

Agenda Report

September 18, 2017

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: CONTRACT AWARD TO NORRED & ASSOCIATES FOR CITYWIDE SECURITY SERVICES FOR A NOT-TO-EXCEED AMOUNT OF \$2,720,064

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. i) Accept the bid dated August 29, 2017 submitted by Norred & Associates (Norred) in response to specifications for citywide security services ii) reject all other bids, and iii) authorize the City Manager to enter into a contract with Norred, in an amount not to exceed \$2,720,064 for a three-year period, inclusive of CPI increases, and two one-year options in an amount not-to-exceed \$906,688 annually, subject to the approval of the City Manager, for a maximum contract length of five years and a total contract amount of \$4,533,440.

BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) provides security services at City Hall and the City Yard.

Since 1991, the City has used a combination of City staff and an outside security firm to provide a safe and secure environment for Pasadena employees, residents, and visitors. The security contractor patrols assigned locations, arms security alarms, locks and unlocks buildings and park restrooms, and responds to and/or reports suspicious activity to City staff and law enforcement officials, as necessary. These locations include: Pasadena Community Health Center, 20 City parks (lock restrooms/gates only), Holly and Del Mar parking structures, Madison and Linda Vista Elementary schools, and Wilson Middle School. Additionally, the security contractor provides

courier services for Municipal Services, security services during special events, and coverage for the City Security Rangers at the City Yard.

On July 21, 2014, the City Council authorized a three-year contract with U.S. Security Associates, Inc. which expires on September 30, 2017. While the City Council provided the City Manager the discretion to exercise two, one-year contract extensions for a total contract length of five-years, BSFMD staff concluded that it is in the best interest of the City to solicit new bids rather than exercise the option to extend the contract with the existing contractor.

On August 17, 2017, a Notice Inviting Bids for citywide security services was published in the *Pasadena Journal* and posted on PlanetBids, which generated notices to 680 prospective bidders, 25 of which are local. Fifty-four prospective bidders downloaded the bid document. Four bids were received by the City Clerk's Office on the bid closing date, August 29, 2017. Bid amounts are based on the estimated annual hours of service for each location multiplied by the bidder's hourly service rates. The bid results are as follows:

Bidder		Amount
1. Norred & Associates	Atlanta, GA	\$726,145
2. American Guard	Carson, CA	\$739,929
3. World Security	Northridge, CA	\$852,173
4. Power Security	San Diego, CA	\$978,790

Staff from BSFMD evaluated the bid proposals and found Norred to be the lowest responsive and responsible bidder. Norred has been in the security services business for more than 30 years and operates in 16 states, including California. Norred provides services to Americold, FNS, Inc., LG Electronics and the Kroger Company in Southern California. Norred contracts with governmental agencies include: Fulton County, Georgia government buildings; and Palm Beach County, Florida international airport, courthouses, transit authority facilities, city buildings and city parking structures. Staff contacted references and received excellent feedback.

The Department of Public Works recommends Norred be awarded a contract for a three-year period to provide citywide security services. As proposed, the contract may be extended for two additional one-year renewal options with the approval of the City Manager and without further City Council approval, provided that the contract pricing terms does not increase beyond changes in CPI. This proposed contract with Norred fully complies with the Competitive Bidding and Living Wage Ordinances and is not subject to the California State Department of Industrial Relations requirements and regulations.

The annual contract for this project will be set as follows:

Base Bid	\$755,573
Contingency	<u>\$151,115</u>
Contract "Not to Exceed" Amount	\$906,688

The base bid amount was increased from the amount submitted by lowest bidder to account for additional hours required by various locations. The amount paid to the contractor in any one-year term of the proposed contract shall not exceed \$906,688. The grand total amount paid to the contractor in the approved three-year term of this contract shall not exceed \$2,720,064 without prior approval of the Council and written amendment of the contract.

The contingency allowance is for use in the event of emergency and/or special events as well as Consumer Price Index (CPI) adjustments. At the conclusion of the first contract year and prior to the commencement of the second year and any subsequent contract extension period(s), the contractor may request unit price increases; however under no circumstances shall such increases exceed the percentage increase in the Los Angeles-Orange-Riverside CPI for the latest available preceding 12 month period. The request is due two months before the end of a contract period. Upon the City's approval, any increases will be effective at the beginning of the next contract period. It is anticipated that this contract will begin in October 2017.

COUNCIL POLICY CONSIDERATION:

This contract supports the City Council's goals of maintaining fiscal responsibility and stability and ensuring public safety.

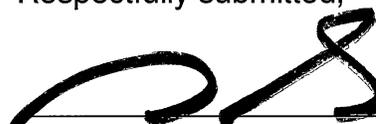
ENVIRONMENTAL IMPACT:

- There is no environmental impact for this action.

FISCAL IMPACT:

The total cost of this action is \$4,533,440. Funding for this fiscal year will be addressed by utilization of existing budgeted appropriations in the following accounts: Building Maintenance (50222064); Holly Street Parking (40724009); Del Mar Parking (40724032); Park Maintenance (10122037); Health Administration (20323010); City Hall Courtyard (10522004); and Municipal Services (10115016).

Respectfully submitted,



ARA MALOYAN, P.E.
Director of Public Works

Prepared by:



Grace Wu
Management Analyst IV

Approved by:



STEVE MERMELL
City Manager