



Legislation Text

File #: 2019-849, Version: 1

Report to Mayor and City Council

Tuesday, January 14, 2020

Consent

SUBJECT:

CONSIDERATION OF APPROVAL OF AMENDMENT NO. 3 TO 2018 AGREEMENT FOR CROSSING GUARD SERVICES WITH WORLD PRIVATE SECURITY, INC. (CITY COUNCIL)

I. SUMMARY

On March 4, 2015, the City Council awarded a three-year contract ("2015 Agreement") to World Private Security, Inc. (WPSI) (Exhibit No. 1). The 2015 Agreement was for the period between July 1, 2015 through June 30, 2018 with two (2) optional one-year contract extensions, for a total contract sum of \$380,700. WPSI's contracted crossing guards augmented the City's Pedestrian Safety Program. When the 2015 Agreement was awarded, it provided ten (10) contracted crossing guards and relief coverage as needed. Over the years, as detailed below, the hourly rate of pay was increased, additional crossing guards were added, and the contract maximum was increased to \$1,082,838. We currently contract for twenty (20) crossing guards.

Staff overseeing this contract changed when other staff retired, resulting in a comprehensive review of the contract services. It was determined that as of June 30, 2019, the City had exceeded the maximum for this contract and that the contracted crossing guard services had not been fully budgeted in prior years. To cover outstanding invoices and enable continued service through the end of the contract term, which is June 30, 2020, we need to increase the contract maximum from \$1,082,838 to \$1,483,207.18 (Amendment 3 provided in Exhibit No.7), and we need to increase this year's budget by \$102,369.

The contract service agreement with World Private Security Inc., will have reached the end of the initial terms of the 2015 Agreement and two (2) optional one-year contract extensions June 30, 2020. Staff is currently developing a Request for Proposals (RFP) for contracted crossing guard services.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 3 to the Agreement for Contract Services by and between the City

and World Private Security, Inc., for the provision of Crossing Guard Services, authorizing an increase in the contract sum in the amount of \$408,369.18 for the cost of services, thereby increasing the total contract sum from \$1,082,838 to \$1,483,207.18.

2. APPROPRIATE \$ 102,369 to the FY 2019-20 budget for Contracted Crossing Guard Services.
3. AUTHORIZE the Mayor to execute the Amendment upon approval as to form by the City Attorney.

III. ALTERNATIVES

1. TAKE another action City Council deems appropriate.

IV. BACKGROUND

On March 4, 2015, Council awarded a three-year contract ("2015 Agreement") to World Private Security, Inc. (WPSI) (Exhibit No. 1). The 2015 Agreement was for the period between July 1, 2015 through June 30, 2018; with two (2) optional one-year contract extensions, for a total contract sum of \$380,700. WPSI's contracted crossing guards augmented the City's Pedestrian Safety Program. When the 2015 Agreement was awarded, it provided ten (10) contracted crossing guards and relief coverage as needed.

The initial budget during FY 2015-16 was \$125,460 based on ten (10) contracted crossing guards and relief coverage. At the same time, the City employed eleven (11) part-time crossing guards to perform similar services. During FY 2015-16, WPSI provided the City nineteen (19) contracted crossing guards; four (4) additional crossing guard locations were created by Council. During the creation of the four (4) contracted crossing guards five (5) part-time City of Carson crossing guard positions were vacated due to retirement. The 2015 Agreement stated City of Carson crossing guard positions vacated due to retirement and any new crossing guard locations created by City Council would be absorbed to WPSI. This action increased the number of contracted crossing guards to nine (9) providing a total number of contracted crossing guards for FY 2015-16 to nineteen (19).

On July 19, 2016, Amendment No. 1 to the 2015 Agreement was authorized to include nine (9) additional contracted crossing guards (Exhibit No. 2). Staff requested additional funding for contracted crossing guards for FY 2015-16 from \$125,460 to \$167,500. During FY 2015-16 staff did not request the correct amount necessary to cover the cost of regular services resulting in an amount of \$170,052.55 for contracted crossing guards, which led to a negative account balance of **(\$2,552.55)**.

During FY 2016-17, Council authorized Amendment No. 2 to the 2015 Agreement (Exhibit No. 3) to include two (2) additional crossing guard assignments staffed by WPSI, which increased the number of contracted crossing guards to twenty-one (21) and an increased budget for FY 2016-17 to \$152,466. However, staff did not properly project the remaining costs of the initial 2015 Agreement, cost of services for twenty-one (21) contracted crossing guards and one (1) field supervisor during FY 2016-17, and subsequent two (2) optional one-year contract extensions, which resulted in a total balance owed of \$222,701 for contracted crossing guards. This created a

negative balance of **(\$70,235.00)** for FY 2016-17, in addition to the previous negative balance of **(\$2,552.55)**, for a total negative balance of **(\$72,787.55)**.

FY 2017-18, the budget for contracted crossing guards was \$127,800, the remaining funds of the \$447,766 contract maximum authorized by Amendment No. 2 to the 2015 Agreement. FY 2017-18 staff did not properly project cost of services for the last year of the 2015 Agreement and subsequent two (2) optional one (1) year extensions for a total balance owed of \$236,047.63 for contracted crossing guards. This created a negative balance of **(\$108,247.63)** for FY 2017-18, in addition to the previous years of **(\$72,787.55)**, for a total negative balance of **(\$181,035.18)**.

On June 19, 2018, Council approved the first one-year contract extension (“2018 Agreement”), for the period between July 1, 2018 through June 30, 2019 (Exhibit No. 4). The 2018 Agreement increased hourly rates of contracted crossing guards and contracted crossing guard field supervisor from \$14.50 an hour and \$16.00 an hour and \$18.00 an hour to \$21.00 an hour respectively. The cost to renew the agreement for the one-year period was \$293,760, which increased the total contract sum to \$741,526.

FY 2018-19, Council approved staff’s recommendation to remove one (1) crossing guard location due to low pedestrian traffic rates, which brought the number of contracted assignments to twenty (20). On April 2, 2019, Amendment No. 1 to the 2018 Agreement was authorized in order for staff to render payment to WPSI for an open invoice from FY 2017-18 and unforeseen circumstances during FY 2018-19 that resulted in the deployment of two (2) temporary contracted crossing guards at Dominguez Elementary.

Structural damage to the pedestrian bridge adjacent to Dominguez Elementary after collision with a semi-freight truck closed the bridge for the entire 2018-19 school year. Amendment No. 1 to the 2018 Agreement (Exhibit No. 5) increased the contract sum by \$34,552 to reflect the hourly rate changes to the crossing guards and crossing guard field supervisor positions; the cost of two (2) temporary contracted crossing guards and \$8,632 for the unpaid FY 2017-18 invoice. The contract sum for the period between July 1, 2015 to June 30, 2019 increased from \$741,526 to \$776,078.

FY 2018-19, the budget for contracted crossing guards was \$328,312.00, staff spent \$311,944.00 resulting in a budget savings of \$16,368. As of June 30, 2019, WPSI has been paid \$865,043.61, with a remaining three (3) open invoices in the amount of \$75,702 (Exhibit No. 8) bringing the total amount to be paid to WPSI of \$940,746.04. The contract maximum for the first one-year contract extension, 2018 Agreement, ending June 30, 2019 was \$776,078. At close of FY 2018-19, WPSI was paid \$88,965.61 over the contract maximum for regular contracted services. At the start of FY 2018-19, unpaid invoices from FY 2017-18 remained; staff used the unspent budget from FY 2017-18 and funding from the FY 2018-19 budget to pay these open invoices, resulting in a further negative account balance and \$88,965.61 spent over the contract maximum.

After the remaining balance of \$75,702 in open invoices is paid to WPSI, staff will have spent \$940,746.04 for contracted crossing guards between FYs 2015-16, 2016-17, 2017-18, 2018-19, for a total negative balance of **(\$181,035.18)**. The budget savings of \$16,368 for FY 2018-19 reduces the total negative balance owed to **(\$164,667.18)**. The continuous increase of contracted crossing guards and hourly rate changes led to payments to WPSI exceeding the contract sums during FYs

2015-16, 2016-17, 2017-18, and 2018-19.

Within the initial 2015 Agreement, staff stated the salary savings of part-time city crossing guards would mitigate encumbrances exceeding the budget for contracted services. Salary savings were not enough to cover the cost of expenditure. Further, Amendments to the 2015 Agreement and 2018 Agreement did not properly increase the contract maximum. Crossing Guard assignments were added by Council to be staffed by WPSI at much greater rates than the contract sum allowed. The City cannot pay the \$75,702 balance of open invoices until the contract sum has been amended.

Each fiscal year payments to WPSI have exceeded the contract sum as seen in the table below:

FISCAL YEAR	2015-16	2016-17	2017-18	2018-19
APPROVED BUDGET	\$ 167,500.00	\$152,466.00	\$127,800.00	\$328,312.00
EXPENDITURE	\$170,052.55	\$222,701.00	\$236,047.63	\$311,944.00
(OVER)/UNDERSPENT EA. FY	(\$2,552.55)	(\$70,235.00)	(\$108,247.63)	\$16,368.00
EXPENDITURE TOTAL FY 2015-19:		\$865,043.61		
BUDGETED 2015-19:		\$776,078.00		
BALANCE OWED FOR FY 2015-19:		(\$164,667.18)		

WPSI is currently providing contracted crossing guards to the City. City Council authorized Amendment No. 2 to the 2018 Agreement for FY 2019-20 for the amount of \$306,760 the second optional one-year contract extension (Exhibit No. 6), on June 18, 2019, with a contract maximum to not exceed \$1,082,838.

Contracted crossing guard services were not fully budgeted. To pay for services that have been provided and the remaining anticipated cost for regular services from now through the end of the contract on June 30, 2020, we would need to increase the contract maximum from \$1,082,838 to \$1,483,207.18 and appropriate an additional \$102,369 in the FY 2019-20 budget.

The contract service agreement with World Private Security Inc., will have reached the end of the initial terms of the 2015 Agreement and two (2) optional one-year contract extensions June 30, 2020. Staff is currently developing a Request for Proposals (RFP) for contracted crossing guard services.

V. FISCAL IMPACT

If the City Council approves staff recommendations, the fiscal impact would be the appropriation of \$102,369 from the general fund balance to account #101-55-593-133-6004.

VI. EXHIBITS

1. WPSI 2015 Agreement (pgs. 6 - 19)

2. WPSI 2015 Agreement Amendment No. 1 (pgs. 20 - 28)
3. WPSI 2015 Agreement Amendment No. 2 (pgs. 29 - 36)
4. WPSI 2018 Agreement (pgs. 37 - 69)
5. WPSI 2018 Agreement Amendment No. 1 (pgs. 70 - 77)
6. WPSI 2018 Agreement Amendment No. 2 (pgs. 78 - 90)
7. WPSI 2018 Agreement Amendment No. 3 (pgs. 91 - 98)
8. WPSI Open Invoices (pg. 99)

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