



Agenda Report

22-819

Agenda Date: 7/12/2022

REPORT TO COUNCIL

SUBJECT

Action on an Agreement with Orchard Commercial, Inc. for Property Management Services at the Santa Clara Convention Center Complex - Maintenance District No. 183

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The Department of Public Works (DPW) Facilities Services Division (Facilities) oversees ongoing maintenance and repairs for approximately 1,100,000 square feet of buildings throughout the City, which includes the Santa Clara Convention Center Complex - Maintenance District No. 183 (MD 183). In order to continue to provide services in a timely manner, Facilities utilizes a property management company to assist with managing service contractors for MD 183.

The various contractors that the property management company oversees provide services for landscaping maintenance, parking control, fountain maintenance, site cleaning, parking lot sweeping, security services, elevator maintenance, exterior electrical maintenance, and other repair services as needed. The responsibilities of the property manager include actively engaging with vendors on a regular basis to ensure that service levels are met in addition to regular meetings and coordination with the Hyatt Hotel, Techmart Office Building, and Santa Clara Convention Center operations. The current agreement for property management services expires on July 31, 2022.

DISCUSSION

Pursuant to City Code Section 2.105.330, a formal Request for Proposal (RFP) was conducted as the solicitation method for this procurement, with the award recommendation based on "best value."

The RFP for property management services was published in April 2022 using the City's e-procurement platform. In addition, eight companies were directly contacted about the requirement. The RFP included a mandatory pre-proposal conference which two proposers attended, Eugene Burger Management Company (EBMC) and Orchard Commercial, Inc. (Orchard). The City only received one proposal from Orchard.

Orchard's proposal was thoroughly reviewed and evaluated by staff who determined that their proposal satisfied all the requirements set forth in the RFP. Staff recommends awarding the agreement to Orchard for having submitted the sole responsive proposal. Orchard has extensive experience providing property management services to public and private organizations similar in size to MD 183. In addition, Orchard has been providing these services to the City since 2016 and is familiar with the property and the expectations from the City and Partners. Orchard's fees are the same as the current agreement for the initial two years of the five-year term of the new agreement.

Under the new agreement, Orchard will provide the required property management services to operate, maintain, and repair MD 183. Compensation will be fixed for the initial five-year term of the agreement and will be paid monthly. After the initial five-year term, price adjustments are allowable subject to justification by vendor and approval by the City. In addition to the initial term, there are five one-year options to extend the term of the agreement for a total of ten years, assuming all options are exercised.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The fixed price amounts to be paid to Orchard to perform Property Management Services for MD 183 are as follows:

Fiscal Year	Term	Not-To-Exceed Compensation
2022/23	August 1, 2022 - July 31, 2023	\$ 77,400
2023/24	August 1, 2023 - July 31, 2024	\$ 77,400
2024/25	August 1, 2024 - July 31, 2025	\$ 79,800
2025/26	August 1, 2025 - July 31, 2026	\$ 79,800
2026/27	August 1, 2026 - July 31, 2027	\$ 79,800
Initial 5-Year Term Not-To-Exceed Maximum Compensation		\$ 394,200

The total not-to-exceed amount for the initial five-year term is \$394,200, subject to annual budget appropriations. Funds are available in the Convention Center Maintenance District account (026-2961-87870).

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Authorize the City Manager to execute an agreement with Orchard Commercial, Inc. for property management services at the Santa Clara Convention Center Complex - Maintenance District No.

- 183 for an initial five-year term, with maximum compensation not-to-exceed \$394,200; and
2. Authorize the City Manager to execute up to five one-year options to extend the agreement after the initial term and to approve potential annual price adjustments, subject to the appropriation of funds.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Rajeev Batra, City Manager

ATTACHMENTS

1. Agreement with Orchard Commercial, Inc.