



## REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**CONSENT**  
**February 24, 2009**

Honorable Mayor and  
Members of the City Council

**Title: Report Back and Renewal of Contract for Unarmed Security Guard Services**

**Location/Council District: Citywide**

**Recommendation:** Adopt a **Resolution:** 1) authorizing the City Manager or the City Manager's designee to execute a one-year extension of City Contract No. 2008-032 with National Security Services, Inc.; and 2) authorizing the City Manager or the City Manager's designee to execute the three remaining one-year renewal options as needed, not to exceed a total contract term of five years from March 24, 2008, provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

**Contact:** Craig Lymus, Interim Procurement Services Manager, 808-5524

**Presenters:** Not applicable

**Department:** General Services

**Division:** Procurement Services Division

**Organization No:** 13001061

### **Description/Analysis**

**Issue:** On February 26, 2008, City Council adopted Resolution No. 2008-106 awarding Contract No. 2008-032 to National Security Services, Inc. to provide unarmed security services to the City. National Security Services, Inc. began providing security services to the City on March 24, 2008. The current security services contract expires on March 23, 2009. The current contract provides for up to four one-year renewal options for unarmed security guard services by National Security Services, Inc. in a total amount not to exceed \$11,402,155. This report includes information on the contractor's performance during the FY2008/09 contract period thus far.

**Policy Considerations:** The recommendations in this report are in accordance with the provisions of City Code Section 3.56.



**Commission/Committee Action:** Not applicable

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** This project has been determined to be exempt from the requirements of CEQA, under Section 15061(b) (3) of the CEQA Guidelines which state that CEQA applies only to projects which have the potential for causing a significant effect on the environment and Section 15378(b) (2) of the CEQA Guidelines which state that CEQA review is not required for continuing administrative or maintenance activities.

**Sustainability Considerations:** Not applicable

**Rationale for Recommendation:** On February 26, 2008, City Council adopted Resolution No. 2008-106 awarding security services to National Security Services, Inc. Section 5 of Resolution 2008-106 states that subsequent options to extend the contract shall be approved by the City Council. The current City contract (No. 2008-032) for security guard services expires on March 23, 2009.

Staff frequently surveys Site Managers within the City to determine the effectiveness and efficiency of the services provided by National Security Services, Inc. The general consensus is that they are satisfied with the services received. The security guards assigned to City facilities continue to display professionalism and have a high degree of discretion. The State Bureau of Criminal Investigation has also exhaustively investigated each guard before being assigned to the City. The security guards undergo continuous training including but not limited to Cardio Pulmonary Resuscitation.

Based on the first year performance of National Security Services, Inc, this report recommends that City Council authorize the City Manager or the City Manager's designee to enter into a one-year extension to the contract , as well as authorizing the City Manager or the City Manager's designee to execute subsequent contract extensions as needed, provided that performance standards are maintained and there is sufficient funding availability in the remaining fiscal years.

**Financial Considerations:** Funding for unarmed security guard services will be provided from the operating budgets of the City departments utilizing this service. Sufficient funding is available for security services during the remainder of FY2008/09. The procurement of security services in the subsequent years of the contract shall be subject to funding availability in the adopted budgets for each applicable fiscal year. The total contract amount includes a three percent increase to comply with the City's Living Wage Ordinance with an additional two percent contingency to accommodate

unexpected increases for requirements such as special events or requests for additional services.

**Emerging Small Business Development (ESBD):** National Security Services, Inc. is certified by the City as an ESBD certified company.

Respectfully Submitted by: Craig B. Lymus  
Craig B. Lymus  
Interim Manager, Procurement Services

Approved by: Reina J. Schwartz  
Reina J. Schwartz  
Director, Department of General Services

Recommendation Approved:

*for* Ray Kerridge  
Ray Kerridge  
City Manager

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**Attachments**

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**Attachment 1**

**BACKGROUND INFORMATION**

On February 26, 2008, City Council adopted Resolution No. 2008-106 awarding National Security Services, Inc. a one-year contract effective March 24, 2008. The contract provided for the option to annually renew the contract for up to four additional years for a total contract amount not to exceed \$11,402,155. Section 5 of Resolution 2008-106 states that subsequent options to extend the contract shall be approved by the City Council.

At the time of contract award, City Council expressed concern that National Security Services, Inc. would provide healthcare services as specified in the bid under the Living Wage Ordinance (LWO). Staff has verified that National Security Services, Inc. has complied with this requirement by offering two Healthcare packages to employees in the form of Kaiser Permanente (HMO) and Blue Cross (PPO). Both plans include dental and vision and are provided at no cost to the employees. Both packages had a minimum enrollment of at least 14 employees to qualify for a discounted rate.

Staff determined that on April 1, 2008, the first month employees were eligible to sign up for the benefits, twenty employees signed up while the rest elected to take the full living wage pay of \$11.88 per hour. Recently, staff were informed that because of current economic conditions, some employees have elected to drop out of the health care plan opting instead to take the full pay of \$11.88 per hour.

In summary, through staff research and information contained in Attachment 2, as indicators, National Security Services, Inc. has met their obligation within the scope of the City's LWO requirements. Staff recommends authorizing the renewal of the contract for the remaining option periods.

Attachment 2



# NATIONAL SECURITY SERVICES

STATE LIC. P.P.O. #13103

*Serving The Great State of California*

September 18, 2008

City of Sacramento  
Attention: Sonny Eboigbe  
Procurement Services Division  
915 I. St., 2nd Floor  
Sacramento, CA 95814

Dear Mr. Eboigbe,

This letter is in response to your recent inquiry regarding the Health care benefits offered to National Security Services, Security Guards assigned to City of Sacramento facilities, consistent with CEO Michael Gerami's declaration to City Council meeting on February 26, 2008.

We offer our employees two Health Care Providers – Kaiser Permanente (HMO Plan) and Blue Cross of California (PPO Plan). As part of the commitment to our employees, we researched numerous providers before selecting these two using criteria which includes but are not limited to the following: reputation of provider, advantages of plan based on overall benefits, flexibility, co-payment and co pay for prescriptions. The Medical plan also includes **Dental and Vision**.

For (Blue Cross of California), please refer to the attached summary of features. National began Security services to the City on March 24, 2008. Employees were eligible to enroll in either plan on April 1, 2008. Twenty (20) employees have enrolled and taken advantage of this health insurance. Others elected not to enroll on grounds they already have coverage with family or spouses and/or chose to receive the living wage pay.

Let me know if you need additional information.

Sincerely,

  
Mary Ann Garcia

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2081 CURTNER AVE.  
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**SANTA CRUZ:**  
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1217 DEL PASO BLVD. STE. A  
SACRAMENTO, CA 95815  
916-779-0640

**BLUE CROSS - MEDICAL  
PPO \$35 COPAY GENRx PLAN**

*All amounts listed are the member's responsibility to pay after deductibles, unless otherwise noted: In-network negotiated fees can result in 30 to 40% savings compared to provider's usual fees.*

CORE FEATURES	IN-NETWORK Receive Negotiated Savings	
Annual Deductible In-network and out-of-network combined, annual deductible applies towards annual out-of-pocket maximum	\$500 for all medical services except office visits, HealthyCheck screenings and prescription drugs; two-member maximum	
Maximum Lifetime Covered Charges Paid by Blue Cross In network and out-of-network combined	\$5,000,000	
Annual out-of-Pocket Maximum	\$4,000 per member, two member maximum Certain member payments do not apply	Once Blue Cross payments reach \$10,000 per member, member pays nothing for covered expenses for the remainder of the year except charges over the allowed amounts
Office visits Not subject to annual deductible	\$35 copay for the first 12 visits per member, additional office visits 45% of negotiated fee	50% of negotiated fee plus 100% of excess charges
Other Professional Services Includes maternity, diagnostic lab & X-ray	35% of negotiated fee after annual deductible	50% of negotiated fee plus 100% of excess charges after annual deductible
Hospital Inpatient Facility Services Preservice Review required	35% of negotiated fee after annual deductible	All charges in excess of \$850 per day after annual deductible
Hospital Inpatient Professional Services (lab, physician, anesthesia)	35% of negotiated fee after annual deductible	50% of negotiated fee plus 100% of excess charges after annual deductible
Outpatient Facility Services Preservice Review required for certain services and procedures	35% of negotiated fee after annual deductible	All charges in excess of \$300 per day after annual deductible
Ambulatory Surgical Centers Preservice Review required	35% of negotiated fee after annual deductible	All charges in excess of \$300 per day after annual deductible
Prescription Drugs Coverage only for generic drugs listed on the Drug Formulary; brand-name drugs are not covered, but may be purchased at Blue Cross negotiated savings from in-network pharmacies by presenting Blue Cross membership card  Infertility drug lifetime maximum Blue Cross payment \$1500 in-network and out-of-network combined  Amounts shown are copays for 30-day supply retail; up to a 60-day supply available by mail order	Generic: \$15 copay  Brand name: not covered  Generic self-injectable (except insulin): 30% of negotiated fee	50% of drug limited fee schedule plus 100% of excess charges if filled within California for generic drugs listed on the Drug Formulary
HealthyCheck Screenings, Ages 7-Adult Includes certain lab tests, immunizations and health education information	Not subject to annual deductible \$25 or \$75 copay health screening options	Not available

**BLUE CROSS - MEDICAL  
PPO \$35 COPAY GENRx PLAN**

ADDITIONAL FEATURES	IN-NETWORK Receive Negotiated Savings	
<p><b>Well Baby Immunizations and Adult Screening Tests</b>                       Children through age 6                      Regular check-up and immunizations                       Ages 7-Adult                      Includes annual Pap, breast exam and mammogram for women and Prostate Specific Antigen study for men</p>	<p>\$38 copay for office visit (not subject to deductible); 35% of negotiated fee for all other covered services</p>	<p>50% of negotiated fee plus 100% of excess charges after annual deductible</p>
<p><b>Emergency Care</b>                      \$100 Emergency Room copayment for each visit - waived if admitted</p>	<p>35% of negotiated fee after annual deductible</p>	<p>35% of customary and reasonable charges plus 100% of excess charges for first 48 hours after annual deductible; after 48 hours, all charges in excess of \$650 per day after annual deductible</p>
<p><b>Ambulance</b></p>	<p>35% of negotiated fee after annual deductible</p>	<p>50% of negotiated fee plus 100% of excess charges after annual deductible</p>
<p><b>Skilled Nursing Facility</b>                      100 days per year, in-network and out-of-network combined;                      Preservice Review required</p>	<p>35% of negotiated fee after annual deductible</p>	<p>All charges in excess of \$150 per day after annual deductible</p>
<p><b>Home Health Care</b>                      100 four-hour visits per year in-network and out-of-network combined;                      Preservice Review required</p>	<p>35% of negotiated fee after annual deductible</p>	<p>All charges in excess of \$75 per day after annual deductible</p>
<p><b>Physical / Occupational Therapy, Chiropractic Care</b>                      12 visits per year, in-network and out-of-network combined</p>	<p>35% of negotiated fee after annual deductible</p>	<p>All charges in excess of \$25 per visit after annual deductible</p>
<p><b>Acupuncture / Acupressure</b>                      24 visits per year, in-network and out of network combined</p>	<p>All of the negotiated fee in excess of \$25 per visit after annual deductible</p>	<p>All charges in excess of \$25 per visit after annual deductible</p>
<p><b>Mental Health / Inpatient*</b>                      Includes chemical dependency                      30 days per year, in-network and out-of-network combined;                      Preservice Review required</p>	<p>All of the negotiated fee in excess of \$175 per visit after annual deductible</p>	<p>All charges in excess of \$175 per visit after annual deductible</p>
<p><b>Mental Health / Outpatient professional services*</b>                      Includes chemical dependency                      One visit per day; 20 visits per year, in-network and out-of-network combined</p>	<p>All of the negotiated fee in excess of \$25 per visit after annual deductible</p>	<p>All charges in excess of \$25 per visit after annual deductible</p>
<p><b>Infusion Therapy</b>                      Includes chemotherapy                      Preservice Review required</p>	<p>35% of negotiated fee after annual deductible</p>	<p>All charges in excess of \$50 per day; for all infusion therapy expenses except drugs; all charges in excess of the average wholesale price for all infusion therapy drugs; all charges in excess of the combined maximum Blue Cross payment of \$500 per day; after annual deductible</p>
<p><b>Infertility Services</b>                      Maximum Lifetime Blue Cross payment \$2,000, in network and out-of-network combined</p>	<p>\$500 copay plus 35% of the balance of negotiated fee after annual deductible</p>	<p>\$500 copay plus 50% of the balance of negotiated fee plus 100% of excess charges after annual deductible</p>

\* Except for coverage of severe mental illness and serious emotional disturbances of a child.

**BLUE CROSS - DENTAL**

<b>What The Plan Pays:</b>	<b>In-Network</b>	<b>Out</b>
Annual Deductible - per member / 3-member family maximum <b>Waived In-network for Preventive &amp; Diagnostic Services</b>	<b>\$75 / \$150</b>	
Annual Maximum - per member	<b>\$1,000</b>	
Preventive & Diagnostic Services Cleanings, fluoride application, oral exams, X-rays	100%	100%
Minor Restorative Services Filling of cavities (amalgam and resin)	50%	50%
Major Restorative Services		
<b>Oral surgery:</b> Tooth extraction	50%	50%
<b>Endodontics:</b> Root canal therapy	50%	50%
<b>Periodontics:</b> Scaling (root planning)	50%	50%
<b>Prosthodontics:</b> Crowns, bridges and dentures	50%	50%
Orthodontic Services	Not covered	
Lifetime maximum per member	Not covered	

**BLUE CROSS - VISION**

**Benefits**

Eye Examination	Every 12 months
Lenses	Every 12 months
Contact Lenses*	Every 12 months
Frames	Every 12 months
In-Network Copay	
<b>EYE EXAMINATION COPAY</b>	<b>\$15</b>
In-Network Benefits	
<b>EYE EXAMINATION</b>	Covered up to a comprehensive level exam with dilation as necessary after exam copay
<b>LENSES (Standard)</b>	Plastic lenses in single vision, bifocal or trifocal
Single vision	Covered in full
Bifocal lenses	
Progressive lenses	\$65
Trifocal lenses	Covered in full
<b>FRAME</b>	Covered up to \$120 retail value, 20% off the balance over the allowance
<b>CONTACT LENSES</b>	Benefit allowance applies to fit, follow-up and materials
Elective	
Conventional	Covered up to \$115 allowance, 15% off balance over allowance
Disposable	Covered up to \$115 allowance
Non-elective**	Covered in full
<b>ADDITIONAL DISCOUNTS</b>	Discounts available from Participating Providers
Out-of-Network Reimbursement	
<b>EYE EXAMINATION</b>	Reimbursed up to \$40
<b>LENSES (Standard)</b>	
Single vision	Reimbursed up to \$35
Bifocal lenses	Reimbursed up to \$40
Progressive lenses	Reimbursed up to \$40
Trifocal lenses	Reimbursed up to \$74
<b>FRAME</b>	Reimbursed up to \$50
<b>CONTACT LENSES</b>	
Elective	
Conventional	Reimbursed up to \$92
Disposable	Reimbursed up to \$92
Non-elective**	Reimbursed up to \$250

\* Covered for these PPO Vision plans include choice of eyeglass lenses OR contact lenses, not both.

\*\* Non-elective contact lenses are those prescribed following cataract surgery or for extreme visual acuity or other functional problems not treatable by eyeglass lenses.



## NATIONAL SECURITY SERVICES

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September 18, 2008

City of Sacramento  
Attention: Sonny Eboigbe  
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Dear Mr. Eboigbe,

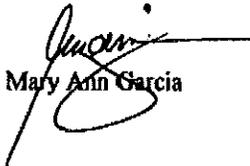
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We offer our employees two Health Care Providers - Kaiser Permanente (HMO Plan) and Blue Cross of California (PPO Plan). As part of our commitment to our employees, we researched numerous providers before selecting these two using criteria which includes but are not limited to the following: reputation of provider, advantages of plan based on overall benefits, flexibility, co-payment and co pay for prescriptions. The Medical plan also includes Dental and Vision.

For **(Kaiser Permanente)**, please refer to the attached summary of features. This plan does not include a pre-existing condition clause. National began Security services to the City on March 24, 2008. Employees were eligible to enroll in either plan on April 1, 2008. They have an option not to enroll on grounds they already have coverage with family or spouses and/or chose to receive the living wage pay.

Let me know if you need additional information.

Sincerely,



Mary Ann Garcia

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**KAISER PERMANENTE - \$50 COPAYMENT PLAN  
HEALTH PLAN BENEFITS AND COVERAGE**

<b>FEATURES</b>	<b>MEMBER PAYS</b>
<b>MEDICAL CALENDAR-YEAR DEDUCTIBLE</b>	\$0
<b>PHARMACY CALENDAR - YEAR DEDUCTIBLE</b>	\$250 for brand prescriptions
<b>ANNUAL OUT-OF-POCKET MAXIMUM</b> Self-only enrollment / Family enrollment	\$3,500 / \$7,000
<b>IN THE MEDICAL OFFICE</b> Office visits Preventive exams Maternity / Prenatal care Well-child preventive care visits Vaccines (immunizations) Allergy injections Infertility services Occupational, physical, and speech therapy Most labs and imaging MRI / CT / PET Outpatient surgery	\$50 \$50 \$15 \$15 \$0 \$5 Not covered \$50 \$10 \$50 \$250 per procedure
<b>EMERGENCY SERVICES</b> Emergency Department visits (waived if admitted directly to hospital) Ambulance <b>PRESCRIPTIONS</b> Generic Brand-name	\$150 \$300 (up to a 100-day supply) \$10 \$35 (after pharmacy deductible)
<b>HOSPITAL CARE</b> Physicians' services, room and board, tests, medications, supplies, therapies Skilled nursing facility care (up to 100 days per benefit period)	\$500 per day up to \$3,500 maximum \$0
<b>MENTAL HEALTH SERVICES</b> In the medical office (up to 20 visits per calendar year) In the hospital (up to 30 days per calendar year) <b>CHEMICAL DEPENDENCY SERVICES</b> In the medical office In the hospital (detoxification only)	\$50 Individual \$25 group \$500 per day \$50 Individual \$500 per day
<b>OTHER</b> Certain durable medical equipment (DME)  Optical (eyewear) Vision exam Home health care (up to 100 two-hour visits per calendar year) Hospice care	Not covered  Not covered \$50 \$0 \$0

Note: Kaiser Permanente plans do not include a pre-existing clause

**KAISER GROUP DENTAL INSURANCE PLANS**

<b>Service</b>	<b>Plan Pays</b>	<b>Limitations</b>
<b>Exam</b>	100%	Twice in a calendar year
<b>Bitewing X-rays</b> X-rays of the top and bottom molars and premolars to show decay between teeth or under fillings	100%	Twice in a calendar year for children through age 18, or once in a calendar yr. for adults ages 19 and over
<b>Other X-rays</b>	80%	Full-mouth x-rays, single x-rays, & panographic x-rays once in any five year period
<b>Prophylaxis</b> a professional cleaning to remove plaque, calculus (mineralized plaque), and stains to help prevent dental disease	100%	Twice in a calendar year
<b>Fluoride treatments</b> a treatment with a chemical compound that prevents cavities and makes the tooth surface stronger so the teeth can resist decay	100%	Only for children up to age 19, twice in a calendar year
<b>Calendar-year deductible</b>	No deductible	
<b>Annual maximum</b>	\$500	Per person per calendar year
<b>Palliative care</b> any form of medical care or treatment that concentrates on reducing the severity of disease symptoms.	80%	Usual, customary, and reasonable
<b>Denture relines</b>	Not covered	
<b>Space maintainers</b>	100%	Usual, customary, and reasonable
<b>Fillings</b>	80%	Usual, customary, and reasonable
<b>Stainless steel crowns</b>	80%	Usual, customary, and reasonable
<b>Endodontics</b>	Not covered	
<b>Periodontics</b>	Not covered	
<b>Oral surgery</b>	Not covered	
<b>Prosthodontics</b>	Not covered	
<b>Orthodontics</b>	Not covered	

**RESOLUTION NO. 2009 - XXX**

Adopted by the Sacramento City Council

February 24, 2009

**AUTHORIZING RENEWAL OF THE CONTRACT WITH NATIONAL SECURITY SERVICES, INC. FOR UNARMED SECURITY GUARD SERVICES**

**BACKGROUND**

- A. On February 26, 2008, City Council adopted Resolution No. 2008-106 awarding Contract No. 2008-032 to National Security Services, Inc. to provide unarmed security services to the City. Section 5 of Resolution 2008-106 states that subsequent options to extend the contract shall be approved by the City Council.
- B. The City of Sacramento has ongoing requirements for unarmed security guard services citywide. The current contract which was effective on March 24, 2008 expires March 23, 2009. The contract provides for the option to annually renew the contract for up to four additional years.
- C. Based on the first year performance of National Security Services, Inc, staff recommends that City Council authorize the City Manager or the City Manager's designee to enter into a one-year extension to the contract, as well as authorizing the City Manager or the City Manager's designee to execute subsequent contract extensions as needed, provided that performance standards are maintained and there is sufficient funding availability in the remaining fiscal years.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager or the City Manager's designee is authorized to execute a one-year extension of City Contract No. 2008-032 with National Security Services, Inc.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the three remaining one-year renewal options as needed, not to exceed a total contract term of five years from March 24, 2008, provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).