

AGENDA REPORT

Report: Board Input on the Selection Process and Evaluation Criteria for Airport Contract Security Guard Services Request for Proposal (RFP) (**Aviation**)

MEETING DATE: 11/29/2018

AMOUNT:

PARTIES INVOLVED:

SUBMITTED BY: Bryant L. Francis C.M., Director of Aviation

APPROVED BY: Danny Wan, Acting Executive Director

ACTION TYPE: None

EXECUTIVE SUMMARY

The purpose of this Agenda Report is to seek Board input on the selection process and evaluation criteria for the upcoming Airport Contract Security Guard Services Request for Proposal (RFP). The Port's existing contract for Airport Contract Security Guard Services will expire on June 30, 2019. The Board-approved Fiscal Year (FY) 2019 (July 1, 2018 – June 30, 2019) operating budget for all guard and customer support services is \$2,060,000.

BACKGROUND

Airport Contract Security Guard Services perform certain security responsibilities specified in the Transportation Security Administration (TSA)-approved Airport Security Program (ASP) for Oakland International Airport (OAK). Typical aviation security-related guard assignments include:

- Inspecting concession products for TSA prohibited items prior to entering the Sterile Area
- Inspecting Airport employees for dangerous or illegal items at employee access points
- Escorting unbadged contractors in TSA-regulated areas (for short-duration needs)
- Performing tool control for contractors working in the Sterile Area
- Controlling access to airfield gates for construction activities
- Crowd control (in partnership with law enforcement)

Any failure to perform these services at the highest level can have catastrophic consequences to the safety of the Airport and the nation's aviation system and/or could result in regulatory

action by the TSA, including significant civil penalties to the Port for failing to comply with federal regulations and the TSA-approved ASP.

The Port also uses Airport Contract Security Guard Services to provide various customer support services related to U.S. Department of Homeland Security functions, including:

- Queue management at TSA checkpoints and in the Federal Inspection Services (FIS) building, including Automated Passport Control (APC) kiosk support
- Passenger divesting assistance at TSA checkpoints (e.g., instructing passengers what to divest at the front of TSA x-rays / magnetometers)
- Bin running at TSA checkpoints (i.e., moving divestiture bins from the back-side of the checkpoints, where passengers leave them when done with TSA screening, back to the front-side of the checkpoints)

Current Contractor

On April 9, 2015, the Board of Port Commissioners approved a contract with HSS Inc. (headquartered in Denver, CO, with offices in the San Francisco Bay Area) to provide Airport Contract Security Guard Services for an amount not to exceed \$5,400,000 for a period of 3 years, plus two possible one-year extensions at the discretion of the Executive Director and subject to certain conditions (Resolution No. 15-036). On July 27, 2017, the Board approved an amendment to the contract with HSS Inc. to add \$415,000 to the maximum compensation (now not to exceed of \$5,815,000) to allow HSS Inc. guards to provide customer support services in the FIS (Resolution No. 17-65). The contract with HSS Inc. will expire on June 30, 2019 (without further extension).

Guard Hours and Cost

Under the contract with HSS Inc., the Port pays for guard services (whether performing security or customer support service) based on the number of guard-hours provided by HSS Inc. That is, the Port pays an all-inclusive hourly rate¹ per guard-hour and guard supervisor-hour provided by HSS Inc. The current all-inclusive hourly rate for FY19 is \$29.69² and is subject to annual increases based on HSS Inc.'s actual operating cost increases, capped by the change in U.S. Bureau of Labor Statistics Consumer Price Index or percent increase in the City of Oakland Living Wage, whichever is greater.

The following table summarizes the typical number of weekly guard-hours requested by the Port:

¹ The all-inclusive hourly rate includes the salaries/wages paid to the guards / guard supervisors, benefits, training, uniforms, radios, required vehicles, contractor overhead and profit, one on-site project manager, etc.

² The Port pays a premium for guards (\$32.10 per hour) and guard supervisors (\$35.27 per hour) assigned to the FIS due to additional security requirements and bonding required by U.S. Customs and Border Protection (CBP) of the contractor. Guard services within the FIS were not contemplated in 2015 at the start of the Port's contract with HSS Inc., so HSS Inc. did not build these costs into its all-inclusive hourly rate.

Assignment	Typical Hours per Week
Security	600
TSA Checkpoint (customer support)	392
FIS (customer support)	112
Additional Management	80
Weekly Total	1,184

The total Board-approved operating budget for all guard services (security and customer support services) for FY19 is \$2,060,000.

ANALYSIS

Staff is seeking the Board's input on the selection process and evaluation criteria for the next RFP for Airport Contract Security Guard Services. Although seeking the Board's input / approval of selection processes and evaluation criteria is not routine practice for most RFPs, it is appropriate in this instance due to the specialized nature of Airport Contract Security Guard Services. Given TSA regulation and oversight (e.g., frequent testing of airport security guards) and that these guards interact directly with TSA and CBP front-line staff, guard services at the Airport require a higher degree of specialization than routine private patrol services, driving the need for higher caliber guards, more rigorous training, enhanced levels of supervision, internal testing protocols by the contractor, among other unique requirements.

Staff is suggesting this contract be subject to labor peace requirements.

Staff developed the following three-step, formal, competitive selection process and evaluation criteria for selecting a qualified contractor to provide Airport Contract Security Guard Services:

- Step 1: Evaluation of Minimum Qualifications (Pass / Fail)
- Step 2: Written Proposal Review against Evaluation Criteria (100 points)
- Step 3: Oral Interview

Step 1: Evaluation of Minimum Qualifications

The Aviation Security Department will evaluate all proposals submitted by the RFP deadline to ensure proposers meet minimum qualifications before allowing the proposer / proposal to advance to Step 2. Staff recommends the following minimum qualifications:

- Contractor shall have at least 3 consecutive years of verifiable experience within the last 5 years providing one or more of the following types of security guard services:
 - Provide guard services at a U.S. commercial-service airport regulated by the TSA.

- Provide guard services at a hospital or other healthcare facility (1) requiring specialized training and/or certifications of the contractor, the contractor's project manager, guard supervisors, and/or guards, or (2) where the guard services are regulated and audited by a government agency (other than the hospital / healthcare facility if owned / operated by a government agency).
- Provide guard services at a facility owned / operated by a federal, state, or local government agency (1) requiring specialized training and/or certifications of the contractor, the contractor's project manager, guard supervisors, and/or guards, or (2) where the guard services are regulated and audited by a different local, state, or federal government agency.
- Contractor shall possess or have applied for a Private Patrol Operator (PPO) license issued by the State of California through the Department of Consumer Affairs, Bureau of Security and Investigative Services.
- Contractor's proposed project manager and assistant project manager shall have completed and passed basic Airport Security Coordinator (ASC) training (see 49 CFR 1542.3) before the start of the contract, if selected. On-line and in-person ASC training is offered by Safety & Security Instruction (SSi) and the American Association of Airport Executives (AAAE). Any other training vendor must be approved by the Port.
- Prior to the start of the contract or within 6 months of contract execution, contractor's proposed project manager shall obtain AAAE Airport Certified Employee (ACE) – Security certification.

The RFP will require proposers to provide proof of stated experience, including contact information at facilities for verification, so Port staff can ensure minimum qualifications are met or exceeded. The RFP will also make it clear that proposers are responsible for providing enough information in their proposals to demonstrate that they meet or exceed the minimum qualifications.

Step 2: Written Proposal Review against Evaluation Criteria (100 points)

The Aviation Security Department will appoint an expert evaluation panel to review and score written proposals received by the deadline specified in the RFP. The panel may be comprised of staff from the Aviation Security Department, Airside Operations Department, Social Responsibility Division, the Alameda County Sheriff's Office (ACSO), and/or Airport security professionals from another west coast commercial-service airport.

The suggested scoring, out of 100 points, is as follows:

Evaluation Criteria	Maximum Possible Points
Background & company information	5
Knowledge & experience	25
Plan & approach	35
Cost	20
Non-Discrimination and Small Local Business Utilization Policy	15
Total	100

- Background & Company Information (5 points)

Proposers will be asked to submit an executive summary on the company's background and organizational structure. Additionally, proposers must submit forms as required by the Port's Purchasing Department.

The expert evaluation panel will assign points as follows:

Proposer's Response	Assigned Point Range	Description / Criteria for Rating
Excellent	5	Proposer provided all forms requested in the RFP in a highly organized manner and provided a relevant description of the firm's background and organizational structure.
Good (Average)	3-4	Proposer provided most forms requested in the RFP and/or did so in a slightly less organized manner, and/or provided a more basic, partial, and/or less relevant description of the firm's background and organizational structure.
Fair	1-2	Proposer failed to provide several forms requested in the RFP or provided a poor description of the firm's background and organizational structure, making it difficult or impossible to determine.

- Knowledge & Experience (25 points)

Proposers will be asked to provide detailed, relevant information about the company's knowledge and experience, including a description of services provided under contracts of similar size, scope, and complexity. Involvement in security guard, aviation security, law enforcement, and/or physical security professional associations is desirable and demonstrates the proposer's commitment to on-going learning, sharing best practices, and service to the industry.

The expert evaluation panel will assign points as follows:

Proposer's Response	Assigned Point Range	Description / Criteria for Rating
Excellent	15-20	Proposer demonstrated extensive knowledge and experience providing guard services at (typically, though not necessarily) more than one U.S. airport (preferred), hospital / healthcare facility (with specialized training and/or regulated guard services), and/or government facility (with specialized training and/or regulated guard services). Additionally, proposer demonstrated involvement in industry professional associations.
Good (Average)	10-14	Proposer demonstrated knowledge and experience providing guard services at one or more U.S. airports (preferred) or other facility as described above, but articulated a more rudimentary knowledge of aviation security or other industry best practices; proposer also demonstrated more limited involvement in industry professional associations.
Fair	5-9	Proposer demonstrated the minimum level of knowledge and experience providing guard services at U.S. airports or other facility as described above, and articulated only rudimentary knowledge of aviation security or other industry best practices; proposer was either not engaged or only minimally engaged with industry professional associations.

- **Plan & Approach (35 points)**

Proposers will be required to detail their plan and approach to providing the requested Airport Contract Security Guard Services. Proposers will be asked to describe, in detail, their plan and approach on the following topics:

- Recruiting and hiring (how proposer plans to recruit and hire qualified guard candidates in a highly competitive job market)
- Retention (how proposer plans to retain trained guards in a highly competitive job market)
- Training on procedures (e.g., post orders) and equipment (on-the-job, classroom, computer-based, recurrent, etc.)
- Front-line and higher supervision
- Scheduling / coverage / relief
- Testing on procedures and equipment (punitive, non-punitive, etc.)
- Technology to enhance communications, training, supervision, and/or scheduling

The expert evaluation panel will assign points as follows:

Proposer's Response	Assigned Point Range	Description / Criteria for Rating
Excellent	25-30	Proposer demonstrated a strong commitment to providing high-quality, professional guard services in an airport environment, including (1) commitment to training / certifications for its employees (vs. minimum state-required standards), (2) robust recruiting / retention plan, (3) robust quality assurance / control (QA/QC) plan involving routine testing and audits, and (4) commitment to provide active supervision; proposer discussed use of appropriate technology to accomplish effective communication and supervision of guards.
Good (Average)	20-24	Proposer demonstrated the ability to provide guard services but focused more, though not necessarily exclusively, on state-required training, and proposed a less robust QA/QC plan with no / minimal focus on testing or audits; proposer demonstrated the ability to supervise guards on-site but in a less effective manner; proposer had limited or no discussion of appropriate use of technology to accomplish communication and supervision of guards.
Fair	15-19	Proposer demonstrated some ability to provide guard services but focused on state-required training and provided a poor or no QA/QC plan; proposer demonstrated minimal ability to supervise guards in an airport environment, and did not discuss appropriate use of technology to accomplish communication or supervision of guards.

- Cost (20 points)

Proposers will be required to submit two All-Inclusive Hourly Rates (AIHRs): one per guard-hour (G-AIHR) provided to the Port and one per guard supervisor-hour (S-AIHR) provided to the Port. The AIHRs will apply to hours provided by guards / supervisors on regular time and overtime (including weekends and holidays), and include all costs the contractor may incur in providing services at the Airport (e.g., including uniforms, radios, office equipment, vehicles / vehicle maintenance, fuel, company overhead, CBP bond for guards assigned to work in the FIS, etc.). The Port will provide the contractor with suitable office space at the Airport (no charge).

Proposers will be directed to base the AIHRs on an assumed 1,000 hours per week of guard services (mix of guard and customer support services), including supervision. Proposers will be required to specify the number of guards (G) and the number of supervisors (S) they are proposing to accomplish the 1,000 hours per week of assumed services.

Additionally, proposers will be instructed to “build into” (i.e., include in) the AIHRs the following Port requirements. That is, the Port will not be billed separately for the following requirements / personnel / equipment.

- Contractor shall provide three key management / leadership positions dedicated exclusively to the Airport:
 - Project Manager
 - Assistant Project Manager
 - Training / Scheduling Officer

- Due to the need to maintain a skilled and highly trained guard workforce with minimal turnover in a highly competitive job market, minimum pay to guards shall be the greater of (1) \$20.00 per hour, (2) any applicable minimum or living wage required by local / state / federal law, or (3) any wage required by applicable union agreements. The Port anticipates this requirement to increase the overall cost of guard services to the Port by approximately 25% or approximately \$500,000 (if the \$20.00 per hour were required for FY19).

- Due to the need to maintain a skilled and highly trained guard workforce with minimal turnover in a highly competitive job market, minimum pay to guard supervisors shall be the greater of (1) \$22.00 per hour, (2) any applicable minimum or living wage required by local / state / federal law, or (4) any wage required by applicable union agreements.

- Minimum pay to the required management / leadership positions shall be:
 - Project Manager: \$36.00 per hour (or \$74,880 per year)
 - Assistant Project Manager: \$30.00 per hour (or \$62,400 per year)
 - Training / Scheduling Officer: \$24.00 per hour (or \$49,920 per year)

- Guards and all contractor staff shall receive a comprehensive benefits package, including compensated days off and health benefits as defined in the City of Oakland Living Wage Ordinance and/or any applicable union agreements.

- Contractor shall provide a minimum of 4 new patrol vehicles (make / model acceptable to the Port, suitable for driving on unpaved Airport service roads) dedicated exclusively to the Airport.

The contractor will be allowed to request an annual increase in the AIHRs over the life of the contract based on a demonstrated increase in cost to the contractor to provide the requested services at the Airport, but in no case larger than the change in an appropriate U.S. Bureau of Labor Statistics Consumer Price Index (CPI) or percent increase in the City of Oakland Living Wage, whichever is greater.

Points for cost will be assigned using a formula³, with the lowest “blended AIHR,” considering the proposed number of guards and supervisors and the AIHR for each, receiving the maximum number of points (20 points). Points for the next greater “blended AIHR” will be assigned proportionally based on relation to the lowest “blended AIHR.”

- Non-Discrimination and Small Local Business Utilization Policy (15 points)

Proposers will be required to submit information pertaining to the Port’s Non-Discrimination and Small Local Business Utilization Policy (NDSLBU). Those meeting criteria designated by the Port’s NDSLBU will be eligible to receive preference points. Additionally, proposers will be required to agree to have provisions in place to retain current guards, subject to acceptable application, interview and trial period to ensure level of continuity.

The Port’s Social Responsibility Division (i.e., not the expert evaluation panel) will assign points as follows:

- Up to 5 points will be credited proportionately (counting the whole team, prime consultant and sub-consultant(s)) for Local Impact Area (LIA)-certified firms (those firms in the cities of Oakland, Alameda, Emeryville, and San Leandro), and up to 5 points for Local Business Area (LBA)-certified firms (those firms in the counties of Alameda and Contra Costa). LIA / LBA credit is given only for certified firms that have established active offices in the respective area for at least one year at the time of proposal due date, and not for outside firms that plan to do the project work at a LIA/LBA office.
- An additional 3 points will be credited for an LIA-certified prime consultant (proportionate to the share of prime consultant work in the case of a joint venture) and 4 points for an LBA-certified prime consultant.
- Up to 4 points will be credited proportionately (counting the whole team, prime consultant and sub-consultant(s)) for Very Small Business Enterprise (VSBE)-certified firms, and 2 points for Small Business Enterprise (SBE)-certified firms.
- Up to 3 points will be credited for the proposer’s commitment to the Port’s values and programs, e.g., mentoring small and/or very small local businesses and providing meaningful work for small and/or very small local sub-consultants; utilization of college and high school interns from the LIA; participation in job fairs

$$^3 \text{ Points Assigned for Cost} = 20 \text{ Points Maximum} \times \frac{\text{Lowest} \left[\left(\frac{G}{G+S} \right) \times G\text{-AIHR} + \left(\frac{S}{G+S} \right) \times S\text{-AIHR} \right]}{\text{Proposed} \left[\left(\frac{G}{G+S} \right) \times G\text{-AIHR} + \left(\frac{S}{G+S} \right) \times S\text{-AIHR} \right]}, \text{ where}$$

G = number of guards proposed to accomplish the 1,000 hours per week of assumed services

S = number of guard supervisors proposed to accomplish the 1,000 hours per week of assumed services

G-AIHR = All-Inclusive Hourly Rate per Guard-Hour

S-AIHR = All-Inclusive Hourly Rates per Guard Supervisor-Hour

and trade fairs targeted to LIA residents and businesses; and other work showing the consultant's efforts to contribute to the economic development of the LIA.

Step 3: Oral Interview

Proposers with the highest scores from Step 2 will be invited to an oral interview with the expert evaluation panel. The number of guard companies invited to the oral interview will depend on the "clustering" of scores from Step 2, and would typically include between 3 and 5 guard companies (though an exact number has not been predetermined). Proposers will be asked to give a brief presentation with highlights from their proposals and answer panel interview questions (e.g., how the contractor would handle certain mock situations). No new points will be introduced in the Oral Interview step; however, based on the oral interviews, the expert evaluation panel will be provided an opportunity to adjust points in Knowledge & Experience and Plan & Approach evaluation areas only.

BUDGET & STAFFING

The proposed action does not have any budget or 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: Improve Customer Service
- 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"), would likely apply to this agreement as the selected service provider will likely employ 21 or more employees working on Port-related work, the service provider will be principally providing services related to aviation business, the service provider is not per se exempt under the Living Wage Regulations, and the contract value will be greater than \$50,000.

SUSTAINABILITY

Staff will explore the feasibility of the selected contractor purchasing and using alternative fuel and/or hybrid vehicles, considering daily operating hours and usage therein.

ENVIRONMENTAL

California Environmental Quality Act ("CEQA") Guidelines Section 15378(a) states that "Project" means the whole of an action that has a potential for resulting in either direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The general rule in Section 15061(b)(3) of the Guidelines additionally states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. As it can be seen with certainty that there is no possibility that seeking Board input on the selection process and evaluation criteria for the upcoming Airport Contract Security Guard Services Request for Proposal (RFP) may have a significant effect on the environment, the action is not a "Project" under CEQA, and is not subject to CEQA under the General Rule Exclusion. No further review of this action under CEQA is required.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

The Owner Controlled Insurance Program (OCIP) does not apply to the matters addressed by this Agenda Report as they are not capital improvement construction projects.

OPTIONS

- No Board action is requested at this time.

RECOMMENDATION

No Board action is requested at this time.