



REPORT TO COUNCIL
City of Sacramento
 915 I Street, Sacramento, CA 95814-2604
 www.cityofsacramento.org

CONSENT
December 4, 2007

**Honorable Mayor and
 Members of the City Council**

Title: Contract: Integrated Pest Management Services

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) awarding a one year contract with three one-year renewal options to Applied Pest Management, Inc., the lowest responsive and responsible bidder, to provide integrated pest management services to the City in an amount not to exceed \$230,000, and 2) authorizing the City Manager to execute the above contract and to enter into such extensions, provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

Contacts: Marc Robles, Program Analyst, Procurement Services, 808-6343
 Chris Stewart, Procurement Services Manager, 808-6202

Presenters: None

Department: General Services

Division: Procurement Services

Organization No: 1181

Description/Analysis:

Issue: The City of Sacramento has ongoing requirements for integrated pest management services for all City-owned and occupied buildings. A total of 116 sites are included for pest management services throughout the City.

Policy Considerations: The recommendations in this report are in accordance with the provisions of the City Code Section 3.56.

Environmental Considerations: The current recommendation involves the procurement of pest control services. The proposed service is not a 'project' in accordance with Section 15378 of the California Environmental Quality Act Guidelines. The proposal does not have a potential for resulting in either direct or indirect physical changes in the environment. Therefore, as determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Commission/Committee Action: Not applicable

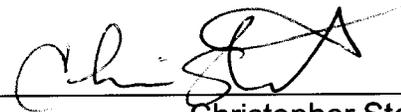
Rationale for Recommendation: In October 2007, Procurement Services issued Invitation for Bid No. B081181018, which was developed and administered in accordance with City Code Section 3.56, for the purchase of integrated pest management services. Two apparent low bidders, Ecolab and True Value Pest Control, were found to be non-responsive and rejected for either non-compliance with the necessary insurance requirements or not possessing the necessary licenses. Procurement Division has determined that Applied Pest Management, Inc. is the lowest responsive and responsible bidder, as shown in Attachment 2.

As this service is subject to the findings of an integrated pest management program for each site, a 10% annual contingency amount has been included in the contract award, as shown in Attachment 1. This is to accommodate any unexpected additional services, inflationary costs related to chemicals and other unforeseen costs to comply with an integrated pest management program and the future potential addition of City facilities in the subsequent years of this contract. A detailed cost summary is shown in Attachment 1.

Financial Considerations: Funding for the pest management service contract will be provided from the applicable fiscal year operating budgets of the departments using this service.

Emerging Small Business Development (ESBD): The City solicited 24 vendors for integrated pest management services and eight bids were received, two of which were City certified as small or emerging business enterprises. Applied Pest Management, Inc. is certified by the City of Sacramento as an emerging/small business enterprise.

Respectfully Submitted by:



Christopher Stewart
Procurement Services Manager

Approved by:



Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:



RAY KERRIDGE
City Manager

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Attachment 1

BACKGROUND INFORMATION

The City is required by the State Regional Water Quality Control Board to minimize the application of pesticide and use Integrated Pest Management (IPM) techniques in City operations including contracted pest control activities. The new City-wide pest control contract being awarded to Applied Pest Management, Inc. includes the IPM techniques required by the State. Generally, IPM techniques require other control measures including less toxic approaches to be addressed first and that the use of chemical pesticides should be as a last resort.

Other pest control activities completed by City staff are subject to the same State requirements. A comprehensive discussion of the new Citywide IPM program will be presented in a future City Council informational report.

Integrated Pest Management Services are subject to individually developed pest management plans for each of the City's 116 sites serviced under this contract. This contract may potentially be used for up to four years and an inflationary factor of 4% per year has been added to the funding request. In addition, a 10% annual contingency is also requested. This is to accommodate any unexpected additional services, inflationary costs related to chemicals and other unforeseen costs to comply with an integrated pest management program and the future potential addition of City facilities in the subsequent years of this contract. The table below shows the increases projected during the term of this potential four year contract.

TABLE OF 4-YEAR ESTIMATED COSTS FOR INTEGRATED PEST MANAGEMENT SERVICES

	Base Amount	4% Inflation	Adjusted Rates	10% Contingency	Anticipated Cost
Year 1	\$42,024	n/a	\$42,024	\$4,202	\$46,226
Year 2	\$46,226	\$1,849	\$48,075	\$4,808	\$52,883
Year 3	\$52,883	\$2,115	\$54,998	\$5,500	\$60,498
Year 4	\$60,498	\$2,420	\$62,918	\$6,292	\$69,210
				Total	\$228,817

BID NO. B081181018 – INTEGRATED PEST MANAGEMENT SERVICES

Bidder	Bid Total	5% E/SBE Preference	Prompt Payment Discount	Evaluation Total
Advanced Integrated Pest	\$42,288.00	None	None	\$42,288.00
Applied Pest Management	\$42,024.00	<\$2,101.20>	<\$2,101.20>	\$37,821.60
Ecolab ⁽¹⁾	\$29,472.00	None	None	\$29,472.00
Hunters Pest Control	\$65,340.00	None	<\$3,267.00>	\$62,073.00
JFD Enterprises	\$187,920.00	<\$9,396.00>	None	\$178,524.00
Pestmaster Services	\$88,020.00	None	None	\$88,020.00
Terminix	\$157,716.00	None	None	\$157,716.00
True Value Pest Control ⁽²⁾	\$38,460.00	None	<\$3,846.00>	\$34,614.00

Award of Contract to: Applied Pest Management, Inc.
 2425 Sonoma Blvd.
 Vallejo, CA 94590

Total Amount of Contract: \$230,000.00⁽³⁾

Total Bid Amount: \$42,024.00

Using Department: General Services (Facilities)

Original Annual Estimated Cost: \$50,000.00

Bid Due Date: October 24, 2007

Total No. of Bids Solicited	No. of E/SBE Bids Solicited	No. of E/SBE Responses	Award to E/SBE Vendor?
24	6	2	Yes

⁽¹⁾ Bid was determined to be non-responsive as contractor did not comply with the necessary insurance requirements.

⁽²⁾ Bid was determined to be non-responsive as contractor did not possess the necessary licenses.

⁽³⁾ The lowest responsible bid amount of \$42,024.00 represents the total for the quantities selected for evaluation purposes only. Authorization is requested to enter into a contract in an amount not to exceed \$230,000, which more closely reflects the actual amount anticipated to be expended over the potential 4 year contract.

RESOLUTION NO. XXXX

Adopted by the Sacramento City Council

December 4, 2007

AWARD CONTRACT FOR INTEGRATED PEST MANAGEMENT SERVICES

BACKGROUND

- A. The City of Sacramento has a requirement for pest management services for all City-owned and occupied buildings. The Department of General Services, Facilities Management Division, is responsible for delivering these services to their customers throughout the City.
- B. In October 2007, the City issued a formal Invitation to Bid (B0811811018) for integrated pest management services and eight bidders responded. Two apparent low bidders, Ecolab and True Value Pest Control, were found to be non-responsive and rejected. The lowest responsive and responsible bidder was found to be Applied Pest Management, Inc.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Award a one-year contract with three one-year renewal options to Applied Pest Management, Inc., the lowest responsive and responsible bidder, for the purchase of integrated pest management services in an amount not to exceed \$230,000.
- Section 2. Authorize the City Manager or the City Manager's designee to execute the contract specified above and enter into such extension(s), provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).