

**Meeting Date:** 2/10/2015

**Report Type:** Review

**Report ID:** 2015-00101

**Title: (Agreement/Contract for Review and Information) Agreement: Uniformed Unarmed Security Guard Services**

**Location:** Citywide

**Recommendation:** Review a report: 1) authorizing the City Manager or the City Manager's designee to execute a contract extension with Securitas Security Services, USA Inc. for 72 days for the continuation of uniformed unarmed security guard services in a total amount not to exceed \$1,264,265; 2) authorizing the City Manager or the City Manager's designee to execute the contract extension; and 3) continue to February 17, 2015, for approval.

**Contact:** Katherine Robbins, Procurement Analyst, (916) 808-1562; 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

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### **City Attorney Review**

Approved as to Form

Lan Wang

2/2/2015 1:32:58 PM

### **Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 1/29/2015 10:50:18 AM

## Description/Analysis

**Issue Detail:** The City has an ongoing requirement for uniformed unarmed security guard services for approximately 22 City facilities. The existing City contract (Contract No. 2014-1148) with Securitas Security Services USA, Inc. (Securitas) will expire on February 18, 2015. At this time the City is unable award a long-term contract for security services as a bid protest has been filed by the previous contractor National Security Industries (National) and the City is awaiting the hearing examiner's decision. This contract extension is necessary in order to ensure continued service until the bid protest decision is reached and a recommendation for the contract award can be finalized and considered by Council.

**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, 2) City Code Chapter 3.60 Public Projects, 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:** The City has an ongoing requirement for uniformed unarmed security guard services for approximately 22 City facilities. The existing City contract (Contract No. 2014-1138) will expire February 18, 2015.

On November 13, 2014, staff recommended to Council to award a 90-day contract effective November 18, 2014, to Securitas as the lowest responsive and responsible bidder and requested authorization for the City Manager to administer the transition from the former provider National to Securitas.

Upon notice of recommendation of award to Securitas a valid bid protest was filed by National pursuant to City Code Chapter 3.60.480 on November 19, 2014. The recommended 72-day extension will meet the City's needs for ongoing security guard services and provide sufficient time to conclude the bid protest process.

**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 \$1,264,265.

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 FY2014/15 budget for security services through April 30, 2015.

**Local Business Enterprise (LBE):** Securitas Security Services USA is a LBE.

## ATTACHMENT 1

### **Background:**

On May 20, 2014, Procurement Services presented a recommendation to Council to adopt the findings of fact issued by the Hearing Examiner on the bid protest filed by Securitas, and to award the contract to National. After hearing from all interested parties, the City Council rejected all bids and directed Procurement Services to extend the existing contract to November 1, 2014, to allow additional time to rebid the project.

On July 7, 2014, Procurement Services issued an Invitation for Bid (IFB) No. B15061511003. A total of nine contractors responded to the IFB. The bids were received and opened by the City Clerk on August 6, 2014. National was determined to be the lowest responsive bidder. Of the nine contractors who submitted bids, six were determined to be non-responsive.

On October 28, 2014, Procurement Services presented a recommendation to Council to award the contract to National. However, Council received information on the morning of the hearing that warranted an investigation into possible contract, labor, and wage violations. Council requested the item be continued to November 13, 2014, and the existing contract extended to November 18, 2014, to allow procurement staff time to investigate the allegations. The investigation was initiated on November 3, 2014, and concluded on November 10, 2014.

On November 13, 2014 staff revised the decision to award the contract to National based upon the evidence obtained during the course of the investigation. The City has determined that National has not complied with the current contract, by: (1) failing to maintain required equipment (cellphones, vehicles, and diggies), (2) misrepresenting CPR and First Aid training levels for security staff in its bid submittal for IFB B15061511003, and (3) failing to meet the City's guard staffing requirements pursuant to the technical specifications outlined in the contract.

On November 14, 2014, staff sent National official notification that they were in violation of the City contract. On November 18, 2014, staff recommended that Council to award a 90-day temporary contract to Securitas as the lowest responsive and responsible bidder and requested authorization for the City Manager to administer the transition from National to Securitas.

On November 19, and 20, 2014 National filed bid protests with the City Clerk's Office. The administrative hearing on the bid protest began on January 14, 2015 and is tentatively scheduled to conclude in early March. This recommendation allows for the continuation of security guard services until the bid protest decision is reached and a recommendation for the contract award can be finalized and considered by Council.



# City of Sacramento

Tax ID # if applicable:

Requires Council Approval:  No  YES Meeting: 2/10 & 2/17

Real Estate  Other Party Signature Needed  Recording Requested

## General Information

Type: Select Contract Type	PO Type: Select PO Type	Attachment: Original No.: 1
\$ Not to Exceed: \$1,264,265.00		Original Doc Number: 2014-1148
Other Party: Securitas Security Services USA, Inc.Services		Certified Copies of Document: 1
Project Name: Uniformed Unarmed Security Guards		Deed: <input type="checkbox"/> None <input type="checkbox"/> Included <input type="checkbox"/> Separate
Project Number:	Bid Transaction #:	LBE-DBE-M/WBE: 100%

## Department Information

Department: Department of Finance Division: Procurement  
 Project Mgr: Katherine Robbins Supervisor: Craig Lymus  
 Contract Services: Date: 1/15/15 Division Mgr: Craig Lymus  
 Phone Number: 916-808-1562 Org Number:  
 Comment:

## Review and Signature Routing

Department	Signature or Initial	Date
Project Mgr:	<i>Katherine Robbins</i>	1-15-15
Accounting:		
Contract Services:		
Supervisor:	<i>CBJ</i>	1/15/15
Division Manager:	<i>CBJ</i>	1/15/15
City Attorney	Signature or Initial	Date
City Attorney:	<i>AW</i>	1/16/15

Send Interoffice Mail  Notify for Pick Up

Authorization	Signature or Initial	Date
Choose Director		
Department Director:		
City Mgr: yes <input type="checkbox"/> No <input type="checkbox"/>		

Contract Cover/Routing Form: Must Accompany ALL Contracts;  
 however, is not part of the contract. (01-01-09)

**For City Clerk Processing**

**Finalized:**

Initial: \_\_\_\_\_

Date: \_\_\_\_\_

**Imaged:**

Initial: \_\_\_\_\_

Date: \_\_\_\_\_

**Received:**  
(City Clerk Stamp Here)

**CONTRACT SUPPLEMENT  
(Nonprofessional Services)**

**Project Title and Job Number:** Unarmed Uniformed Security Services  
**Purchase Order #:** 27121

**Date:** 1/27/2015

**Contract Supplement No.:** 1

The City of Sacramento ("City") and Securitas Security Services USA, Inc. ("Contractor"), as parties to that certain Nonprofessional Services Agreement designated as Agreement Number 2014-1148, including any prior contract supplements modifying the agreement (the 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:

Extending the time of the contract by seventy-two (72) days through 4/30/2015.

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 570,000.00, and the Agreement's maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	<u>694,265.00</u>
Net change by previous contract supplements:	<u>.00</u>
Not-to-exceed amount prior to this contract supplement:	<u>694,265.00</u>
Increase by this contract supplement:	<u>570,000.00</u>
New not-to exceed amount including all contract supplements:	<u>1,264,265.00</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:**

  
\_\_\_\_\_  
Project Manager

**Approved As To Form By:**

  
\_\_\_\_\_  
City Attorney

**Approved By:**

  
\_\_\_\_\_  
Contractor

**Approved By:**

\_\_\_\_\_  
City of Sacramento

**Attested To By:**

\_\_\_\_\_  
City Clerk