

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Julie Edmonds-Mares

**SUBJECT:** ALTERNATIVE SERVICE  
DELIVERY PROPOSALS –  
PARKS LANDSCAPE AND  
CUSTODIAL SERVICES

**DATE** 05-27-11

Approved



Date

5-27-11

## RECOMMENDATION

It is recommended that the City Council consider the following amendments to the 2011-2012 Proposed Operating Budget in the General Fund:

- 1) Increase the Non-Personal/Equipment Budget for the Parks, Recreation and Neighborhood Services Department by \$69,500;
- 2) Decrease the Non-Personal/Equipment Budget for the Parks, Recreation and Neighborhood Services Department by \$123,500;
- 3) Increase the 2012-2013 Future Deficit Reserve in the amount of \$54,000 or distribute the funding as part of the 2011-2012 Budget process.
- 4) Extend a Maintenance Supervisor position recommended for elimination in the 2011-2012 Proposed Budget by six months, to December 31, 2011

## BACKGROUND

In accordance with Council Policy 0-41, Parks, Recreation and Neighborhood Services (PRNS) is submitting the attached final business case analysis for Parks Landscape and Custodial Services. In general the Policy defines that a business case analysis will be undertaken to evaluate Service Delivery changes that are expected to result in the addition, deletion, or reclassification of four (4) or more City full-time equivalent (FTE) positions. The attached business case analysis recommends retaining additional staff for contract oversight for six months to implement the contract.

## ANALYSIS

As discussed in the 2011-2012 Proposed Operating Budget, PRNS has completed the business case analysis evaluating a new service delivery model that would provide parks restroom custodial and parks maintenance service at pocket parks (see Attachment A). This model will reduce staffing by 38.0 positions and retain 1.0 position for contract management and quality control. This new service deliver model would result in a \$2.4 million cost savings in 2011-2012. The identified

savings in the 2011-2012 Proposed Operating Budget was estimated using existing contract costs for other services.

At the November 18, 2010 Special City Council Meeting, the Administration provided a list of alternative service delivery candidates to be potentially included as cost reduction proposals as part of the 2011-2012 Proposed Budget. On February 28, 2011 an Information Memorandum was issued providing an update on the service delivery evaluations and identifying the services for which business cases would be further analyzed as part of the 2011-2012 Proposed Budget, including Small Parks Landscape Maintenance and Custodial Services. On March 18, 2010 a preliminary business case analysis was published evaluating the Parks, Recreation and Neighborhood Services (PRNS) Department's current delivery model for providing landscape maintenance services to civic grounds and neighborhood parks that are two acres or less in size, as well as park restroom custodial services throughout the City. Since that time, a staff unit interested in developing a managed competition process has not been identified. If the managed competition proposal were undertaken, it is estimated that this process would take at least 18 months and at a cost of approximately \$200,000. Further, since the proposal to outsource is a balancing strategy to close the \$115 million General Fund shortfall, if the City Council chooses to implement the Public Private Competition process, reductions in other areas of the General Fund would need to be identified prior to adoption of the 2011-2012 Operating Budget.

On March 23, 24 and 29, 2011, PRNS held a series of community meetings to discuss the alternative service delivery model for small park maintenance (under 2 acres), park custodial services, civic ground maintenance; and graffiti eradication. (A separate MBA on graffiti outsourcing will be issued.) The community meeting input was diverse and discussed a variety of ideas and alternatives for the City of San Jose to consider such as: consideration of increasing Alternative Work Program (AWP) staffing to supplement custodial services; requiring bidding contractors to hire displaced City employees; expansion of the scope of maintenance responsibilities for Little Leagues to care for restroom and turf beyond ball parks fence line (River Glen was used as an example); creation of a contract that ensures the vendor provides quality services and that performance is evaluated prior to contract extension; creation of signage that identifies vendor contact information and protocols so that remaining city staff can focus maintenance of larger parks.

Both City staff and community members were in attendance at these meetings. Some members of the community supported the recommendation as a means to maintain services at a lower cost, other members voiced concern about outsourcing, most often in conjunction with concerns about work quality that the vendors would provide. The issue of alternative service delivery also surfaced at most of the Community Budget Meetings, with similar comment themes. One additional theme that surfaced in the Community Budget Meetings was the importance of maintaining City staff capacity to coordinate with community volunteers. PRNS management staff also held a series of internal meetings with Parks staff to review and discuss the preliminary business case information.

On March 25, 2011 the City Administration released the preliminary business case analyses, and extended an offer to meet with impacted bargaining units prior to the final decision regarding the outsourcing of the services. The three bargaining units affected by this proposal are Municipal Employees' Federation (MEF), Association of Maintenance Supervisory Personnel (AMSP), and the

International Union of Operating Engineers, Local No. 3 (OE#3). After review of the information provided, AMSP opted to waive its meet and confer rights. It should be noted that AMSP had only one impacted position associated with the business case analyses. City administration engaged MEF and OE#3 in the meet and confer process regarding the decision whether or not to outsource the services. The meet and confer process was completed with MEF on May 9, 2011. The meet and confer process was completed with OE#3 on May 18, 2011. If the City Council approves the outsourcing of these services, the City Administration will meet again with OE#3 to meet and confer regarding the impacts of this change in service delivery.

Based on bids for service received from current City vendors, this new service delivery model would result in a \$2,555,000 savings in 2011-2012 and a reduction in staffing by 38 total positions. This final case study results in an additional ongoing annual savings of \$54,000 above the proposed operating budget savings (\$2,501,000) for this service. This savings, which is available due to reduced vendor costs (\$123,324) partially offset by a one-time increase for transition costs (\$69,500), is recommended in this memorandum to be allocated to the 2012-2013 Future Deficit Reserve or be distributed as part of the 2011-2012 Budget process. One contract administrator will be assigned to contract management for the landscape and custodial contracts on a permanent basis. It should be noted that the costs in the attached business case have changed since the release of the preliminary business case released in March. At the time that document was released, the full impact of proposed concessions on salary and retirement costs was not yet determined. Additionally, the assumed overhead rate was revised from 36.27% to 68.62% based on information received from the Finance Department.

Contracts are currently in negotiation to start contracted landscape and custodial services beginning July 1, 2011, pending City Council approval of staff recommendations. Additionally, a request for proposal is in process for the custodial contract, and a landscape contract request for proposal is being developed and will be placed for bid in fall 2011.

The Custodial Request for Proposal (RFP) for Parks restroom custodial service includes sections on customer service, familiarity with the Parks restrooms, safety plan, uniforms, criminal and other background checks, and submission of a monthly invoice electronically including date/time and products used of service by site. The RFP outcomes include specific janitorial maintenance scope of services (i.e. trash bins emptied, toilets cleaned, floors mopped, surfaces wiped clean, etc.), contractor staffing plans, addressing lost items, dealing with emergencies, providing 24 hour contractor contact information, responding to calls within 10 minutes, prohibition of tobacco, and finally a frequency and work schedule for each park restroom, which increases during times of high use (summer) and decreases during times of low use (winter). It is anticipated that a provider(s) will be identified and a contract(s) will be brought forward for City Council consideration in winter 2011.

For the landscaping contract, PRNS is leveraging the existing Department of Transportation open purchase order for service and utilizing their specifications. It is anticipated that this purchase order will be utilized for up to one year, and the RFP process will be initiated in fall 2011.

HONORABLE MAYOR AND CITY COUNCIL

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**COORDINATION**

This MBA has been coordinated with the City Managers Budget Office, Office of Employee Relations and the Department of Public Works.

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JULIE EDMONDS-MARES

Assistant Director of Parks, Recreation and  
Neighborhood Services

For questions please contact Steve Hammack, Deputy Director, at 408-793-5579.

**Attachment A**

**Parks Landscape and Custodial Services  
Preliminary Business Case Analysis**

**3/18/2011**

**Final 5/20/2011**

### Current Service Model:

The Parks, Recreation and Neighborhood Services department provides a wide variety of parks maintenance services throughout the City's 180 Neighborhood parks, 9 regional parks, and 39 Civic ground sites. As a whole, PRNS maintains an estimated 3,436 acres citywide (2,002 developed and 1,434 undeveloped), providing services such as turf, landscape, equipment, and custodial maintenance that keep the City's parks clean, green, and safe for the community.

This business case analysis focuses on the Parks, Recreation and Neighborhood Services Department's (PRNS) current delivery model for providing landscape maintenance services to civic grounds and neighborhood parks that are two (2) acres or less in size (referred to as "pocket parks" in this study), as well as park restroom custodial services throughout the City. This analysis does not address the landscape services for larger neighborhood and regional parks that will continue to be maintained by City staff.

Landscape maintenance services include park litter pick-up and trash removal; mowing, planting, raking, and weed abatement; tree and shrub trimming; and, irrigation systems maintenance. Custodial maintenance includes cleaning and stocking restrooms, opening and closing the restroom buildings, and performing minor repairs. All of these services ensure that the public has access to clean, green, and safe parks and facilities.

- Civic Grounds, Pocket Parks, and Restroom Facilities – PRNS provides landscape maintenance services to 40 civic grounds sites (Old Martin Luther King Jr. Library, City Hall, etc.) and 55 pocket parks (which collectively comprise 91.10 of PRNS' 2,002 developed acres currently serviced), as well as custodial services for 90 park restrooms located throughout the City (See Attachment A, "Parks Landscape and Custodial Services – Service Delivery Evaluation Facilities Inventory"). The pocket parks and restrooms are opened and maintained from sunrise to one hour after sunset, seven days a week. The civic grounds have varied operating hours and are serviced based on civic facility need.
- Staffing Structure – PRNS employs approximately 38 fulltime positions to provide the landscape and custodial services discussed in this business case analysis each year. The position count is based on an aggregate total of the staffing hours allocated to landscape and custodial services. As such, the position count represents workload demands, rather than a representation of specific individuals. In practice, the work is broadly accomplished by a larger number of individuals (not just 38 employees) who share these custodial/landscape maintenance duties on a daily basis. At present, none of the assigned staff are dedicated solely to custodial or landscape maintenance duties. The personal costs in this analysis are based on the current budgeted costs of 38 actual full-time positions, which would be eliminated if the City decides to use contracted services to maintain civic grounds, pocket parks, and restrooms.

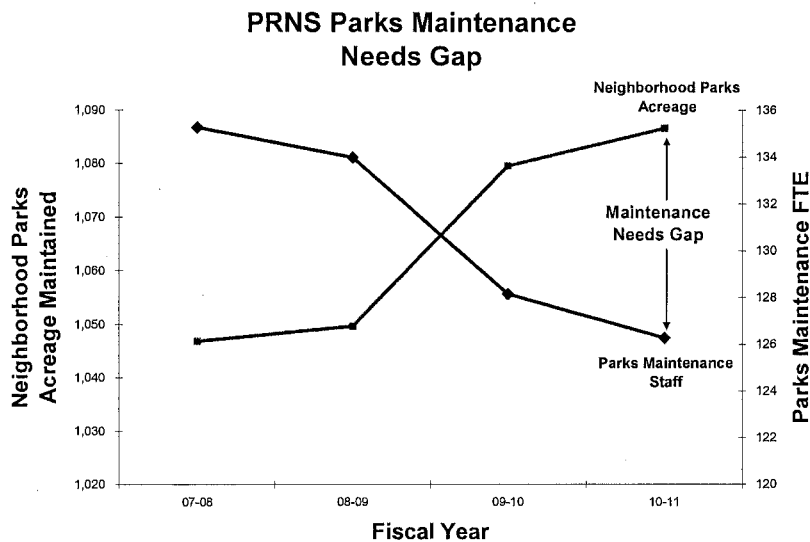
Current Costs – As illustrated in Table A. below, the proposed 2011-2012 base budget costs for these landscape and custodial services would be \$3.57 million, which is made up of personal services, salary, fringe (including health, dental, unemployment, etc.), retirement costs, and non-personal funds. The overhead associated with the staffing costs is estimated to be \$1.2 million per year. However, these costs do not result in direct expenditure reductions in the General Fund if contracted services are pursued. It should be noted that these costs have

been revised from the costs represented in the Preliminary Service Delivery evaluation as compensation concession costs were not assumed at that time. Additionally, the overhead associated with the staffing costs has been increased based on the application of a revised rate, provided by the Finance Department.

**Table A: 2011-2012 Costs for Custodial and Landscape Maintenance Services Under Current Model**

Classifications	FTE	Personal Cost	Total Proposed Base Cost (Including Non-Personal Costs)	
<b>Custodial Services</b>				
Maintenance Supervisor	1.0	\$117,000	Salary Retirement Fringe Non-Personal	\$1,330,000 \$500,000 \$366,000 \$602,000
Gardener	3.0	\$235,000		
Groundswoker	8.0	\$609,000		
Maintenance Assistant	18.0	\$1,235,000		
<b>Sub-Total</b>	<b>30.0</b>	<b>\$2,196,000</b>		
<b>Landscape Maintenance</b>				
Gardener	1.0	\$81,000	Salary Retirement Fringe Non-Personal	\$358,000 \$134,000 \$74,000 \$208,000
Groundswoker	1.0	\$75,000		
Maintenance Assistant	6.0	\$410,000		
<b>Sub-Total</b>	<b>8.0</b>	<b>\$566,000</b>		
<b>Custodial/Landscape TOTAL</b>	<b>38.0</b>	<b>\$2,762,000</b>	<b>TOTAL</b>	<b>\$3,572,000</b>

Over the past several years, the department has successfully managed the expansion of the City's facilities and parks space, while at the same time dealing with a significant and steady decline in neighborhood park staff that maintains that acreage. Although the department has been able to manage more with less for several years, we have reached a point where the expanding maintenance needs gap makes that no longer possible.



With a steadily decreasing capacity to perform all of the maintenance services required by such a large parks system, routine cosmetic maintenance services such as play lot cleaning, weed abatement, plant replacement, edging, etc., are being performed less and less frequently. Although staff will continue to focus first on health and safety activities (restroom cleaning, park safety checks, trash disposal, etc.), without taking action to mitigate the expanding needs gap, staff's capacity to focus on compliance with state playground safety standards, for instance, and tasks and projects that make the City's high demand parks attractive to users will continue to deteriorate. PRNS needs to focus on maintaining "high touch" facilities, but won't have the capacity to do so unless we take steps to reduce the lighter and more voluminous workload demands of custodial and pocket parks/civic grounds maintenance.

### **New Service Model Concept:**

The Parks, Recreation and Neighborhood Services Department (PRNS) recommends that the City proceed with a contracted services model to provide Parks custodial and landscape maintenance services (parks < 2 acres). Given fiscal constraints, growing labor costs, declining staff levels, increasing park acreage, and the need to remain fiscally viable, PRNS must recommend this approach.

PRNS evaluated the new service model with the current City provided service model by comparing cost and quality. To evaluate cost, PRNS assessed the service costs rendered to other local agencies as well as the service costs for the City's current landscape services and custodial services agreements. The cost analysis is further described below.

To evaluate quality, PRNS evaluated the quality of services by reviewing the experiences of other City departments that have contracted service models for custodial and landscape maintenance services (Public Works and the Department of Transportation). In addition, PRNS evaluated the experiences of other agencies that have already successfully employed contracted service models of delivery (such as the cities of Roseville, Brentwood, and Gilroy). This comparative review involved surveying their satisfaction with the services being delivered, and conducting site visits to evaluate those services in the context of the service quality the City currently receives. In all circumstances, City departments and other agencies indicated a high level of satisfaction with the services being received. In addition, PRNS was able to determine first-hand that the quality and condition of the other agencies' parks and restroom facilities were comparable to the existing levels of service provided by current staff. Consequently, our conclusion is that the City can maintain the same level of service currently provided by City staff and realize an estimated savings of \$2.42 Million per year.

### **Projected On-going Annual Savings & 2011-2012 Budgetary Savings**

To calculate the ongoing savings, PRNS compared its projected personal and non-personal/equipment 2011-2012 Base Budget costs with estimated service costs derived from current City contracts and/or contract rates obtained from other comparable agencies. In addition, the on-going contract administration expenses were included in the estimated annual contract costs with the assumption that a full-time Parks Facilities Supervisor will be needed to direct and monitor the City's new vendor services agreements (80% Custodial/20% Landscape).

Additionally, in order to support initial contract build up and effectively monitor the new small parks/civic grounds landscape and Parks restroom custodial contracts, a one-time overstrength Maintenance Supervisor position in PRNS is recommended for a six month period, at a cost of \$69,500, in addition to the proposed 2011-2012 General Fund Operating Budget. This over-



strength position will transition the services from city staff to contractor, by relating PRNS expectations of contractor, through inspection, communication with contractors, sharing of infrastructure information, and by developing roles and responsibilities of PRNS staff and contract staff.

Table B. below provides a comparison of the cost for the current City service provided model and a contracted services model. Overall, it is estimated that the City would realize \$2.42 million in ongoing savings under the new model (\$2.155 million for custodial and \$260,000 for landscape services). This savings figure is different from the figure displayed in the 2011-2012 Proposed Operating Budget due to the proposed addition of a one time Maintenance Supervisor overstrength, as described above, additional vendor savings identified after the release of the 2011-2012 Proposed Operating Budget, and the fact that the contract administration expense included below (\$139,000) is already included in the 2011-2012 base budget for the PRNS Department.

**Table B: Custodial & Landscape Maintenance Services  
Projected On-going Annual Savings**

	FTE	2011-12 Costs <sup>1</sup>	Estimated Annual Contract Costs	Estimated City Savings
<b>Custodial Services</b>				
Maintenance Supervisor	1.0	\$117,000	Vendor Cost: \$462,000 (Stop Gap contract for 6 months = \$231,000 x 2 (6 month periods) = \$462,000) One time overstrength: \$ 69,500 .5 FTE Maintenance Sup Contract Administration*: <u>\$111,000</u> <b>Sub-Total \$642,500</b>	
Gardener	3.0	\$235,000		
Groundswoker	8.0	\$609,000		
Maintenance Assistant	18.0	\$1,235,000		
Non-Personal	n/a	\$602,000		
<b>Sub-Total</b>	<b>30.0</b>	<b>\$2,798,000</b>		<b>\$2,155,500</b>
<b>Landscape Maintenance Services</b>				
Gardener	1.0	\$81,000	Vendor Cost: \$486,000 (Stop Gap contract for 6 months = \$243,000 x 2 (6 month periods) = \$486,000) Contract Administration*: <u>\$28,000</u> <b>Sub-Total \$514,000</b>	
Groundswoker	1.0	\$75,000		
Maintenance Assistant	6.0	\$410,000		
Non-Personal	n/a	\$208,000		
<b>Sub-Total</b>	<b>8.0</b>	<b>\$774,000</b>		<b>\$260,000</b>
<b>TOTAL ONGOING SAVINGS</b>	<b>38.0</b>	<b>\$3,572,000</b>	<b>TOTAL \$1,156,500</b>	<b>\$2,415,500</b>

\* As noted above, the position providing contract administration services was already included in the base budget for the PRNS Department. If the costs associated with this position are excluded from the contract costs, total City savings that can be realized in 2011-2012 are \$2,555,000.

At present, the 40 civic grounds sites, 55 pocket parks, and 90 restrooms demand significant staff time relative to the shrinking workforce. Contracting with a vendor to provide services on these smaller grounds will allow PRNS to focus remaining staff's attention on larger parks and higher-leverage activities (sports field maintenance, picnic ground development, playground safety and maintenance, etc.).

By using contracted services, the department expects to maintain the standards of accessibility and cleanliness of civic grounds, pocket parks, and restroom facilities that the community has come to demand and expect, while at the same time achieving the efficiencies among remaining staff needed to maintain the current levels of services at high demand parks and make improvements to the quality and safety of parks with revenue-generating amenities.

**Service Delivery Evaluation Decision-Making Criteria:**

- 1. What is the potential impact on public employees currently providing the service and on the workforce in general with respect to issues such as workload, productivity, diversity, and availability of measures to mitigate negative impacts? Impacts will specifically be evaluated relative to the City's core values (Integrity \* Innovation \* Excellence \* Collaboration \* Respect \* Celebration).**

Twenty-eight of the 38 positions affected by this Business Case Analysis are currently filled. These city employees will likely be subject to re-assignment, demotion, or layoff if the City were to contract-out these services. With a smaller workforce that has greater focus on higher leverage technical skills, remaining employees will have increased opportunities to grow in their assignments. The department would like to increase its training efforts by focusing on higher skills training for parks maintenance staff, leaving the more semi-skilled custodial and small park/site maintenance duties to a vendor.

With greater capacity to focus on higher leverage work, the remaining staff will have greater capacity to record and track the performance of our maintenance and improvement efforts and institute operational improvements in quality and efficiency. In particular, this proposal focuses on two key organizational values:

**Innovation** – The ability to vary staffing throughout the year is a key point of innovation in this proposal. Landscape and custodial maintenance requirements vary by seasonal use; however, at present, the City incurs salary and benefit costs throughout the entire year for maintaining staff levels necessary to address heavy summer seasonal activity, regardless of typical winter slow-downs. Contracting-out services will reduce the City's costs for managing a fixed number of full-time staff, while providing the staffing flexibility necessary to meet the City's operational service standards, regardless of the season. As a result, PRNS will also realize an increase of its Part-time to Full-time staffing ratios.

**Excellence** – This proposal will foster opportunities for continuous quality improvement by requiring the selected vendor to provide systems for tracking and measuring cost, quality, and cycle-time for landscape and custodial maintenance. This has been a challenge for PRNS in the past given the various other duties shared among staff. This will be a more manageable task for vendors with a more limited focus. With these service metrics, the department will be able to ensure that performance guarantees are met and improvement opportunities are identified and addressed.

**2. Is it practical for City staff to provide the proposed service (versus being precluded by proprietary, supply chain, or other factors)?**

City staff currently provides the services that PRNS is proposing to contract-out. Although it is practical to continue performing the existing services with existing staff, it is not cost-effective or efficient to do so, relative to the expected costs of hiring a vendor to provide the same services at less cost. Contracting the service will save the City \$2.42 million per year and, as noted above, service delivery improvements are likely given a vendor's ability to vary staffing levels based on seasonal need, which the City currently does not have.

**3. Is there limited market competition for the service or other reasons that the City directly providing the service would protect public interests from default or service interruption?**

No. The custodial and landscape maintenance work needed is readily available in the marketplace through many outside vendors. Consequently, there is no underlying reason for the City to continue to provide the services with in-house staffing. It is important to note that the City already contracts-out for custodial, landscape contractors, tree trimming, and many other types of services. To illustrate the accessibility of these types of services, when Airport Department prepared an RFP for custodial services last year, they received 100 inquiries and 50 RFP responses. In addition, there are other Northern California municipalities who outsource these services including Gilroy, Brentwood, and Roseville.

Additionally, the RFP can be written in such a manner that would allow for the bids received to be used at a later time should the awarded contractor stop providing the service.

**4. Is there currently a City staff unit capable of and interested in developing a managed competition proposal?**

The potential for this service to be outsourced was introduced back in November 2010 at a Council Budget Study Session. Since that time a staff unit interested in developing a managed competition process has not been identified, nor has the unit's union representatives through the meet and confer process, expressed interest in developing a managed competition proposal. If the managed competition proposal were undertaken, it is estimated this process would take at least 18 months and at a cost of approximately \$200,000. Additionally, savings generated by this outsourcing this service would not be realized in 2011-2012, thereby requiring additional service and expenditure reductions.

**5. Is the workload sufficiently steady to support a permanent workforce (versus episodic)?**

Yes. The work involved is not episodic in nature, but rather consistent and repetitive on a day to day basis. With that said, there is a seasonal component to parks maintenance work that requires a flexibility in determining work schedules that can be better achieved with contracted part-time staff. In the case of park restroom custodial services, winter and fall are typically slow use season. As a result, frequency of visits may be reduced as needed and the contracted vendor would only be paid for services rendered.

**6. Is a City interest served by being a long term direct service provider, such as avoiding future costs?**

No. There is no significant City interest in being a long term direct service provider. In the new model, the use of contract services will result in \$2.42 million in savings and will enable the City to manage consistent levels of service delivery over time (the City will not have the challenge of managing set resources to seasonal service demands). In addition, PRNS may see improvements in service delivery because private vendors will be more narrowly focused than City staff in addressing their day-to-day work. A vendor will have the advantage of providing specialized training to their staff, which the City has not been able to do given the broad range of maintenance duties to which staff are assigned. With a specialized focus, vendors will have the ability to track cost, quality and cycle-time measures out in the field, and provide that information to the City on a regular basis. This will enable the City to hold the vendor accountable to agreed upon service delivery standards and equip the organization with the data needed to identify improvement initiatives that may exist, but are not currently evident.

**7. Is the service model likely to improve the quality, customer satisfaction, and/or responsiveness for the same or lower cost, with particular focus on the General Fund?**

Yes. The new model for custodial maintenance service delivery contemplates replacing in-house maintenance staff with contract custodians on a productive hour to productive hour basis. This will result in continued service at the current level, or better, with significant dollar savings. This also means that service level decisions, which vary with the weather, the season, and the park attendance during the weekday (lower) and on the weekends (higher), can be made depending on needs of the parks and budget available. Service will be based on consumer demand, not city employee work schedule.

**8. Do local, state and federal laws, regulations, and funding guidelines restrict the method of service delivery, and if so can these restrictions be changed?**

No. There are no restrictions on the method of service delivery.

**9. What risks to the City and public do the service delivery models present, and how would these risks be managed?**

The risks of implementing the proposed delivery model are relatively low. The following is a primary list, with comments regarding mitigation efforts that will be addressed in the RFP and contract negotiation process:

- A. Continuity of Services and Service Disruption – This is a minor risk as there are many service providers in the area and the state that can step-in at a moment's notice should the City opt to terminate the agreement for non-performance;
- B. Vendor Damage to Public and Private Property – Require the vendor to furnish proof of liability insurance required by the City's Risk Management Dept;

- C. Public Safety Around Vendor Employees – Require the vendor to conduct California Department of Justice fingerprint checks for staff and adhere to the City’s fingerprint clearance standards at City facilities;
- D. Environmental Protections – Require the vendor to conform to the same environmental protection requirements that the City currently adheres to related to cleaning agents, pesticides, and other chemical usage;
- E. Ongoing Awareness of Capital Maintenance/Repair Needs – Require vendor to provide notification to the City regarding broken restroom appliances, doors, etc;
- F. Consistent Quality of Services – Require the vendor to deliver on performance standards requested in the RFP and codified in the service agreements;
- G. Prevailing and Living Wage Compliance – Require the vendor to conform to City of San Jose’s prevailing wage and living wage policies

**10. Is the City able to cost-effectively maintain the specialized skills, technology, and equipment needed for the service?**

Yes. The RFP would ask that the contractor provide the equipment, supplies (Pressure washers, cleaning supplies, and paper products) and training for their staff to provide the custodial services.

The costs for this service as provided by the City are significantly greater than the costs if the service is provided through the new model.

**11. Does the service delivery model maximize the leveraging of prospective non-City resources (such as sponsorships and donations)?**

Yes. The new service delivery model maximizes the capabilities of specialized contractors in the marketplace for the provision of these services. Because these potential contractors provide the service exclusively, they are able to manage that service and the related costs more effectively than the City. There are no current non-City resources in the area of sponsorships or donation identified. If the outsourcing model provides improved quality, it may draw more sponsorship / donation interests from non-City resources.

**12. Is there management and administrative capacity to support the in-house workforce or contract oversight needed?**

Yes. The new service delivery model retains a Park Facilities Supervisor to provide oversight and administration of the contract.

**Public/Private Competition Policy (policy 0-29)**

Given the magnitude of the potential cost savings estimated in this business case analysis (\$2.42 million), the difficulty of closely matching that savings under the City’s current classification and compensation system, and the urgent need to reduce cost to the General Fund while ensuring the existing service level, the Department recommends that the City Council not implement a managed competition process. In the event that such a process is pursued, PRNS would be required to provide staff training in accordance with the policy and

estimates that the one-time expenses would amount to approximately \$200,000 and take 18 months to complete. Additionally, savings generated by this outsourcing this service would not be realized in 2011-2012, thereby requiring additional service and expenditure reductions.

**Next Steps**

The department intends to utilize the existing Request for Proposals (RFP) processes already underway for custodial and landscape services. Given the urgency of this proposal relative to the City's General Fund shortfall, the department renegotiated with existing custodial and/or landscape services contracts already in place within the City to address interim service needs during the RFP selection process (if selection extends into the 2011-12 fiscal year) and while transition to the final vendor(s) occurs.

**Key Milestones Schedule**

Action	Schedule	Status
Development of Custodial Maintenance RFP	Feb/March 2011	Complete
Conduct Stakeholder Outreach/Meet and Confer	March-April 2011	Complete
Issue RFP and receive submittals	March-April 2011	Complete
Redeployment/Transition of affected staff* (Coincides with contract implementation if/when applicable)	March-June 2011	In Process
Review RFP submittals and recommend vendor**	May 2011	In Process
Prepare draft Council Memo	May 2011	In Process
Contract negotiations, development, and execution***	May-June 2011	In Process
City Council approves contracted service model and selected vendor(s)	June 2011	In Process
City Council approves service agreement(s)	June 2011	In Process
Contractors Start Date	June, 2011	June 27, 2011
Development of Landscape RFP		Fall 2011

\*If and when the current model and corresponding agreements are approved, affected City staff will be re-deployed to other assignments until position eliminations become effective (at which time the City will administer its layoff and bumping process in accordance with Civil Service rules).

\*\*Timing and progress dependent on Purchasing/Finance RFP timeline and includes proposal evaluation/qualification review, candidate interviews, follow-up, and vendor selection/recommendation.

## Attachment A

### Parks Landscape and Custodial Services – Service Delivery Evaluation Facilities Inventory Civic Grounds and Parks Less than Two Acres

DESCRIPTION	COUNCIL DISTRICT	ACRES	SQUARE FEET	RR	PARK	CIVIC
ALMADEN LAKE PARK, WEST SIDE	10	na	241.4	X		
ALMADEN LAKE PARK, EAST SIDE	10	na	233.7	X		
ALUM ROCK PARK, LIVE OAK	5	na	270	X		
ALUM ROCK PARK, MINERAL SPRINGS	5	na	270	X		
ALUM ROCK PARK, YOUTH SCIENCE INSTITUTE	5	na	418.9	X		
ALUM ROCK PARK, VISITOR CENTER	5	na	240	X		
ALUM ROCK PARK, LOG CABIN	5	na	270	X		
ALUM ROCK PARK, QUAIL HOLLOW	5	na	135.7	X		
ALUM ROCK PARK, RUSTICLANDS	5	na	279.3	X		
ALUM ROCK PARK, EAGLE ROCK	5	na	140	X		
ALUM ROCK PARK, PENITENCIA ENTRANCE	5	na	148.9	X		
BACKESTO PARK, EMPIRE ST. SIDE	3	na	224	X		
BACKESTO PARK, 15TH ST SIDE	3	na	309	X		
BELLEVUE PARK	5	na	244	X		
BIEBRACH PARK	3	na	200.5	X		
BOGGINI PARK	8	na	194.3	X		
CAHALAN PARK	10	na	168	X		
CALABAZAS PARK	1	na	195	X		
CAPITOL PARK	5	na	195.1	X		
CATALDI PARK, WESTERN PARKING LOT	4	na	152.5	X		
CATALDI PARK, EASTERN PARKING LOT	4	na	267.2	X		
COLUMBUS PARK EAST	3	na	189	X		
COLUMBUS PARK WEST	3	na	210.3	X		
DEANZA PARK	9	na	196.8	X		
DOERR PARK	9	na	177.1	X		
EDENVALE GARDEN PARK	2		167.7	X		
EMMA PRUSCH FARM PARK	5	na	169.8	X		
EVERGREEN PARK	8	na	203.8	X		
FLICKINGER PARK	4	na	513.8	X		
FOWLER CREEK PARK	8	na	238.3	X		
FRANK M. SANTANA PARK	6	na	201	X		

GREAT OAKS PARK	2	na	193.8	X		
GREYSTONE PARK	10	na	198.2	X		
GUADALUPE OAK GROVE PARK	10	na	380	X		
GUADALUPE RIVER PARK (ARENA GREEN BY CAROUSEL)	3	na	436.4	X		
GUADALUPE RIVER PARK (CONFLUENCE POINT)	3	na	343.2	X		
HATHAWAY PARK	1	na	193.8	X		
HILLVIEW PARK	5	na	178.9	X		
HOUGE PARK	9	na	304	X		
JOHN MISE PARK	1	na	187.4	X		
JOHN P. MCENERY PARK	3	na	350.6	X		
KELLEY PARK, HISTORY PARK	7	na	257	X		
KELLEY PARK, JAPANESE FRIENDSHIP GARDENS	7	na	713.8	X		
KIRK PARK, WEST END OF MOST NORTHERN BUILDING	9	na	128.3	X		
KIRK PARK, EXTERIOR DOOR RESTROOMS ON NORTHERN AND SOUTHERN BUILDINGS	9	na	340.3	X		
LA COLINA PARK	2	na	186.2	X		
LAKE CUNNINGHAM PARK, PARKING LOT A AREA	8	na	435.2	X		
LAKE CUNNINGHAM PARK, PARKING LOT C	8	na	440.3	X		
LAKE CUNNINGHAM PARK, MARINA	8	na	315	X		
LAKE CUNNINGHAM PARK, SKATE PARK	8	na	112	X		
LINCOLN GLEN PARK	6	na	125.7	X		
LONE HILL PARK	9	na	248.8	X		
LOS PASEOS PARK	2	na	215.9	X		
MARIJANE HAMANN PARK	6	na	179.6	X		
MAYFAIR PARK (PART OF COMMUNITY CENTER)	5	na	216	X		
MEADOWFAIR PARK	8	na	120	X		
METCALF PARK	2	na	281.6	X		
MUNICIPAL ROSE GARDEN, NORTH ENTRANCE	6	na	200	X		
MUNICIPAL ROSE GARDEN, SOUTH ENTRANCE	6	na	200	X		
MURDOCK PARK	1	na	197.2	X		
OVERFELT GARDENS PARK	5	na	192	X		



PAL BASEBALL SIDE	5	na	463	X		
PAL STADIUM SIDE, WEST	5	na	698	X		
PAL STADIUM SIDE, ANNEX EAST	5	na	410	x		
PARMA PARK	10	na	204	X		
PAUL MOORE PARK	9	na	200.2	X		
PENITENCIA CREEK PARK, NORTH-EAST OF COMMUNITY CENTER	4	na	309.2	X		
PLATA ARROYO PARK	5	na	186.6	X		
RAINBOW PARK	1	na	279.6	X		
RAMAC PARK (HITACHI PARK 10 ACRE SITE)	2	na	323.6	X		
RAMBLEWOOD PARK	7	na	227.1	X		
RAYMOND BERNAL JR. MEMORIAL PARK	3	na	199.7	X		
RIVER GLEN PARK	6	na	171.8	X		
ROOSEVELT PARK	3	na	232	X		
ROY M. BUTCHER PARK	9	na	196.7	X		
RYLAND PARK	3	na	316	X		
SAN TOMAS PARK	1	na	296	X		
SARATOGA CREEK PARK	1	na	210	X		
SELMA OLINDER PARK, NORTH OF COMMUNITY CENTER	3	na	200	X		
SELMA OLINDER PARK, SOUTH OF SELMA OLINDER ELEM. SCHOOL	3	na	203.5	X		
SILVER CREEK LINEAR PARK, SILVER CREEK RD. & GREENYARD ST.	8	na	78	X		
SILVER CREEK LINEAR PARK/PICNIC MEADOW	8	na	168	X		
SOLARI PARK	7	na	349.4	X		
STARBIRD PARK	1	na	232.4	X		
TULLY COMMUNITY BALLFIELDS	7	na	343	X		
VISTA PARK	10	na	374	X		
WALLENBERG PARK	6	na	566	X		
WATSON PARK, SCHEDULED TO OPEN JULY 1, 2011	3	na	425	X		
WELCH PARK	8	na	222	X		
WILLOW STREET-FRANK BRAMHALL PARK	6	na	400	X		
ABORN PARK (REMOVED, PARK DOES NOT FIT SDE CRITERIA)	8	na	na	na	na	na
AVENIDA ESPANA PARK	2	0.91	na		X	

BARBERRY LANE WALKWAY	7	0.5	na		X	
BELLEVUE AVE PARK	5	1.66	na		X	
BESTOR ART PARK	3	0.669	na		X	
BONITA PARK	3	0.84	na		X	
BUENA VISTA PARK	6	0.12	na		X	
CANYON CREEK PARK	8	1.2	na		X	
CAROLYN NORRIS PARK	9	1.34	na		X	
CASSELL PARK	5	1.4	na		X	
CHILDREN OF THE RAINBOW	5	1.3	na		X	
CHRIS HOTTS PARK	10	1	na		X	
DARYLVIEW COURT TRAIL	8	0.7	na		X	
DOBERN BRIDGE TRAIL	5	0.063	na		X	
ERIKSON PARK	9	1.6	na		X	
FALLS CREEK PARK LANDS	8	1.07	na		X	
FLEMING PARK	5	0.4	na		X	
FOOTHILL PARK	10	0.1	na		X	
FORESTDALE TOT LOT	3	0.4	na		X	
GLEASON AVENUE MINI-PARK	1	0.17	na		X	
GRAN PARADISO PARK	4	1.25	na		X	
GREGORY TOT LOT	6	0.2	na		X	
GUADALUPE RIVER PARK - DISCOVERY DOG PARK	3	0.39	na		X	
GULLO PARK	1	0.7	na		X	
HACIENDA PARK	3	0.3	na		X	
HESTER PARK	6	0.5	na		X	
HUERTA TOT LOT	9	0.3	na		X	
HUMMINGBIRD PARK	6	0.39	na		X	
JACKSON MADDEN PARK	5	0.3	na		X	
LA RAGIONE TOT LOT	7	0.12	na		X	
LONE BLUFF MINI PARK	7	0.07	na		X	
LUNA PARK	3	1.2	na		X	
MCLAUGHLIN PARK	7	0.6	na		X	
<i>MONTGOMERY HILL PARK (removed, park does not fit SDE criteria)</i>	<i>8</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>
NANCY LANE TOT LOT	5	0.1	na		X	

NISICH PARK - TO OPEN APRIL 2011	7	1.3	na		X	
O'DONNELL GARDEN PARK	3	0.72	na		X	
OUR PARK	5	0.5	na		X	
PARQUE DE LA AMISTAD	5	1	na		X	
PARQUE DE LOS POBLEDORES (GORE) PLAZA	3	0.2	na		X	
PARQUE DE PADRE MATEO SHEEDY PARK	3	0.26	na		X	
PFEIFFER PARK	10	0.45	na		X	
RIVER OAKS PARKWAY (TRAIL HEAD)	4	0.1	na		X	
ROCK SPRINGS PARK	7	0.5	na		X	
ROSEMARY GARDEN PARK	3	1.36	na		X	
ROY AVENUE PARK	6	1	na		X	
RUSSO PARK	9	0.35	na		X	
SAN ANTONIO TOT LOT	5	0.08	na		X	
SCENIC MEADOWS PARK (SITES 1, 2, & 3)	8	1.05	na		X	
SCOTTSDALE PARK	9	0.42	na		X	
<i>SHADY OAKS PARK (removed, park does not fit SDE criteria)</i>	2	na	na	na	na	na
ST. ELIZABETH PARK	6	0.7	na		X	
THEODORE LENZEN PARK	6	0.5	na		X	
TURTLE ROCK PARK	7	0.7	na		X	
VIEIRA PARK	7	1.63	na		X	
VIEIRA PARK OUTLOOK	7	0.37	na		X	
WILCOX PARK	6	1.9	na		X	
WILLIAM H CILKER PARK	9	1.88	na		X	
<i>ZOLEZZI PARK (removed, park does not fit SDE criteria)</i>	5	na	na	na	na	na
ALMA COMMUNITY CENTER	7	1.5	na			X
ALUM ROCK LIBRARY GROUNDS	5	1.18	na			X
ALUM ROCK YOUTH CENTER	4	0.69	na			X
ALVISO COMMUNITY POLICING CENTER (OLD LIBRARY)	4	0.3	na			X

ANIMAL CARE CENTER	7	2.68	na			X
<i>BASCOM COMMUNITY CENTER, CLOSED</i>	6	0.9	na			X
BERRYESSA YOUTH CENTER - MODULARS	4	0.2	na			X
BIBLIOTECA LIB & WASHINGTON YOUTH CTR & LOPEZ PARK	3	1.8	na			X
BOYS & GIRLS CLUB, 2195 CUNNINGHAM AVENUE	8	2.49	na			X
CAMBRIAN LIBRARY	9	0.5	na			X
CITY HALL GROUNDS	3	3.43	na			X
CYPRESS SENIOR CENTER	1	1.9	na			X
EAST BRANCH CARNEGIE LIBRARY	3	0.3	na			X
EDENVALE LIBRARY GROUNDS	2	2.2	na			X
EDENVALE COMMUNITY CENTER	2	1.602	na			X
FAIR SWIM CENTER	7	3	na			X
FALLON HOUSE	3	0.53	na			X
FIRE TRAINING CENTER	6	0.6	na			X
GEORGE SHIRAKAWA COMMUNITY CENTER GROUNDS	7	5.2	na			X
GUADALUPE PARKING LOT	3	0.1	na			X
HEALTH BUILDING GROUNDS	3	2.04	na			X
New HILLVIEW LIBRARY	5	2.02	na			X
JOYCE ELLINGTON (EMPIRE) LIBRARY	3	0.57	na			X
LAS PLUMAS WAREHOUSE	3	0.6	na			X
MEADOWFAIR COMMUNITY CENTER	8	0.2	na			X
MUNICIPAL RIFLE RANGE	7	0.5	na			X
NOBLE HOUSE (OLD BERRYESSA TEEN CENTER)	4	0.1	na			X
NORTHSIDE SENIOR CENTER	3	0.12	na			X
<i>OHLONE INDIAN BURIAL GROUNDS (removed, park does not fit SDE criteria)</i>	10	na	na	na	na	na
OLD MARTIN LUTHER KING LIBRARY	3	0.5	na			X

PEARL AVENUE LIBRARY	10	0.78	na			X
PERALTA ADOBE	3	0.5	na			X
<i>POLICE SUBSTATION, (CLOSED)</i>	<i>2</i>	<i>5.7</i>	<i>na</i>			<i>X</i>
SANTA TERESA LIBRARY	2	1.04	na			X
SOUTHSIDE COMMUNITY CENTER	2	2.97	na			X
STOCKTON STREET PARKING LOT	3	0.5	na			X
SUPERBLOCK PARKING LOT	3	0.23	na			X
VINELAND BRANCH LIBRARY	10	1.38	na			X
WEST PD - COMM POLICING CTR & PRNS BUILDING	1	0.25	na			X
WEST VALLEY LIBRARY	1	0.46	na			X
WILLOW GLEN LIBRARY	6	0.71	na			X
<i>Total Outsourced Park and Civic Acreage:</i>		<i>91.10</i>				
<i>Total Outsourced Restroom Sq Feet:</i>		<i>23,421.10</i>				
<i>Total number of Outsourced restrooms:</i>		<i>90</i>				
<i>Total number of Outsourced small parks:</i>		<i>55</i>				
<i>Total number of civic grounds:</i>		<i>40</i>				

*Note:*

*New or Edited site information is italicized*

*Struck through data represents information that is no longer valid or was removed.*