiant under floor heating system, mechanical systems, and the advanced dehumidifying system that controls the ambient temperature in the natatorium where the indoor pool and water features are housed. Such complex systems require specialized monitoring as well as routine and preventive maintenance to ensure the sports center is able to withstand its anticipated use. Presently, the Public Works Agency lacks adequately trained staff to fully maintain and operate the sports center's various elaborate building systems. The amount of specialized work involved also exceeds the Agency's current staffing levels.

It is the intent and goal of the City to provide a well maintained, clean, safe, fully operational recreational facility for its citizens. It is further intended that the facility will be operated and maintained in accordance with all applicable health and safety regulations ensuring the safety of the building occupants and the preservation of public property, interests and assets.

Staff is required to advertise and solicit bids for the purchase of products and award to the lowest responsible bidder and required to solicit a request for proposals or qualifications pursuant to a process approved by the City Administrator to purchase professional, scientific or technical services. (Oakland Municipal Code, Chapter 2.04, Sections 2.04.050 and 2.04.051.A). However, staff cannot use either process alone to purchase both professional services and products unless authorized by the Council. Staff conducted an RFQ process to identify qualified property management firms and has negotiated a contract price that would include both the necessary services and products, equipment and parts needed to manage and maintain the sports facility. It is customary and standard industry practice for a property management firm to purchase and supply products, equipment and other materials needed to manage and maintain real property.

Therefore, staff recommends that it would be in the best interests of the City for the Council to waive the City's requirements for advertising, bidding and low bid awards for products, equipment and other materials needed to manage and maintain the EOSC and authorize the City Administrator to include the purchase of such necessary items in ABM's contract.

PROGRAM DESCRIPTION

ABM will provide a full range of building maintenance and management services, either directly or through contracting. These services include, but are not limited to:

- Daily water quality testing, chemical balancing, cleaning and maintenance of the pool.

- All required testing, servicing, record keeping, inspections, maintenance and repairs necessary to comply with permits and warranty of the pool systems equipment
- Heating, ventilating and air condition (HVAC) maintenance
- Fire and Life Safety Systems/Security Alarm Systems
- Energy Management Systems (EMS)
- Elevator Maintenance
- Plumbing
- Electrical and Lighting system
- Roofing maintenance
- Landscape Maintenance (approx. 18,000 square feet)
- Performing preventive maintenance to meet specified requirements for warranties guarantees of building systems, logging and recording all maintenance efforts to satisfy audits from the State and other Health and Safety Agencies, and submitting required documentation to meet and maintain regulatory permit requirements.
- Cleaning/ Janitorial services.
- Supplying all necessary materials, tools and equipment required to support the programming and operations.
- Invoicing the City and making all payments to subcontractors/suppliers in accordance with City payment policies for the above work.

COMPLIANCE WITH CITY LBE/SLBE PROGRAMS

The Department of Contracting and Purchasing (DCP), Division of Social Equity, reviewed the proposal from ABM which was the sole proposal in response to the RFQ for Property Management and Maintenance Services to evaluate for the minimum 20% Local and Small Local Business Enterprise (LBE/SLBE) participation requirement, and a preliminary review for compliance with the Equal Benefits Ordinance (EBO).

At the time of submission ABM failed to meet the minimum requirements. It has been communicated to ABM that it is mandatory that compliance of the minimum 20% LBE/SLBE requirement is met before execution of the contract. It is the intention of the Firm to meet the requirement by subcontracting for janitorial and landscaping services. (*Attachment A*).

SUSTAINABLE OPPORTUNITIES

The resolution provides opportunities for economic and social equity benefits for the citizens of Oakland, such as:

Economic: At the time of this report ABM does not meet the minimum 20% SLBE requirement. ABM intends on sub-contracting the janitorial and landscaping portion of the work to meet this requirement by the execution of this contract. The local economy will benefit from the services provided by the terms of this contract through job opportunities as well as the generating of business tax revenue.

Social Equity: The resolution will protect the health and safety of the public and the building occupants by providing well maintained, clean, safe and secure facilities to visit and participate in various recreational activities

Environmental: No environmental opportunities are identified in this contract.

DISABILITY AND SENIOR CITIZEN ACCESS

The resolution will support the Americans with Disabilities Act (ADA) and Older Americans Act.

RECOMMENDATION AND RATIONALE

Staff is recommending that the City Council award a property management and maintenance services contract to ABM Facility Services to provide property management and maintenance services at the EOSC as outlined in the RFQ.

It is further recommended that Council waive the City's advertising and bidding requirements for the purchase of products, parts and other materials needed to manage and maintain the EOSC and authorize the City Administrator to include such necessary purchases in the management and maintenance contract with ABM Facility Services.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the resolution awarding the contract for two years with two one year renewal options with ABM Facility Services authorizing the City Administrator to enter into a professional services contract with ABM Facility Services (ABM), for two years with two one year renewal options in an amount not-to-exceed \$700,000.00 and authorizing the City Administrator to, at the City's discretion, exercise the option to extend the agreement twice, one year at a time, in an amount not-to-exceed up to \$385,000.00 in the third year and \$423,500.00 in the fourth year, each of which includes an annual increase of 10% in the previous year's contract amount to cover any rate increases resulting from the Oakland Living Wage annual adjustments or any other State or Federal legislation that occurs during the term of the contract, if any.

Respectfully submitted,



Vitaly B. Troyan, P.E.
Director, Public Works Agency

Reviewed by:
Brooke A. Levin, Assistant Director
Department of Facilities & Environment

Prepared by: Derin Minor, Facilities Services Manager
Facilities Service Division

APPROVED AND FORWARDED TO THE
PUBLIC WORKS COMMITTEE:



Office of the City Administrator

ATTACHMENT A

Memo



Department of Contracting and Purchasing Social Equity Division

To: Sandra Ousley, Project Manager
 From: Vivian Inman, Contract Compliance Officer
 Through: Deborah Barnes, Director, DC&P *Deborah Barnes*
 Shelley Darensburg, Sr. Contract Compliance Officer
 Date: May 9, 2011
 Re: RFP for Property Management and Maintenance Services for the East Oakland Sports Complex

The Department of Contracting and Purchasing (DCP), Division of Social Equity, reviewed one (1) proposal in response to the above referenced project. Below is the outcome of the compliance evaluation for the minimum 20% Local and Small Local Business Enterprise (L/SLBE) participation requirement, and a preliminary review for compliance with the Equal Benefits Ordinance (EBO).

Below are the results of our findings:

Responsive to L/SLBE and/or EBO Policies		Proposed Participation				Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited participation	Banked Bid Discounts	Adjusted Bid Amount		
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Comments: There were no responsive firms.

Non-Responsive to L/SLBE and/or EBO Policies		Proposed Participation				Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited participation	Earned Bid Discounts	Adjusted Bid Amount		
ABM Facility Services	NA	0%	0%	0%	NA	0%	0 points	NA	0%	Y

Comments: ABM Facility Services failed to meet the minimum 20% L/SLBE participation requirement. The firm is deemed non-responsive to L/SLBE participation at this point in the process. As this is a negotiated agreement, the firm may meet the L/SLBE participation requirement during negotiations. The firm is not EBO compliant. They will have to come into compliance prior to contract award.

Should you have any questions you may contact Vivian Inman at (510) 238-3970.



DEPARTMENT OF CONTRACTING AND PURCHASING

Social Equity Division

PROJECT COMPLIANCE EVALUATION FOR :

Project No.

RE: **Request for Proposal for Property Management and Maintenance Services for the East Oakland Sports Complex**

CONSULTANT/CONTRACTOR: ABM Facility Services

<u>Engineer's Estimate:</u>	<u>Contractors' Bid Amount</u>	<u>Over/Under Engineer's Estimate</u>
NA	NA	NA
<u>Bid discounted amount:</u>	<u>Discount/Preference Points:</u>	
N/A	0	

- 1. Did the 20% local/small local requirement apply: YES
- 2. Did the contractor meet the 20% requirement NO
 - a) % of LBE participation 0%
 - b) % of SLBE participation 0%

3. Did the contractor receive bid discount/preference points? NO
 (if yes, list the points received) 0 points

5. Additional Comments.

Firm failed to list percentages and thus compliance cannot be determined. The firm has a 20% shortfall. Therefore, the firm is deemed non-responsive at this point in the process. As this is a negotiated agreement process and not a low bid process, firms may revise Schedule E to increase L/SLBE participation levels.

6. Date evaluation completed and returned to Contract Admin./Initiating Dept.

5/5/2011

Date

Reviewing Officer: Miriam Armar

Date: _____

Approved By: Shelley Darzensburg

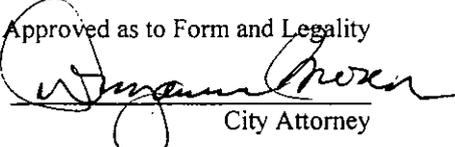
Date: 5/5/11

LBE/SLBE Participation The KPA Group

Project Name: Request for Proposal for Property Management and Maintenance Services for the East Oakland Sports Complex

Project Name:		Engineer's Estimate				Under/Over Engineers Estimate:				
Discipline	Prime & Subs	Location	Cert. Status	LBE	SLBE	Total LBE/SLBE %	Total Percentages	For Tracking Only		
								Ethn.	MBE	WBE
PRIME	ABM: Facility Services	San Francisco	UB				100%	NL		
Project Totals				0%	0%	0%	100%		0%	0%
Requirements: The 20% requirements is a combination of 10% LBE and 10% SLBE participation. An SLBE firm can be counted 100% towards achieving 20% requirements.				LBE 10%	SLBE 10%	TOTAL LBE/SLBE%		Ethnicity AA = African American A = Asian C = Caucasian H = Hispanic NA = Native American O = Other NL = Not Listed		
Legend		LBB = Local Business Enterprise		UB = Uncertified Business						
		SLBE = Small Local Business Enterprise		CB = Certified Business						
		Total LBE/SLBE = All Certified Local and Small Local Businesses		MBE = Minority Business Enterprise						
		NPLBE = NonProfit Local Business Enterprise		WBE = Women Business Enterprise						
		NPSLBE = NonProfit Small Local Business Enterprise								

OFFICE OF THE CITY CLERK
9PM JUN -2 PM 5:57

Approved as to Form and Legality

City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION:

- 1) **AWARDING A PROPERTY MANAGEMENT AND MAINTENANCE CONTRACT TO ABM FACILITY SERVICES TO MANAGE, AND MAINTAIN THE EAST OAKLAND SPORTS COMPLEX (EOSC) FOR A TERM OF TWO YEARS IN AN AMOUNT NOT-TO-EXCEED SEVEN HUNDRED THOUSAND DOLLARS (\$700,000.00) (\$350,000.00, ANNUALLY), AND**
- 2) **AUTHORIZING THE CITY ADMINISTRATOR OR HIS DESIGNEE TO EXERCISE TWO ONE-YEAR OPTIONS TO RENEW THE CONTRACT FOR UP TO AN AMOUNT NOT-TO-EXCEED THREE HUNDRED EIGHTY FIVE THOUSAND DOLLARS (385,000.00) IN THE THIRD YEAR AND UP TO AN AMOUNT NOT-TO-EXCEED FOUR HUNDRED TWENTY THREE THOUSAND FIVE HUNDRED DOLLARS (\$423,500.00) IN THE FOURTH YEAR, WHICH INCLUDES 10% INCREASES IN EACH ADDITIONAL YEAR TO COVER INCREASED LABOR COSTS, AND**
- 3) **WAIVING THE CITY'S ADVERTISING AND BIDDING REQUIREMENTS FOR THE PURCHASE OF PRODUCTS, PARTS AND OTHER MATERIALS NEEDED TO MANAGE AND MAINTAIN THE EOSC AND AUTHORIZING THE CITY ADMINISTRATOR TO INCLUDE SUCH NECESSARY PURCHASES IN THE MANAGEMENT AND MAINTENANCE CONTRACT WITH ABM FACILITY SERVICES**

WHEREAS, the City of Oakland completed the construction of the East Oakland Sports Complex ("EOSC") in 2010 and it was funded through Measure DD, the Oakland Trust for Clean Water and Safe Parks, Measure WW, the Regional Open Space, Wildlife, Shoreline and Parks Bond, State of California 2002 Resources Bond Act and Proposition 40 Oakland Redevelopment Agency; and

WHEREAS, the City initiated the request for qualifications ("RFQ") process to select the most qualified property management and building maintenance firm to meet the operational needs of the EOSC; and

WHEREAS, the RFQ process was successfully completed and one highly qualified building management company with a vast array of facilities maintenance expertise emerged, ABM Facility Services, that can provide the services, products, parts and other materials needed to manage and maintain the EOSC; and

WHEREAS, staff recommends that the City contact with ABM Facility Services to provide property management and building maintenance services and products at the EOSC for an initial term of 2 years until July 1, 2013 at a cost of \$700,000.00 (\$350,000.00, annually), and that the City Council authorize the City Administrator to exercise two (2) one-year options to renew said

contract, at the City's discretion, under the same terms and conditions of the original contract and to increase the contract by up to 10% in each of the third and fourth years to cover increased costs due to Oakland's Living Wage Ordinance or federal or state law, if any, up to an amount not-to-exceed \$385,000.00 in the third year, and up to an amount not-to-exceed \$423,500.00; and

WHEREAS, the Oakland Municipal Code requires staff to conduct a City Administrator-approved request for proposals or qualifications process to purchase real property management services, and to advertise a solicitation for bids to purchase products and award to the lowest responsible bidder (Oakland Municipal Code, Chapter 2.04, Sections 2.04.050 and 2.04.051.A), but does not authorize staff to use either process alone to purchase both professional, scientific or technical services and products unless authorized to so by the City Council; and

WHEREAS, Oakland Municipal Code ("OMC"), Chapter 2.04, Purchasing Ordinance, Section 2.04.050.1.5 permits the City Council to waive the advertising, bidding and low bid award process for products upon a finding that it is in the best interests of the City to do so; and

WHEREAS, staff recommends that it is in the City's best interests to waive its advertising, bidding and low bid award processes for products, parts and other materials needed to maintain the EOSC and authorize ABM to purchase and supply such products within the amount paid annually under the contract because it is customary and standard industry practice for a property management firm to purchase and supply products, equipment and other materials needed to manage and maintain real property; and

WHEREAS, the services to be provided by ABM are services of a professional and temporary nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive service; and

WHEREAS, the funds for this professional services contract are budgeted in FY 2011-2012 in the Facilities Services Fund (4400); now, therefore, be it

RESOLVED: That the City Administrator, or his designee, is authorized to enter into a property management and maintenance contract with ABM Facility to manage, maintain and supply all products, equipment and parts for said management and maintenance of the City of Oakland facility known as the EOSC, located at 9175 Edes Avenue, Oakland, California, for a term of two (2) years from July 1, 2011 to July 1, 2013, in an amount not-to-exceed \$700,000.00 (\$350,000.00, annually); and be it

FURTHER RESOLVED: That the City Administrator, or his designee, is authorized to exercise two (2) one-year options to renew said contract under the same terms and conditions of the original contract and to increase the contract by up to 10% in the third and fourth year to cover increased costs due to increases in labor costs under Oakland's Living Wage ordinance or federal or state laws, if any, up to an amount not-to-exceed \$385,000.00 in the third year, and up to an amount not-to-exceed \$423,500.00 in the fourth year; and be it

FURTHER RESOLVED: That pursuant to Oakland Municipal Code Section 2.04.050.1.5 and for the reasons stated in the City Administrator's report accompanying this Resolution and above, the City Council finds that it is in the best interests of the City to waive the City's advertising and bidding requirements for the purchase of products, parts and other materials needed to manage and maintain the EOSC and so waives the requirements; and be it

FURTHER RESOLVED: That the City Administrator, or his designee, shall include requirements in the property management and maintenance contract with ABM Facility Services to purchase and provide products, equipment and materials needed for the management and maintenance of the EOSC; and be it

FURTHER RESOLVED: That the contract and amendments authorized hereunder shall be reviewed and approved by the City Attorney for form and legality and shall be placed on file in the Office of the City Clerk

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAFF and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California