

Meeting Date: 3/18/2014

Report Type: Consent

Report ID: 2014-00173

Title: Contract Supplement: Uniformed Unarmed Security Guard Services

Location: Citywide

Recommendation: Pass a Motion 1) authorizing the City Manager or the City Manager's designee to execute a contract extension with National Security Services, Inc. for sixty days for the continuation of uniformed unarmed security guard services in a total amount not to exceed \$1,113,568; and 2) ratifying prior expenditures for unarmed security services with National Security Services, Inc. in the amount of \$692,568.

Contact: Rochelle Tillman, Administrative Technician, (916) 808-5748; Craig Lymus, Procurement Services Manager, (916) 808-5524, Department of Finance

Presenter: None

Department: Finance

Division: Procurement Services

Dept ID: 06001511

Attachments:

1-Description/Analysis

2-Attachment 1

3-Contract

City Attorney Review

Approved as to Form

Lan Wang

3/5/2014 9:45:09 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 3/3/2014 6:17:21 PM

Description/Analysis

Issue Detail: Description/Analysis

Issue: The City has an ongoing requirement for uniformed unarmed security guard services for approximately 22 City facilities. The existing City contract (Contract No. 2008-032) with National Security Industries & Services will expire on March 24, 2014. On November 13, 2013, Procurement Services issued Bid No. B14061511003. Seven contractors responded to the IFB. Since the notice of recommendation of award, a bid protest has been filed and the City is awaiting the hearing examiner's decision. This contract extension is necessary in order to ensure continued service until the protest decision is reached and the contract award can be finalized.

Policy Considerations: The recommendations in this report are in accordance with 1) City Code Chapter 3.58 requiring the payment of a living wage for certain non-professional services contracts, and 3) Administrative Policy 4101 for the procurement of non-professional services.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): No environmental review is necessary because the recommendations in this report involve the administrative activity of contracting for the purchase of uniformed unarmed security guard services and are not considered to be a project in accordance with Section 15378(b)(2) of the CEQA Guidelines.

Sustainability: Not applicable

Commission/Committee Action: None

Rationale for Recommendation: On November 13, 2013, Procurement Services issued an Invitation for Bid (IFB) No. B14061511003 soliciting qualified contractors to provide uniformed unarmed security guard services.

Seven bids were received and opened by the City Clerk on December 18, 2013. Subsequent to the bid opening, the lowest bidder, First Alarm, withdrew its bid based on a mistake that led to its bid being lower than intended. City staff accepted the bid withdrawal. Upon notice of recommendation of award to the next lowest bidder, a valid bid protest was filed pursuant to City Code Chapter 3.60.480.

This report also recommends that City Council ratify prior expenditures for unarmed security services made in FY2012/13 and the first eight months of FY2013/14 that exceeded the authorized contract amount in a total amount of \$692,568. This issue was discovered when staff prepared the supplemental agreement to extend the contract. Procurement staff is improving its process to closely monitor the use of citywide contracts to prevent overspending from reoccurring.

Financial Considerations: In determining the recommended spending authority, staff reviewed the expenditure history for this service and considered future needs. The recommended not-to-exceed amount is \$1,113,568; this includes the amount needed to ratify previous purchases.

Funding for uniformed unarmed security guard services will be provided by the operating budgets of the departments utilizing this service. Sufficient funding is available in the FY2013/14 budget for security services through June 30, 2014. Purchases made after June 30, 2014, are subject to funding availability in the adopted budgets for the applicable fiscal year.

Local Business Enterprise (LBE): Not applicable

Background:

On February 26, 2008, City Council adopted Resolution No. 2008-106 awarding a one-year contract with up to four one-year renewal options to National Security Services for unarmed security guard services in a total amount not to exceed \$11,402,155 for the five-year period.

On December 4, 2012, with the end of the original contract term approaching, City Council passed a motion suspending competitive bidding in the best interests of the City and authorizing the use of a Request for Qualifications (RFQ) process to solicit qualified contractors to participate in an Invitation for Bid for unarmed security guard services.

On December 5, 2012, Procurement Services issued RFQ No. Q13131061002. Six contractors responded to the RFQ. Two contractors, National Security Industries & Services and Paladin Private Security, were determined to be pre-qualified.

On December 13, 2012, National Security Industries & Services, the current provider, submitted an unsolicited proposal to the City. The proposal offered significant financial discounts, including a 6.9 percent reduction from the current hourly rate, no rate increases for the next three years, and continuation of the 1 percent prompt payment discount.

On February 26, 2013, City Council extended the five-year contract for one additional year to National Security Industries & Services for unarmed security guard services in a total amount not to exceed \$13,907,311 over the six-year period.

On November 13, 2013, with the end of the contract extension term approaching, Procurement Services issued IFB No. B14061511003. Seven contractors responded to the IFB. The lowest bidder, First Alarm withdrew their bid. Since the notice of recommendation of award, a bid protest has been filed and the City is currently awaiting the hearing examiner's decision.



City of Sacramento

Item# 2014-00073

Tax ID # if applicable:

Requires Council Approval: No YES Meeting: 3/18/14

Real Estate Other Party Signature Needed Recording Requested

General Information

| | | |
|--|-------------------------------|---|
| Type: Non Professional Services | PO Type: INPR | Attachment: Original No.: 4 Original Doc Number: 2008-032 |
| \$ Not to Exceed: \$15,020,879.00 | | |
| Other Party: National Security Industries & Services | | Certified Copies of Document:: |
| Project Name: Unarmed Security Guard Services | | Deed: <input checked="" type="checkbox"/> None <input type="checkbox"/> Included <input type="checkbox"/> Separate |
| Project Number: | Bid Transaction #: B081181035 | E/SBE-DBE-MWBE: |

Department Information

Department: Finance Division: Procurement
 Project Mgr: Rochelle Tillman Supervisor: Craig Lymus
 Contract Services: Date: 2/24/14 Division Mgr: Craig Lymus
 Phone Number: 808-5748 Org Number: 06001511 Comment:

Review and Signature Routing

| Department | Signature or Initial | Date |
|-------------------------------------|----------------------|--------|
| Initial and Forward to Next on List | | |
| Project Mgr: | <i>RT</i> | 3/5/14 |
| Accounting: | n/a | |
| Contract Services: | | |
| Supervisor: | <i>CL</i> | 3/5/14 |
| Division Manager: | <i>CL</i> | 3/4/14 |
| City Attorney | Signature or Initial | Date |
| Initial and Date | | |
| City Attorney (L Wang): | <i>LW</i> | 3/8/14 |

Send Interoffice Mail Notify for Pick Up

| Authorization | Signature or Initial | Date |
|---|----------------------|------|
| Choose Director | | |
| Leyne Milstein - Dept Director: | | |
| CONTROL # | | |
| City Mgr: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | | |

For City Clerk Processing

Finalized:

Initial: _____

Date: _____

Imaged:

Initial: _____

Date: _____

Received:
(City Clerk Stamp Here)

Project Title and Job Number: Unarmed Security Guard Services
Purchase Order #:

Date: 2/24/2014
Contract Supplement No.: 4

The City of Sacramento ("City") and National Security Industries & Services, 1217 Del Paso Blvd., Sacramento, CA 95815 ("Contractor"), as parties to that certain Nonprofessional Services Agreement designated as Agreement Number 2008-032, including any prior contract supplements modifying said agreement (said agreement and contract supplements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The Scope of Services specified in Exhibit A of the Agreement is amended as follows: the Agreement is extended 60 (sixty) days through May 23, 2014.
2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses, is **increased** by \$1,113,568.00, and said maximum not-to-exceed amount is amended as follows:

| | |
|--|----------------------|
| Agreement's original not-to-exceed amount: | <u>11,402,155.00</u> |
| Net change by previous contract supplements: | <u>2,505,156.00</u> |
| Not-to-exceed amount prior to this contract supplement: | <u>13,907,311.00</u> |
| Increase by this contract supplement: | <u>1,113,568.00</u> |
| New not-to exceed amount including all contract supplements: | <u>15,020,879.00</u> |

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor.
4. Contractor warrants and represents that the person or persons executing this contract supplement on behalf of Contractor has or have been duly authorized by Contractor to sign this contract supplement and bind Contractor to the terms hereof.
5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this contract supplement.

Approval Recommended By:

Approved As To Form By:



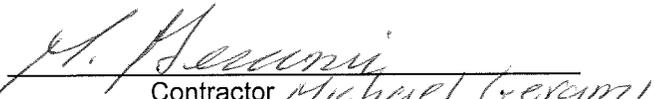
 Project Manager



 City Attorney

Approved By:

Attested To By:



 Contractor *Michael Gerami*

Approved By:

City of Sacramento

City Clerk



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

2/6/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | |
|---|---|
| PRODUCER Michael Ehrenfeld Company 2655 Camino Del Rio North #200 San Diego CA 92108 | CONTACT NAME: Joanie Cramer PHONE (A/C No. Ext): (619) 683-9990 E-MAIL ADDRESS: jcc@ehrenfeldinsurance.com FAX (A/C No.): (619) 683-9999 |
| INSURED National Security Industries Inc., National Security Services, Inc., National Security Santa Cruz, National Security Guard 940 Park Avenue San Jose CA 95126 | INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Indemnity INSURER B: Everest National Insurance INSURER C: Hartford Fire Insurance Company 19682 INSURER D: INSURER E: INSURER F: |

COVERAGES

CERTIFICATE NUMBER: CL142643131

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|-------------------------------------|----------------|-------------------------|-------------------------|--|
| A | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | X | PHPK1131223 | 2/6/2014 | 2/6/2015 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 |
| A | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | PHPK1131223 | 2/6/2014 | 2/6/2015 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ |
| A | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$ | | | PHUB449140 | 2/6/2014 | 2/6/2015 | EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ |
| B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | | Y/N <input type="checkbox"/> N/A | 5300001579-131 | 5/1/2013 | 5/1/2014 | WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| C | CRIME | | | 72BDDFQ7102 | 2/14/2014 | 2/14/2015 | EMPLOYEE THEFT \$500,000 FORGERY, MONEY IN & OUT \$500,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 THE CITY OF SACRAMENTO, ITS OFFICIALS, EMPLOYEES Form attached PI-MANU-1. WAIVER OF SUBROGATION FOR WORKERS COMPENSATION WC040306 ATTACHED

CERTIFICATE HOLDER

CANCELLATION

City of Sacramento
 c/o EBIX BPO
 P.O. Box 257 Ref #106-2327508
 Portland, MI 48875-0257

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Fred Liebel/JCC

ACORD 25 (2010/05)

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INS025 (201005) 01

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WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 5 % of the California workers' compensation premium otherwise due on such remuneration.

SCHEDULE

PERSON OR ORGANIZATION

JOB DESCRIPTION

ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED HAS AGREED BY WRITTEN CONTRACT TO FURNISH THIS WAIVER.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

PRIMARY/NON-CONTRIBUTORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Schedule

Name and Address of Person or Organization:

Any Person or Organization as Required by Written Contract.

It is understood and agreed that coverage for the person or organization shown in the above schedule is primary and non-contributory as respects liability created by the errors, acts or omissions of the named insured herein and subject to the terms and conditions in the Additional Insured Endorsement attached hereto.

All other terms, conditions, limitations, and exclusions of this policy are unchanged and applicable.

All other terms and conditions of this Policy remain unchanged.

STATEMENT OF FEES AND CHARGES

LETTER OF CREDIT # 3092579
 CUSTOMER NUMBER C0119822

PAGE 1
 STATEMENT-DATE 03/25/13

NATIONAL SECURITY INDUSTRIES AND
 ATTN: MAGID GERAMI
 SERVICES
 2081 CURTNER AVENUE
 SAN JOSE CA 95124

US DOLLARS

YOUR REFERENCE:
 APPLICANT: NATIONAL SECURITY SERVICES, INC.
 BENEFICIARY: CITY OF TREASURER'S OFFICE

SUMMARY OF FEES

| DATE INCURRED | FEE / CHARGE DESCRIPTION | FEE / CHARGE AMOUNT |
|--------------------|--------------------------|---------------------|
| 03/24/13 | AUTO EXTEND - STANDBY | 200.00 |
| TOTAL FEES DUE USD | | 200.00 |

SUMMARY OF LETTER OF CREDIT COMMISSIONS

| PERIOD | OUTSTANDING AMOUNT | RATE | DAYS YEAR | COMMISSION AMOUNT |
|------------------------------------|--------------------|----------|-----------|-------------------|
| 03/25/13 - 03/24/14 USD | 500,000.00 | 2.000000 | 365 360 | 10,138.89 |
| TOTAL STANDBY COMMISSIONS USD | | | | 10,138.89 |
| TOTAL COMMISSIONS AND FEES DUE USD | | | | 10,338.89 |

WE CHARGED YOUR DDA ACCOUNT # XXXXXXXX5163 TODAY

FOR QUESTIONS REGARDING THIS TRANSACTION,
 PLEASE CALL 800-541-6096 OR FAX 213-457-8841

ORIGINAL