



CITY OF CARSON

Legislation Text

File #: 2019-1157, Version: 1

Report to Mayor and City Council

Tuesday, May 19, 2020

Consent

SUBJECT:

CONSIDER RESOLUTION NO. 20-012 AMENDING FISCAL YEAR BUDGET 2019-2020 BUDGET AND APPROVING AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN THE CITY OF CARSON AND AMERICAN GUARD SERVICES (CITY COUNCIL)

I. SUMMARY

The City entered into a contract service agreement with American Guard Services, Inc. (AGSI) for building security services for the period beginning June 1, 2018 through May 31, 2021 ("Agreement"). In 2019, due to increased security related incidents, City Council approved the first amendment to the Agreement to add a 24-hour, 7 day-per-week security service obligation for the Corporate Yard, but the number of approved hours was short due to a miscalculation.

The proposed second amendment to the Agreement ("Amendment") would approve funding for: (1) the services of one unauthorized security officer provided by AGSI in FY 18/19; (2) unauthorized overtime hours worked by the supervising officer to fulfill security obligations at City Hall and/or the Community Center; and (3) the addition of 80 hours per week of security services at the Corporate Yard to provide the full number of weekly hours needed to satisfy the 24-7 security requirement for that facility. The Amendment would increase the total contract sum by \$221,024.76, from \$658,797.40 to \$879,822.16.

II. RECOMMENDATION

1. CONSIDER APPROVAL of the attached proposed Amendment No. 2 to the Agreement for Contract Services between the City and American Guard Services, Inc. ("Amendment No. 2");
2. AUTHORIZE the Mayor to execute Amendment No. 2 following approval as to form by the City Attorney; and
3. ADOPT RESOLUTION No. 20-012, a RESOLUTION OF THE CARSON CITY COUNCIL AMENDING THE FISCAL YEAR 2019/20 BUDGET IN THE GENERAL FUND IN THE

AMOUNT OF \$126,150.00.

III. ALTERNATIVES

1. DO NOT APPROVE Amendment No. 2 or the budget resolution; and
2. TAKE any other action the City Council deems appropriate that is consistent with the requirements of the law.

IV. BACKGROUND

On May 1, 2018, the City Council awarded AGSI the Agreement to provide building security services at City Hall and the Community Center. The Agreement approved the services of one supervisor and three unarmed security officers.

On April 16, 2019, Council approved the first amendment to the Agreement (“Amendment No. 1”), adding a requirement to provide 24-hour, 7 days-a-week security at the Corporate Yard. At that time, it was calculated that an additional 88 hours of weekly security services would be enough to provide 24-hour, 7 days-a-week security at the Corporate Yard. Thereafter, the City received invoices that exceeded the 88-hour/week limit, and it was subsequently determined that a total of 168 additional weekly hours were originally needed to satisfy the obligation. The approval of only 88 weekly hours in Amendment No. 1 resulted in a shortfall of 80 weekly hours. Approval of the 80 remaining weekly hours is now needed to enable AGSI to properly fulfill the 24-7 coverage obligation.

Unauthorized Services

In the course of investigating the foregoing issue, staff identified two other issues of concern to the City.

First, although the original Agreement approved the services of one supervisor and three officers, AGSI inexplicably provided one supervisor and four security officers, resulting in the City being billed for one unauthorized security officer. The unauthorized officer performed services at City Hall and/or the Community Center from the time of commencement of the Agreement (June 1, 2018) until May 31, 2019. Unaware of the issue, staff had processed payment for these services, resulting in a shortfall in the contract sum.

Second, the Agreement provides for a field supervisor to be present at the City premises to supervise the security officers on duty, and provides that the field supervisor may work as a security officer. The Agreement specified the hourly rates for the officers and the supervisor and did not authorize overtime. Staff’s review showed that the supervisor had worked unauthorized overtime hours throughout the term of the Agreement to cover security obligations at City Hall and/or the Community Center. However, staff determined that City was billed at the normal hourly rates specified in the Agreement for these unauthorized overtime hours

The proposed Amendment No. 2 would correct the foregoing issues by making the

following changes to the Agreement:

1. Retroactively authorize an additional security officer at the Community Center from June 1, 2018 through May 31, 2019.
2. Retroactively authorize the unauthorized overtime hours worked by the supervisor from the time of commencement of the Agreement until the effective date of Amendment No. 2 (and not permit any overtime work thereafter), and add express language regarding indemnification in favor of the City for any claims related to the overtime hours worked; and
3. Authorize an additional 80 hours/week to enable AGSI to properly fulfill its 24-hours, 7 days-a-week security requirement at the Corporate Yard.

However, the City is not legally obligated to retroactively authorize any of the unauthorized services. Accordingly, the City Council may opt not to do so, in which case the City would inform AGSI accordingly and pursue refunds for the unauthorized services performed.

Below is the summary of contract sum additions by contract year: (i) as approved pursuant to Amendment No. 1; and (ii) as proposed by Amendment No. 2:

	Contract Year 1	Contract Year 2	Contract Year 3	Total
Original Contract	139,360	157,830	176,217	473,407
Amendment No. 1	6,240	84,519	94,632	185,391
Amendment No. 2	41,331	84,819	94,874	221,024
Total	186,931	327,168	365,723	879,822

V. FISCAL IMPACT

If Council approves staff recommendation, funds in the amount of \$51,150.00 for FY 2019/20 will have to be appropriated from the General Fund to account no. 101-55-592-127-6004 and \$75,000 will be from account no. 262-55-593-157-9401 Tow Fee Fund. Also, the proposed budget for FY 2020/21 will have to be increased by \$94,874.00 on account no. 101-55-592-127-6004.

VI. EXHIBITS

1. Original Contract
2. Amendment No. 1

3. Proposed Amendment No. 2.
4. Resolution No. 20-012 (Budget Resolution)

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