



1.2

DEPARTMENT OF
FINANCE

CITY OF SACRAMENTO
CALIFORNIA

5730 - 24TH STREET, BLDG. 4
SACRAMENTO, CA
95822-3699

PROCUREMENT SERVICES DIVISION

Phone (916) 433-6240
FAX (916) 399-0263

June 21, 1994
PS:Admin:94041:RBH:rh

APPROVED
BY THE CITY COUNCIL

JUN 21 1994

OFFICE OF THE
CITY CLERK

AG 94-084

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: EXTENSION OF CONTRACT NO. 1337 WITH BURNS INTERNATIONAL
SECURITY SERVICES FOR UNIFORMED SECURITY GUARD SERVICES**

LOCATION AND COUNCIL DISTRICT

City-wide - All Districts

STAFF RECOMMENDATION

It is recommended that, in the best interest of the City, the City Council authorize the extension of Contract No. 1337 with Burns International Security Services for Uniformed Security Guard Services to be utilized at various City facilities.

CONTACT PERSON: Bob Holbrook, Procurement Services Manager, 433-6202

FOR COUNCIL MEETING OF: June 21, 1994

SUMMARY

This report recommends that the City Council suspend formal competitive bidding and authorize extension of the contract with Burns International Security Services (Burns) for the provision of uniformed security guard services to be utilized at various City facilities. The recommendation calls

for a one-year extension, through August 31, 1995, with the option to extend for one additional year (through August 31, 1996) upon mutual agreement between Burns and the City.

BACKGROUND

The City currently has a contract with Burns to provide uniformed security guard services at various City facilities. The contract was established through the formal competitive bidding process, and is due to expire on August 31, 1994. Burns submitted a request to the City to extend the contract beyond its scheduled expiration date. As a result of that request and subsequent negotiations with Burns, staff is recommending that the contract be extended for one year (through August 31, 1995) with the option to extend the contract for one additional year (through August 31, 1996) upon mutual agreement between Burns and the City.

The recommendation to extend the contract is based on provisions to which Burns has agreed. A summary of those provisions is as follows:

- 1) There will be no billing-rate increases to the City during the first year of the contract extension (through August 31, 1995). In the event that the parties mutually agree to extend the contract for an additional year, billed rates may be negotiated. However, no rate increase may exceed the average percentage increase in the pay rates of classified City employees for the fiscal year in which the extension becomes effective (i.e., FY-96). The above notwithstanding, Burns could request a rate increase in the event that they incur mandated cost increases as a direct result of changes in Federal, State, or local taxes or regulatory fees/charges. Any request for such rate increase will be considered negotiable and will be subject to final approval by the City.

- 2) Burns will subcontract a minimum of thirty-five percent (35%) of security guard hours/week to City-certified minority/women business enterprise (M/WBE) firms. This amounts to approximately thirty percent (30%) of the total dollar value of the contract. Burns has made arrangements with both a City-certified MBE firm and a City-certified WBE firm to provide subcontracted services upon execution of the contract extension, each of which will receive approximately half of the subcontracted work. Burns has agreed to maintain a minimum of the 35% M/WBE subcontracted level in the event that the total number of hours for which security services are required either decreases or increases. Burns has also agreed that the costs to the City for subcontracted guard services will be the same as for guard services provided directly by Burns employees, and that the pay-rates and all other requirements for the subcontracted guards will conform to all contract requirements in all respects (e.g., background-checks, training, certification, etc.).

- 3) Burns will maintain an active affirmative action hiring/employment policy/program, and will require the same of the subcontractors utilized. Burns will provide the City with affirmative action reports twice a year, including workforce/job group/availability and utilization analysis information. Separate reports will be provided for Burns, and for all subcontractors utilized. The reports will provide information on efforts being undertaken to alleviate any identified utilization disparities.

- 4) Burns will upgrade the system used for verification of guard "rounds" at the City Corporate Center South. The upgrade will replace the current clock-station system with a PC-based bar-code/microchip system that will offer greater reliability and a broader scope of information. Burns will bear all costs for equipment, materials, supplies, installation, and maintenance of the upgraded system.

In addition to the above, since Burns has provided satisfactory services under the current contract and they are familiar with City operations, City organizations can be assured of continuity in the area of security services needs without the need for City staff to "train" a new contractor through a learning-curve period. This is an important consideration as the City works to continue to provide services of the highest quality possible in the face of increasing demands and limited staff and financial resources. Also, the agreement to maintain the current pricing structure will allow for continuation of the current level of services under the planned "status-quo" budget for fiscal year 1994-95.

Based on the above, it is recommended that the contract with Burns for uniformed security guard services be extended.

FINANCIAL CONSIDERATIONS

The total cost of the contract varies depending upon the security service needs of various City organizations over time. Based on the current level of utilization, the total annual cost of the contract is approximately \$750,000. The costs of security services are included in the budgets of the individual City organizations that utilize the security services. Therefore, the total annual expenditures under this contract may vary either up or down based upon the total amount approved by the Council in the budgets of the various organizations combined with the actual utilization of security services during the year.

This recommendation conforms to the City's position of maintaining a "status-quo" budget for the coming fiscal year (FY-95), since it calls for the current rates to be carried forward through the coming fiscal year with no cost increases.

POLICY CONSIDERATIONS

The recommendation to extend the current contract deviates from the City's standard bidding provisions and requires a two-thirds vote of the City Council, in accordance with the provisions of City Code Section 57.04.401(c).

MBE/WBE EFFORTS

As noted above, Burns has agreed to subcontract a minimum of thirty-five percent (35%) of the total weekly security guard hours to City-certified M/WBE firms. This amounts to approximately thirty percent (30%) of the total dollar value of the contract. It is Burns' intent to divide the subcontracted hours approximately equally between a City-certified MBE subcontractor and a City-certified WBE subcontractor. The provisions of the agreement with Burns relating to M/WBE subcontracting have been reviewed and are supported by the City Office of Minority, Women and Small Business.

Respectfully submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:

William H. Edgar
City Manager