



CITY OF LONG BEACH **ORD-21**

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802

January 3, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Declare Ordinance read the first time and laid over to the next regular meeting of the City Council for final reading which, pursuant to Section 1806 of the City Charter, makes findings and determinations regarding contracting of security guard services; award a contract for Specifications No. PA-02805 to Contact Security, Inc., in an estimated annual amount of \$869,125 for a one-year period; and authorize amendments to extend the term for three additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is being requested to enter a contract for providing security guard services, which requires findings pursuant to Section 1806 of the City Charter, and to award a one-year contract, with options to extend for three years, to Contact Security, Inc., a Minority Women-owned Business Enterprise (MBE/WBE) at the following locations:

DEPARTMENT	FACILITIES
Health & Human Services	Main Health Facility
	West Facility Center
	North Facility Center
	Multi-Service Center
Community Development	Career Transition Center
	Neighborhood Resource Center
	Job Start Center
	Housing Authority Site
Public Works	Airport

The Fiscal Year 2006 (FY 06) budget adopted by the City Council on September 13, 2005, included the contracting out of security guard services at these sites. These services have been provided by a contractor since 1997 in an effort to reduce costs while maintaining City services.

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The contract, prepared in accordance with the City's longstanding service assessment process and pursuant to Section 1806 of the City Charter, is based on findings that the services provided can be performed as efficiently, effectively and at an estimated lower cost to the City than if the services were performed by employees of the City and that the contract will not be detrimental or adverse to the best interest of the City. The contract also requires the contractor to provide health care benefits, or make a monetary payment of \$1.25 per hour in lieu of such benefits to its full-time and part-time employees working under contract with the City.

The bid specifications were approved by Senior Deputy City Attorney Donna F. Gwin on September 22, 2005. All bidders were required to submit evidence indicative of their ability to finance, provide and sustain the specified services to the satisfaction of the City. This evidence includes a minimum of two consecutive years of recent experience providing services at facilities and areas similar in nature and scope to those required in the contract, a bidders bond, client and credit references, work history, proper licenses, proof of training and certification, and verification that the contractor has an on-going drug testing program for new and existing employees. In addition, all security guards are required to possess a Peace Officers Standard Training Certificate and submit to a background check. Upon contract award and before the start of the contract, the contractor is required to submit a performance bond, insurance certificates and an employee honesty bond. Finally, the contract has financial remedies for contractor non-compliance and non-performance that include payment deductions.

The bid was advertised on October 4, 2005, and 83 vendors specializing in security guard services were notified; twelve are Minority-owned Business Enterprises (MBEs), ten are Women-owned Business Enterprises (WBEs), and three are Long Beach businesses. The bid document was made available from the Purchasing Division located on the Plaza Level of City Hall and the Division's website at www.lbpurchasing.org. A bid announcement was also included in the Purchasing Division's weekly update on Open Bid Opportunities, which is sent to 32 local, minority, and women's groups. Bids were opened on October 27, 2005. Contact Security, Inc., a MBE/WBE of Brea, CA, was the lowest responsible bidder.

This contract allows the addition and deletion of sites as required by the City. Prior to the findings made by the City Auditor, the Health Department added the North Facility Center and deleted the WIC office. The number of guards and total hours did not change for the Health Department.

The attached City Auditor report certifies the City's cost to provide security guard services described in the work specifications adopted by the City Council to be \$1,279,324 annually. The total contract cost is \$518,366 for annual services, which, according to the City Auditor's analysis, is \$760,958 or 59 percent less, compared to what it would cost if City employees were to provide the same level of service.

After the completion of the City Auditor's Report, the Purchasing Division was informed of an urgent requirement for unarmed security guard services at the Long Beach Airport. This requirement is to replace security guards previously provided by the Transportation Security Administration (TSA). Contact Security, Inc., met with the Airport Chief of Security and determined that the requirements of the Long Beach Airport would be supplied at the same rate submitted in the security guard services bid. The airport requires two guards for two shifts. Based on the same rate submitted in the initial bid, the contractor's cost will increase to \$695,300 annually. The City Auditor's office has determined that since the rate remains consistent for both the contractor's cost and the City cost, the current findings remain valid.

This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin on December 1, 2005 and Budget Management Officer David Wodynski on December 15, 2005.

On December 15, 2005, the City Purchasing Agent advised the President of the International Association of Machinists and Aerospace Workers, by mail, of this contract and that no layoffs will result from its award.

TIMING CONSIDERATIONS

City Council action to declare Ordinance read the first time and laid over to the next regular meeting of the City Council for final reading and award a contract for Specifications No. PA-02805 to Contact Security, Inc., for providing security guard services, is requested on January 3, 2006, to ensure that a contract is in place expeditiously.

FISCAL IMPACT

The cost of Specifications No. 02805, in the estimated amount of \$869,125 annually, is budgeted in the various funds in the Health and Human Services, Community Development and Public Works departments. The proposed annual estimated amount is 25 percent above the base cost (\$695,300) to provide for non-scheduled work and emergency functions performed only at designated sites.

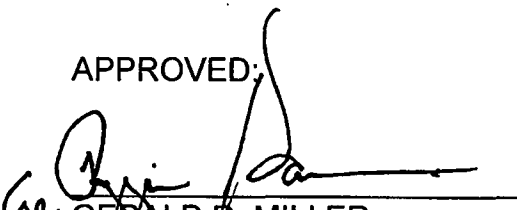
SUGGESTED ACTION:

Approve recommendation.

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Respectfully submitted,


MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED: 
GERALD R. MILLER
CITY MANAGER

MK:JV:LW:cm
12-13-05CouncilLtr-PA-02805-SecurityGuardSvcs-PropL.doc

Attachment