

Agenda Report

TO: CITY COUNCIL

DATE: AUGUST 22, 2005

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: APPROVAL OF INCREASE TO CONTRACT WITH ALLHEALTH SECURITY SERVICES IN AN AMOUNT NOT TO EXCEED \$130,000 FOR SECURITY SERVICES AT THE PASADENA COMMUNITY HEALTH CENTER

RECOMMENDATION:

It is recommended that the City Council authorize an increase to the contract with AllHealth Security Services in the amount of \$18,500 from \$111,500 to \$130,000 for safety and security services at the Pasadena Community Health Center for the Public Health Department.

BACKGROUND

The City of Pasadena Public Health Department (PPHD) is one of several health care entities operating at the Pasadena Community Health Center, a city-owned property at 1845 North Fair Oaks Avenue in Pasadena. Unarmed, on site security is utilized during all hours of operation due to the unique challenges associated with health services delivery and a commitment to the safety of all staff, clients and visitors to the building. With over 100 staff and more than 25,000 visits per year, the Public Health Department has very specific environmental, operational and logistical needs that must be met in order to ensure the security of employees and clients and the protection of property and assets on the premises. In June 2002, PPHD undertook a competitive selection process that resulted in the selection of AllHealth Security Services (AllHealth) as the vendor for security services at the Pasadena Community Health Center (PCHC). The contract was awarded for one year with the option for up to three one year extensions provided the annual cost increases did not exceed the most recent 12 month change in the CPI. The current contract will expire June 30, 2006.

At the beginning of FY 2005, the contract was amended to reduce the total number of security personnel hours provided by AllHealth. The Department had sustained grant revenue losses and was cutting programs and staff, and the facility operating hours were adjusted to reduce costs. The change in operating hours had a negative effect on the Alcohol Recovery Program. During the fiscal year, staff from that program reported that the adjustment to their hours of operation had resulted in a 60% reduction in revenues. Clients of the DUI First Offender program prefer night classes and the enrollment drastically dropped within six months of the nighttime classes being suspended. (Although clients surveyed were willing to attend daytime classes, they were not representative of the targeted market, since they were already enrolled and needed to complete their classes.) In late spring of 2005, the nighttime classes were reinstated, and enrollment in the DUI classes climbed quickly so that staff have now added two additional sessions. Security coverage hours from Saturdays were shifted to weeknights, resulting in overtime costs that were covered by unexpended funds in the contract.

In early summer 2005, AllHealth management advised PPHD staff that AllHealth had made changes to its compensation package, adding a 401k benefit, and that their organization had experienced a significant increase in workers compensation costs. In addition, liability insurance and training costs had increased. AllHealth also requested that consideration be given to providing for nominal pay rate increases to the personnel assigned to the Health Center. PPHD staff requested full disclosure of compensation rates, benefit rates and overhead costs, which were reviewed in comparison to City expenses for reasonableness. Staff also surveyed area security companies that provide service to healthcare facilities to confirm that AllHealth's rates are still well within the market.

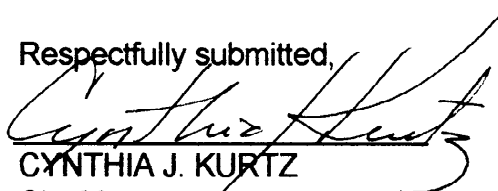
The 16.6% increase in the current year contract (from \$111,500 to \$130,000) will cover increased salaries and a related increase in percentage-based benefits, in addition to increases in the various benefits rates. Also, increased training costs and increased overtime costs will be covered. Overtime costs result from the longer days when DUI night classes are held and cannot be avoided because AllHealth cannot secure reliable staff to work less than full time (the hourly rate is too low to attract reliable and consistent staff when the individual does not receive benefits). Funding for the contract is provided through Health Service Realignment dollars, which are earmarked to support public health operations.

The City has engaged AllHealth Security Services to provide security services at the Health Center for the Public Health Department since 1997. AllHealth has provided outstanding service and has fashioned a security program that meets the special needs of PPHD. AllHealth also provides security under separate, independent contracts for the other health and human service providers who are tenants at the Health Center.

FISCAL IMPACT:


There will be no change to the Public Health Department's appropriations and revenues as a result of this action. The contract cost increases will be covered by salary savings in the Administration Division (561000-56000) FY 2006 adopted budget.

Respectfully submitted,



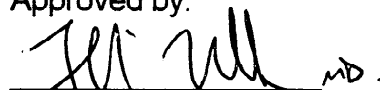
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