

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: **RESOLUTION OF THE NEW HAVEN BOARD OF ALDERS** authorizing the Mayor to enter into a multiyear agreement with successful Request for Proposal (RFP) respondent to provide facility management services for the New Haven Police Services Complex portfolio.

Submitted by: Department of Engineering

REPORT: **1630-18**

BACKGROUND

The Engineering Department oversees the facility management of the New Haven Police Services Buildings portfolio, consisting of One Union Avenue, 9 Substations, 710 Sherman Parkway, 170-200 Wintergreen Avenue, and associated infrastructure. For many years the Police Services complex has been maintained through a private management contract structure, which has assisted the City in maintaining the buildings in good condition at a competitive rate.

As the budgetary authority of the City, the Board of Alders provides a general fund budget line item each year to the Engineering Department to cover the operation of the Police Department facilities among other things. The management contract is paid out of this line, and consists of two parts: first, a set management fee is paid to the contractor to manage the buildings and oversee all subcontracts that are part of the maintenance of the building (\$60,000 FY22-23); second, there is a budget for reimbursable expenses undertaken by the management contractor on behalf of the City (\$723,410 FY22-23). Only the management fee is set under the terms of the contract. The budget for reimbursable expenses is set each year depending on the allocation provided by the Board of Alders for that fiscal year. Please note that reimbursable expenses undertaken by the management contractor are subject to the same procurement rules as purchases made by the City directly per the contract (e.g. utilization of the Small Contractor Development Program).

To date, the contracting structure has been for 1-year contracts, each procured through an RFP that included up to four possible renewals at the same terms and conditions. This results in a new round of procurement approximately every 5 years. As the City is nearing the end of its available renewal terms in its existing contract, the Engineering Department will be conducting another RFP this spring for facility management services.

However, in an effort to secure better pricing, reduce contracting overhead, and increase transparency, the Engineering Department would like to solicit for a single 5-year agreement rather than a 1-year agreement with four renewal terms. The City would still be able to end the contract each year at no cost thanks to a termination clause, and the Board of Alders would still be able to set the yearly general fund allocation for the maintenance of the buildings. One of the primary benefits is that a 5-year agreement would allow for adjustments for inflation of the management fee over the life of the contract, whereas the current structure requires the same management fee over all the renewal periods. This can result in inflated management fees in the early years.

Also, a 5-year contract may be more appealing to respondents as it has a longer duration despite any termination clauses and can also improve pricing. Continuity in management of the buildings is desirable

for the City, as more frequent turnover can result in less efficient building management. It is certainly our belief that a single 5-year agreement both more accurately reflects the course of business and can result in more competitive pricing without sacrificing any of the options and control that the City in general and the Board of Alders in particular can exert.

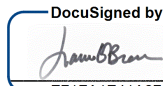
PLANNING CONSIDERATIONS

The proposed 5-year contract will improve efficiency of use of city resources to maintain public facilities (in this case, the NHPD complex portfolio).

ADVICE

Authorization of a multi-year agreement with the successful RFP respondent is in accordance with the City’s Comprehensive Plan and should be approved.

ADOPTED: April 19, 2023
Leslie Radcliffe
Chair

ATTEST:  April 24, 2023 | 9:31 AM EDT
E71FA1E41A27483...
Laura E Brown
Executive Director, City Plan Department