



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: October 29, 2007

Approved

Deanna Sartre

Date

10/30/07

SUBJECT: AMENDMENT TO EXTEND THE AGREEMENTS WITH NATIONAL SECURITY INDUSTRIES, AND SILICON VALLEY SECURITY & PATROL, INC., FOR SECURITY GUARD SERVICES FOR VARIOUS DEPARTMENTS

RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to:

1. Execute an amendment to the agreement with National Security Industries (San Jose, CA) to extend the term of the agreement for security guard service for General Services and the Water Pollution Control Plant (WPCP) by four months from November 30, 2007 to March 31, 2008 and increase with a total compensation not to exceed \$144,000 for the extension period.
2. Execute an amendment to the agreement with Silicon Valley Security and Patrol, Inc. (San Jose, CA) to extend the term of the agreement for security guard services for Parks & Recreation and Neighborhoods Services (PRNS) and the Department of Transportation (DOT) by four months from November 30, 2007 through March 31, 2008 with a total compensation not to exceed \$131,000 for the extension period.

OUTCOME

The extension of these agreements will provide staff with sufficient time to complete the competitive "Request for Proposal" (RFP) process currently in progress.

BACKGROUND

On November 25, 2003, Council (Item 2.7) approved the execution of agreements for security services with National Security Industries for the General Services Department and the ESD/Water Pollution Control Plant. In addition, Council approved the execution of agreements with Silicon Valley Security & Patrol, Inc. for security services for Park, Recreation and Neighborhood Services and the Department of Transportation. Council approval also included the authorization to exercise up to 2 (two) 1 (one) year extensions for each supplier, and to issue changes in compensation under exigent circumstances up to 10% of the initial value of the agreement(s).

On December 12, 2006, Item 2.10, Council approved an amendment to the agreement with National Security Industries for citywide security services managed by General Services and security services at the Water Pollution Control Plant for an additional extension of the term of the agreement from November 30, 2006 to November 30, 2007 and increasing compensation to a not to exceed amount of \$525,000.

Similarly, on November 21, 2006, Item 2.11, Council approved an amendment to the agreement with Silicon Valley Security & Patrol, Inc. for security services at buildings managed by Park, Recreation, and Neighborhood Services and garages managed by the Department of Transportation for an additional extension of the term of the agreement from November 30, 2006 to November 30, 2007 and increasing compensation to a not to exceed amount of \$408,000. The purpose of these extensions was to allow for staff to complete a new RFP process to get new contractors in place. Unfortunately, that work was not completed as anticipated due to the continuing heavy workload in the re-competition of several major procurement actions in Q1 and Q2 of this fiscal year, and the time required to aggregate service requirements for all security services, including the addition of services for the Norman Y. Mineta San Jose International Airport and Work2Future sites.

ANALYSIS

Staff recommends an agreement extension through March 31, 2008, with the same terms, conditions of the original agreements except for the inclusion of an early termination clause of 15 days. Additionally, pricing will be adjusted by 3.2%, the latest published annual Consumer Price Index for the San Francisco, Oakland, San Jose Metropolitan Statistical Area, for hourly guard rates as stipulated in the agreements.

October 29, 2007

Subject: National Security and Industries, Silicon Valley Security & Patrol Inc., Security Guard Services

Page 3

Company	Standard Hourly Rate for Extension Term	Overtime Hourly Rate for Extension Term	On-Call Monitor Rate for Extension Term
National Security Industries	\$17.01	\$25.53	Not Applicable
Silicon Valley Security & Patrol	\$18.39	\$27.56	\$32.54

The Contractors have met the requirements as designated by the agreements and their performance has been satisfactory in all areas to include: responsiveness, supervision, on-time service and coordination with City staff.

Extending these Agreements will allow General Services, WPCP, DOT, and PRNS Departments to continue security services providing staff adequate time to complete the RFP process, obtain appropriate City approvals, and execute a new Agreement(s).

The information below identifies the work plan for completion of the RFP process for security services for the aforementioned departments as well as Work2Future and the Norman Y. Mineta San José International Airport that will allow sufficient time to execute a new agreement and to transition to a new service provider, if applicable.

Milestone	Date
Release of Request for Proposals	9/25/07
Proposal Submissions Due Date	11/7/07
Evaluation of Written Proposals	11/07
Oral Interviews	12/07
Issuance of Notice of Intended Award (Protest Period Begins)	12/07
Council Approval	1/08
Transition Period	2/08
Contractor(s) Assumes Guard Responsibilities	3/01/08

Although staff expects to complete the procurement process including Council approval of the contracts and transitioning of the contractors by March 1, 2008, as a precautionary measure for unforeseen issues, staff recommends extending the contract until the end of March 2008.

Contractual Labor Requirements

These agreements are subject to the City's Living Wage Policy.

EVALUATION AND FOLLOW-UP

Staff expects to recommend to Council new Security Services contracts for approval in January 2008.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

This memorandum has been coordinated with General Services, Water Pollution Control Plant, Parks Recreation and Neighborhood Services, the Department of Transportation, Public Works/Office of Equality Assurance, the City Manager's Budget Office, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services".

October 29, 2007

Subject: National Security and Industries, Silicon Valley Security & Patrol Inc., Security Guard Services

Page 5

COST SUMMARY/IMPLICATIONS

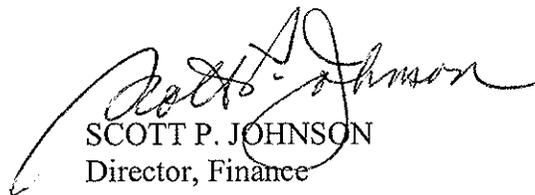
Not applicable.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Agreement	2007-2008 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)
513	0762	ESD NP/Equip	\$32,516,502	\$80,000	VIII-40	
001	0592	General Services NP/Equipment	\$8,895,669	\$64,000	VIII-60	
533	0512	DOT NP/Equipment	\$6,951,359	\$88,000	XI-34	
001	0512	DOT NP/Equipment	\$13,265,906	\$8,000	N/A	
001	0642	PRNS NP/Equipment	\$18,367,300	\$35,000	VII-254	

CEQA

Not a project.


SCOTT P. JOHNSON
Director, Finance

For questions please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.

