

AGENDA REPORT

Resolution: Approve and Authorize the Executive Director to Execute an Agreement with Cypress Private Security, LP for Port of Oakland Security Operations Center Staffing Services in the Maritime Area for a Term of Approximately Three (3) Years with Two (2) One-Year Options, in an Amount Not to Exceed \$2,400,000. **(Maritime)**

MEETING DATE: 4/12/2018

AMOUNT: Not to exceed \$2,400,000
Operating Expense

PARTIES INVOLVED: Cypress Private Security, LP
Kes Narbutas, Chief Executive Officer

SUBMITTED BY: John C. Driscoll, Director of Maritime

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

In December 2017, the Port of Oakland ("Port") issued a Request for Proposals ("RFP") for Port Security Operations Center ("PSOC") staffing services in the Maritime Area ("Seaport"). Based on proposals received and evaluated in early 2018, Port staff ("Staff") requests approval and authorization from the Board of Port Commissioners ("Board") for the Executive Director to execute an Agreement with Cypress Private Security, LP ("Cypress") for PSOC staffing services for a term of approximately three years with two, one-year options to extend. Cypress is the firm currently providing PSOC staffing services under a contract set to expire in April 2018.

BACKGROUND

In March 2015, the Board awarded a professional services agreement ("PSA") for PSOC staffing to Cypress. The term of the PSA commenced on April 23, 2015 and is set to expire on April 22, 2018 (a three-year term). Services provided by PSOC staff include monitoring and improving the safety and security within the Seaport by deterring, detecting, analyzing, and responding to incidents and vulnerabilities. PSOC staff utilize various communication and computer systems to provide 24/7 oversight, as well as provide direction to patrol services and maintain positive relationships with Port tenants and local, state, and federal agencies.

PSOC services over the expiring three-year term are expected to cost approximately \$1.15 million, averaging approximately \$380,000 per year or \$32,000 per month. Roughly 50% (about \$600,000) of these costs have been reimbursed by a Federal FY13 Department of Homeland Security Port Security Grant (“Grant”) that ended in June 2017.

In anticipation of PSA expiration, Staff issued an RFP in December 2017 for PSOC staffing. The RFP is accessible online at http://www.portofoakland.com/wp-content/uploads/RFP-17-18-24_Port-Security-Operations-Center-Staffing-final.pdf. Outreach efforts for the RFP process included the following:

- RFP was posted on the Port Website (<http://www.portofoakland.com/business/bids-rfps/>)
- Port’s Purchasing Department sent email notification to 14 companies
- RFP advertised in the Oakland Tribune
- Eight companies attended the non-mandatory pre-proposal meeting on January 10, 2018

Additionally, Staff sent solicitation notifications to 147 recipients subscribed through Community Based Organizations, Chamber of Commerce branches, and Department of General Services, as well as documented Port certified LIA/LBA firms.

ANALYSIS

Seven firms submitted proposals by the due date of February 7, 2018. To evaluate the proposals received, the Port established a six-person Evaluation Committee (the “Committee”) comprised of staff from the Port’s Maritime, Aviation, Engineering, Social Responsibility, and Human Resource divisions. The evaluation resulted in the following ranking:

Rank	Proposers	Location	Certified LIA/LBA*
1	Cypress Security Services, Inc.	Oakland, CA	Yes
2	Admiral Security Services, Inc.	Oakland, CA	No
3	American Guard Services, Inc.	San Leandro, CA	Yes
4	Condor Security of America, Inc.	Salinas, CA	No
5	U.S Security Associates, Inc.	Oakland, CA	No
6	Professional Protective Services, Inc.	Burlingame, CA	No
7	Spearhead Protection, Inc.	Antioch, CA	No

* Local Impact Area (“LIA”): Oakland, San Leandro and Emeryville; Local Business Area (“LBA”) Alameda and Contra Costa Counties

The Committee evaluated each proposal based on criteria set forth in the RFP, as listed below:

Item	Criteria	Weights
1	<u>Adherence to Port Policy and Other Requirements and Debarment Statement</u> Completion of forms attached to the RFP	Pass/Fail
2	<u>Company Information (Client References, Litigation and Other Information, and Required Forms)</u> Company Information, Client References, Litigation and Other Information, and Required Forms	20%
3	<u>Knowledge and Experience</u> Proposer's knowledge and experience in providing services of similar size and scope as services in RFP	25%
4	<u>Plan and Approach</u> Details of proposed plan/approach to address the requirements of the RFP	20%
5	<u>Proposed Costs</u> Fee proposal, including rates for PSOC supervisor and operator, profit, health benefits, etc.	20%
6	<u>Non-Discrimination and Small Local Business Utilization Policy</u> Ability to provide substantiating documentation to show company meets the Port's definition of Small Local Business	15%
	Total	100%

After review and analysis of each written proposal, Cypress, a Port-certified LIA/LBA company, received the overall highest ranking amongst the seven proposers. While the Committee determined that several of the proposers possess relevant experience and knowledge regarding the type and scope of security services required, Cypress received the highest ranking across four of the five numerically scored criteria. Cypress' cost proposal was ranked third (i.e., two firms had lower cost proposals by approximately \$22,000 and \$9,000 respectively). However, the Committee felt Cypress' cost breakdown, particularly related to employee wages and benefits, will better support retention of qualified, proficient Operators as compared to the two proposals with lower cost. Refer to the Attachment for a breakdown of scoring for each proposal across the criteria rated.

In February, the Board approved a six-month extension to the current Cypress PSA to provide some overlap for training should the newly selected contractor need it (or if there was any delay in the RFP process). Should the Board accept Staff's recommendation to award the new PSOC PSA to Cypress, this extension would not be necessary. Given Cypress' positive performance over the last three years in providing security services, Staff do not foresee any issues with transitioning to the new PSA when the current PSA expires.

Although Grant funding ended in June 2017 and Staff does not anticipate future grant funding to help offset the Port's costs going forward, Staff believe the benefits of continuing the PSOC

program outweigh the projected costs. Prior to issuing the RFP, Staff conducted an analysis of staffing the PSOC with Port employees, rather than through a contract for third-party services. Staffing the PSOC would likely require a minimum of six Full Time Equivalents (“FTEs”), which would result in at least a doubling of projected costs. Staff recommends that PSOC staffing continue to be a contracted service, providing the Port with important, cost-effective benefits, as discussed above.

Based on the above findings, Staff recommends entering into a new PSA with Cypress for a term of approximately three years, with two, one-year options to extend, in an amount not to exceed \$2,400,000 through June 30, 2023.

BUDGET & STAFFING

Cypress proposed an annual cost of \$391,941.90 for the first contract year, subject to local urban consumer price index (“CPI-U”) escalations annually. Based on historical CPI-U trends, total cost for the proposed maximum term of five years is projected to be approximately \$2,400,000. These costs are in line with current budget projections.

The proposed action does not have any staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The matters included in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (“MAPLA”) and the provisions of the MAPLA do not apply.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port’s Strategic Business Plan (2018-2022). <https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

- Goal: Strengthen Safety and Security

LIVING WAGE

Living wage requirements, in accordance with the Port’s Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the “Living Wage Regulations”), do not apply to this agreement as the service provider does not employ 21 or more employees working on Port-related work. However, the service provider will be required to certify that should living wage obligations become applicable, the service provider shall comply with the Living Wage Regulations.

ENVIRONMENTAL

California Environmental Quality Act (“CEQA”) Determination: The proposal to authorize the Executive Director to enter into contract with Cypress for PSOC staffing services was reviewed

in accordance with the requirements of CEQA and Port CEQA Guidelines. Section 15378 of the CEQA Guidelines defines a project by an agency as “an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” In particular, per section 15378(b), projects do not include “continuing administrative or maintenance activities” or “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.” The proposed action entails continuation of a professional services agreement, with no potential for direct or indirect physical change in the environment. Therefore, this action is not subject to CEQA.

GENERAL PLAN

This project is for professional services and will not directly include any alteration of property. No development project is foreseen as part of these professional services. No determination of conformity with the City of Oakland General Plan per Section 727 of the Charter is required for this project.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

Professional service agreements are not subject to the Port’s Owner Controlled Insurance Program (“OCIP”) as professional services are not construction activities.

OPTIONS

Staff has identified the following options for the Board’s consideration:

Option 1: Authorize the Executive Director to execute a professional services agreement with Cypress Private Security, LP, as described herein. This is the recommended action.

Option 2: Do not authorize the Executive Director to enter into an agreement with Cypress Private Security, LP, and direct Staff to (a) select another respondent to the RFP for reasons determined by the Board, (b) conduct a new RFP process, or (c) extend the current Cypress agreement for PSOC services for a duration to be determined by the Board. Under this option, (a) and (b) may result in a gap in services between the expiration of the current PSOC PSA and the execution of a new agreement.

RECOMMENDATION

Staff recommends that the Board adopt a resolution approving and authorizing the Executive Director to execute an agreement with Cypress Private Security, LP to perform Security Operations Center staffing services for a term of approximately three years commencing on April 23, 2018 and ending on June 30, 2021, with two, one-year options to extend the term through June 30, 2022 and June 30, 2023 respectively, subject to approval as to form and legality by the Port Attorney, in an amount not to exceed \$2,400,000.

Attachment
Average Committee Score Ratings across Criterion

	Company Info	Knowledge and Experience	Plan and Approach	Proposed Costs	NDSLBP	TOTAL
Cypress Security Services, Inc.	19	21.8	17.6	18.87	8.25	85.52
Admiral Security Services, Inc.	17	19	15.2	19.34	0.5	71.04
American Guard Services, Inc.	16.4	14.2	12	20	8	70.60
Condor Security of America, Inc.	17.4	17.2	16	13.8	0	64.40
U.S Security Associates, Inc.	14	15.2	12.4	16.94	0.1	58.64
Professional Protective Services, Inc.	14.8	14	12.6	14.3	0.1	55.80
Spearhead Protection, Inc.	13.4	9.2	10.4	15.1	0	48.10