



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Approve an Amended and Restated Agreement for Crossing Guard Services (F17-178) and Authorize the City Manager to Adjust the Annual Not-to-Exceed Total Compensation for Crossing Guard Services Consistent with the City's Local Minimum Wage Ordinance

REPORT IN BRIEF

Approval is requested to amend and restate an existing contract with All City Management Services (ACMS) for crossing guard services, increasing the not to exceed value by \$50,338, from \$540,553 to \$590,891, and revising the terms to reflect a change in contractor status as explained below. The increase to the contract amount is necessary due to the January 1, 2017 increase to Sunnyvale's minimum wage, and to include additional crossing guard hours for summer school. Additionally, for upcoming contract renewals staff recommends that the City Manager be authorized to adjust the annual not-to-exceed total compensation for crossing guard services consistent with the City's local minimum wage ordinance.

EXISTING POLICY

Pursuant to Chapter 2.08 of the Sunnyvale Municipal Code, City Council approval is required for transactions exceeding \$100,000.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

In late 2015 and early 2016, Council took several actions to address ongoing staffing challenges associated with the City's crossing guard program. These included amending the salary resolution to increase crossing guard wages by 7%, directing staff to continue robust recruitment/retention efforts and to provide recommendations for alternative service delivery methods for crossing guards (RTC Nos. 15-1083 and 15-1121).

Staff subsequently conducted a Request for Proposals (RFP) process in Spring 2016 seeking a third-party vendor to provide crossing guard services. Following the RFP process, Council awarded a contract with ACMS in the amount of \$540,553 on November 15, 2016 (RTC No. 16-0750). The ACMS contract included a billing rate of \$29.66 per hour, which included an average rate of \$18.50 for crossing guards and administrative overhead for two field supervisors, insurance, worker's compensation, payroll taxes and profit. The billing rate was calculated based on Sunnyvale's then minimum wage of \$11 per hour and did not incorporate the pending January 1, 2017 increase to \$13.

In order to meet the wage requirements, ACMS has proposed increasing their billing rate from \$29.66 per hour to \$31.94.

Effective January 1, 2018, the City's minimum wage is scheduled to increase to \$15 per hour and by an annual Consumer Price Index thereafter. Under previous authorization delegated to the City Manager (RTC No. 16-0750), the City Manager is authorized to renew the contract for up to four additional years, not-to-exceed budgeted amounts, provided pricing and service remain acceptable to the City. With this RTC, staff recommends authority be given to the City Manager to increase the billing hour and therefore the not-to-exceed total compensation amount of this contract consistent with changes of the minimum wage per the City's ordinance.

The initial ACMS contract included an estimate of 18,225 billing hours for the school year, but this did not include hours for schools hosting Summer School Programs sanctioned by the school districts served. It is estimated that 275 summer school hours need to be added to the contract, increasing the billable hours from 18,225 to 18,500.

Since ACMS took over the program in March there have been no issues. They have met all contract and service agreement obligations. In May the City Manager hosted the semi-annual school superintendent meeting. Feedback from the attendees was requested and was all positive. Similar feedback from officers on the street and Neighborhood Resource Officers has been provided.

Another significant improvement has been the number of complaints from the public. In the past the city and/or the department would receive weekly complaints about unstaffed intersections or crossing guards not showing up. Since ACMS has taken over the Department of Public Safety has received no complaints. Overall, contracting with ACMS has proved to be a very beneficial improvement to the level of service and safety.

The initial 2016 contract with ACMS was established as a temporary staffing services agreement. After re-evaluating the use of this type of agreement, staff has concluded that it would be more appropriate to use an agreement that clearly establishes ACMS as an independent contractor as the City is contracting out the entire crossing guard program.

FISCAL IMPACT

The additional contract costs can be absorbed in the Department of Public Safety, Program 473 Community Safety Services Budget. Ongoing costs are projected to cost \$1.25 million over the 20-year financial plan. These costs will be factored into the FY 2018/19 Recommended Budget. Based on the FY 2017/18 Adopted Budget, additional fiscal strategies may be required to offset this action.

Funding Source

This contract is funded by the General Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Approve an Amended and Restated Agreement with All City Management Services for crossing guard services, increasing the not-to-exceed contact amount by \$50,338, from \$540,553 to \$590,891, and authorize the City Manager to execute the Amended and Restated Agreement when all conditions have been met and adjust the annual not-to-exceed total compensation for crossing guard services consistent with the City's local minimum wage ordinance.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Phan Ngo, Director of Public Safety

Approved by: Walter C. Rossmann, Assistant City Manager for Deanna J. Santana, City Manager

ATTACHMENT

1. Draft Amended and Restated Agreement