



**San Francisco Office of the City Administrator  
City Administrator Carmen Chu**

# **Citywide Integrated Pest Management Services (TC83592)**

*File 24-1152*

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Office of Contract Administration

Board of Supervisors' Budget and Finance Committee  
January 22, 2025

# Contract Summary

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- **PeopleSoft Contract ID:** 1000034718
- **Covered services:** Integrated Pest Management Services for property owned or leased by City.
- **Awarded contractor:** Agurto Corporation, dba Pestec (“Pestec”), selected through a Request for Proposals (“RFP”) through Sourcing Event ID 000009817 issued by the Office of Contract Administration (“OCA”) on August 8, 2024.
- **Initial contract not-to-exceed amount and duration:** \$15,500,000 and a total contract duration of five (5) years, with no options to extend.

# What are IPM Services?

**Integrated Pest Management (IPM) services consist of:**

## **Structural IPM Services:**

Primarily on protecting and maintaining buildings, facilities, and other physical structures.

*Examples: termites, carpenter ants, beetles, and carpenter bees.*



**The City's IPM Program is overseen by the San Francisco Environment Department ("SFE")**

## **Public Health IPM Services:**

To manage pests that could spread diseases, contaminate food, or otherwise impact the health and well-being of people in the community.

*Examples: Mosquitoes, flies, rats, ticks, and other pests known to be disease vectors or health hazards.*



# SF Environment Code Chapter 3: Integrated Pest Management (“IPM”) Ordinance

1. Mandates City departments to **use environmentally safe practices** for pest control.
2. Requires the **implementation of IPM practices** that minimize risks to human health and the environment by prioritizing non-toxic or least-toxic pest control methods.
3. **Prohibits the use of certain pesticides.**
4. Requires **proper reporting, training, and public notifications** when pest management activities occur.



# Primary City Department Users of IPM Services

Department	Average Annual PO Encumbrance Amounts
PUC	918,796
MTA	724,480
DPH	674,159
LIB	157,866
ADM	150,779
PRT	125,358
POL	66,251
FIR	62,694
SHF	50,034
All Others	162,998
<b>Total</b>	<b>3,093,415</b>

# Sourcing Event 000009817

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- OCA received one proposal in response to the RFP.
- Evaluated by a panel of three members from the Recreation and Park Department, the Public Utilities Commission, and the Airport.
- Pestec was deemed the only and highest ranked proposer, receiving a total of 235 points out of 250 points.

Evaluation Phase	Maximum Points
Minimum Qualifications Documentation	Pass/Fail
Price Proposal	100 Points
Written Proposal	120 Points
Oral Interviews	30 Points
<b>TOTAL</b>	250 Points

# Contracted Services & Pricing

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- **Pricing Model:** Time and material. Hourly rates vary based on the specific service category and range from \$180-250/hour.
- **Service Categories:**
  - **Ongoing IPM Services.** On-going services to addresses chronic pest problems. Require a comprehensive IPM plan, intensive monitoring and on-going reporting.
  - **Short-Term IPM Services.** Provided on an as-needed basis. Do not warrant an IPM plan or intensive monitoring.
  - **Emergency IPM Services.** Addresses urgent pest problems. Do not warrant an IPM plan or intensive monitoring
  - **IPM Meetings, Consulting, and Training:** Attend monthly IPM meetings and provide consulting and training services. Up to 4 free hours per month.

# Proposed NTE Calculations

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- Pestec's total Bid Price was \$2,681,691 per year.
- Taking into account a 15% contingency, this comes to approximately \$15,500,000 for the 5-year term of the contract

<b>Total Bid Price</b>	<b>\$ 2,681,691</b>
<b>Contract Duration (Years)</b>	<b>5</b>
<b>Initial Contract NTE</b>	<b>\$13,408,456</b>
<b>+ Contingency (15%)</b>	<b>\$2,011,268</b>
<b>Total Estimated Initial Contract NTE</b>	<b>\$15,419,725</b>
<b>Total Estimated Initial Contract NTE</b> (Rounded to nearest 100,000)	<b>\$15,500,000</b>



# Conclusion

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- The City manages a vast network of public buildings, including hospitals and government offices.
- IPM services are essential for controlling pests, preventing infestations, and ensuring safe and sanitary conditions in these buildings.
- The PUC, in particular, relies heavily on IPM services to maintain the efficiency of its water treatment facilities, sewage systems, and water distribution networks.
- By ensuring City's focus on proactive pest management, this contract will support overall public health and safety, as well as the City's long-term environmental sustainability efforts.