



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

November 23, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Third Amendment to Contract No. 27524 With Contact Security, Inc., for Security Guard Services at Various City Sites (Districts 1, 2, 5, 7, and 8)

DISCUSSION

The City Council is requested to exercise the third of three, one-year renewal options for Contract No. 27524 for security guard services with Contact Security, Inc. On October 9, 2001, the City Council adopted Ordinance No. C-7773, which made Proposition "L" findings pursuant to Section 1806 of the City Charter and awarded a one-year contract (No. 27524) with three, one-year extension options for security guard services to Contact Security, Inc., a Woman-owned Business Enterprise (WBE) at the following locations:

Health & Human Services Department

- Main Health Facility
- West Facility Center
- Women, Infants, and Children (WIC) Nutrition Supplement Program Center
- Multi-Service Center

Community Development Department

- Career Transition Center
- Neighborhood Resource Center
- Job Start Center (formerly Youth Opportunity Center)
- Housing Authority Site

Police

- Public Safety Building (during retrofitting)

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Ordinance No. C-7773 requires that, as a condition of renewal of the contract, the City Council make new Proposition "L" findings, which confirm that the services provided can be performed as efficiently, effectively, and at an estimated lower cost to the City than if said work or services were performed by employees of the City, and that the said contract will not be detrimental or adverse to the best interests of the City. The Ordinance also requires Proposition "L" contractors to provide health care benefits, or make a monetary payment of \$1.25 per hour in lieu of such benefits, to their full-time and part-time employees working under contract with the City.

In an effort to ensure that the City's security guard service needs are being met, a survey of departments' current needs was conducted. The survey resulted in a satisfactory performance rating for the current contractor. All security guards are required to possess a Peace Officers' Standard Training Certificate and submit to a background check by the Long Beach Police Department prior to working under the City contract. There are no additional sites being added to this contract.

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 \$1,487,113 annually. The total contract cost is \$628,552 for annual services, which, according to the City Auditor's analysis, is \$858,561 (or 58 percent) less, compared to what it would cost if City employees were to provide the same level of service.

On November 5, 2004 the City Purchasing Agent advised the President of the International Association of Machinists and Aerospace Workers, by mail, of the plans for renewal of this contract on December 1, 2004, and that no layoffs will result from its renewal.

It is recommended that the City exercise the third of three, one-year renewal options with Contact Security, Inc., at an annual amount not to exceed \$785,690. The proposed annual amount is 25 percent above the contract cost to provide for non-scheduled work and emergency functions performed at designated sites.

This matter was reviewed by Deputy City Attorney Donna F. Gwin on November 11, 2004 and by David Wodynski on November 12, 2004.

TIMING CONSIDERATIONS

The current contract expires on November 30, 2004. City Council action is requested on November 23, 2004 to ensure that an amendment to the contract is in place by December 1, 2004.

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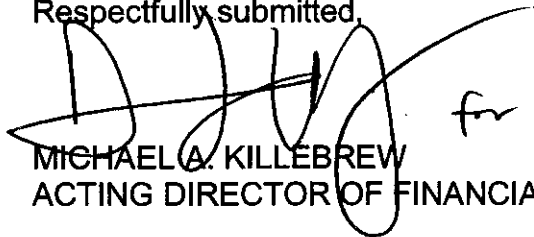
FISCAL IMPACT

The cost of this contract, in the estimated amount of \$785,690 annually, is budgeted in various funds of the participating departments. The proposed annual amount is 25 percent above the base cost of \$628,552 to provide for non-scheduled work and emergency functions performed at designated sites. This proposed contract is in compliance with the adopted Three-Year Financial Strategic Plan.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Make Proposition "L" findings and determinations pursuant to Section 1806 of the City Charter regarding contracting of security guard services at designated sites as certified herein, and authorize the City Manager to execute the third amendment to Contract No. 27524, for a one-year period with Contact Security, Inc., in an annual amount not to exceed \$785,690.

Respectfully submitted,



MICHAEL A. KILLEBREW
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



GERALD R. MILLER
CITY MANAGER

MAK:JV:cm
C#27524Amendment#3CouncilLtr

Attachment