



County of Los Angeles CHIEF EXECUTIVE OFFICE

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DAVID E. JANSSEN
Chief Executive Officer

July 17, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
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MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

APPROVE SECURITY SERVICE AGREEMENT WITH SECURITAS SECURITY SERVICES USA, INC. FOR THE MARTIN LUTHER KING-HARBOR MEDICAL CENTER AND HEALTH CENTERS (ALL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached three (3) year contract with Securitas Security Services, Inc. (Contractor), for armed and unarmed security services for the Office of Public Safety (OPS) at Martin Luther King-Harbor Medical Center and Health Centers for a contract term of three (3) years , with two (2) one-year renewal options commencing August 1, 2007, for a total maximum contract cost of \$3,672,205 (year one), \$3,745,649 (year two), and \$3,820,562 (year three).
2. Authorize the Chief, OPS (Chief) to exercise the Contract renewal options annually if in the opinion of the Chief the contractor has successfully performed in the previous contract period and the services are still required and cost-effective, which may include a cost-of-living adjustment (COLA) per option year as determined by the Chief Executive Office (CEO).
3. Authorize the Chief, County Police to amend the contract annually in an amount not to exceed 10 percent of the contract amount for additional guards or facilities within the scope of the contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

OPS provides security for patients, employees, the public and property of five (5) major hospitals and 38 health and rehabilitation centers throughout the County for the Departments of Health Services and Public Health through OPS' Health Services Bureau (HSB).

The recommended contract is for armed and unarmed security guard services at Martin Luther King-Harbor Medical Center and Health Centers. The award of this contract is a part of OPS' continuing effort to provide the best possible security service to the public in a cost-effective manner. This recommendation is based upon a cost-analysis finding that an independent contractor can more economically perform armed and unarmed security guard services in the following locations:

Martin Luther King-Harbor and Health Centers locations:

- 1) Martin Luther King-Harbor Medical Center
- 2) Dollarhide Health Center
- 3) H. Claude Hudson Comprehensive Health Center
- 4) Hubert H. Humphrey Comprehensive Health Center
- 5) Ferguson Building

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposed contract with the Contractor will further the County's Strategic Plan Goal 1 (Service Excellence), Goal 4 (Fiscal Responsibility), and Goal 8 (Public Safety) through the provision of quality armed and unarmed security guard services at a savings over County costs.

FISCAL IMPACT/FINANCING

Sufficient appropriation offset by revenue is budgeted in OPS' fiscal year (FY) 2007-08 budget to fund the costs of the recommended contract and unforeseen/emergent service requirements. The FY 2007-08 budgets for the Departments of Health Services and Public Health include sufficient appropriation to fund the costs associated with the recommended contracts and unforeseen/emergent service requirements.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In compliance with the provisions of Los Angeles County Code (Code) Sections 2.121.250 through 2.121.420, OPS solicited proposals from private contractors for armed and unarmed security guard services for health services clients for the Martin Luther King-Harbor Medical Center and Health Centers. The mandatory requirements for contracting, as identified in Section 2.121.380 of the Code, have been met. The Proposition A cost analysis indicating that the recommended contracted security guard services can be performed more economically by the private sector have been reviewed and approved by the Auditor-Controller's Audit Division.

The term of the contract is for three (3) years and includes a provision whereby the Chief may extend the contract for up to two (2) one-year renewal option periods. The Chief may exercise options if, in her opinion, the Contractor has successfully performed in the previous contract period and the services are still required and are cost-effective. The Contractor has agreed to pay its full-time employees the new Living Wage rate adopted by your Board on February 16, 2007 and confirms that it will comply with the County's Living Wage reporting requirements.

In accordance with County policy, the contract contains a COLA provision whereby the Chief, at her sole discretion, may increase the contractor's compensation during the option period. The decision to include the COLA is based on OPS' experience that contractors may incur an increase in costs, such as insurance premium, fuel, etc., during option periods, which could impact their performance. As a result, this provision allows the Chief to review cost information and determine a COLA is a justified subject for approval by the CEO. OPS will comply with the recently adopted Board policy to exclude the cost of labor from the base upon which a COLA is calculated unless the contractor can show that its labor cost will actually increase.

To manage unforeseen service level increases affecting client Departments, such as changes to office hours, emergent security requirements, and/or the addition of new facilities, OPS is recommending that your Board authorize the Chief to approve additional services, within the scope of work, up to ten percent per year.

OPS will not request the Contractor to perform services that will exceed the approved maximum contract amount, including the additional services authorization or services that are outside the scope of work or contract dates without the prior approval of the your Board.

As established by the Chief Administrative Office on April 10, 2001, the County's Labor Law/Payroll Violations Assessment Team evaluated and assessed labor law violations and claims for alleged violations, reported for the contractors by the California State Department of Industrial Relations, Division of Labor Standards Enforcement. The Assessment Team determined that the number of reported labor law violations and the claims for alleged violations for Securitas Security Services USA, Inc. were accurately self-reported and do not appear to show a pattern to intentionally violate State labor laws, and that, based on the number of staff employed by the contractor, the number of violations appears minor.

This contract contains the County's standard provisions regarding contractor obligations and is in compliance with all Board and CEO requirements.

The Contractor has executed the attached contract and will provide the required insurance policy prior to the start of this contract naming the County of Los Angeles as additional insured.

County Counsel has approved the contract as to form.

CONTRACTING PROCESS

On September 25, 2006, OPS commenced solicitation for armed and unarmed security guard services within the HSB by posting a notice for this Request for Proposals (RFP) on the County's of Los Angeles "Doing Business with Us" website and included a link to download the solicitation package and instructions on how to contact the Department regarding this RFP. Attachment I is a listing of contractors who are registered for security guard services on the Internal Services Department's website and received notification of this project. In addition, prospective contractors who contacted OPS prior to and after the RFP release were solicited via phone and email.

On October 2, 2006, 23 companies attended the Proposers Conference. On November 6, 2006, OPS received 13 proposals. All proposals were reviewed to ensure compliance with mandatory minimum requirements outlined in the RFP. Six (6) proposals met the requirements and were forwarded to Phase 2 of the evaluation. One (1) proposal was voluntarily withdrawn by the Proposer.

The Evaluation Committee (Committee) was comprised of a contract manager from the City of Los Angeles, an administrative staff member from the Department of Public Social Services, and a Los Angeles County Sheriff's Department Contract Field Sergeant (retired). The Committee members reviewed each proposal for business experience and qualifications, staffing, compliance with the Living Wage program, quality control, and the ability to accomplish the required security guard services. Based on the evaluation, it is recommended that the contract for the services be awarded to the highest rated, most responsible Proposer as recommended above. Securitas Security Services USA, Inc. was determined to be the highest ranked proposer and the most cost-effective and responsible proposal.

Proposition A contracts valued over \$1.0 million are reviewed by the County Auditor-Controller for cost-effectiveness. Therefore, the Proposition A cost analysis was reviewed and approved by the Auditor-Controller's Audit Division using the guidelines and methodologies consistent with their procedures.

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Attachment IV reflects the Contractor's minority participation. It should be noted that upon final analysis and award, the contractor was selected without regard to gender, race, creed or color.

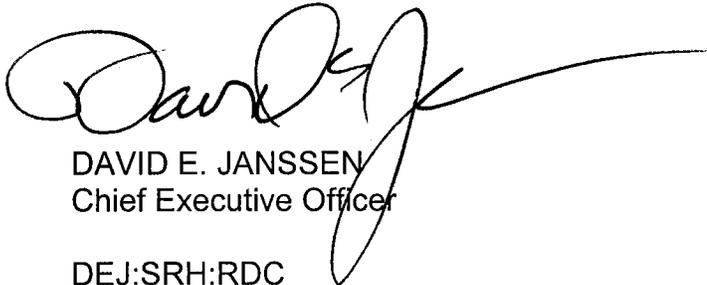
IMPACT ON CURRENT SERVICES

The award of this contract will not result in the displacement of any County personnel as these services are currently being performed by the private sector. It is anticipated that this contract will commence on August 1, 2007 after Board approval. Therefore, there will be no impact to existing staff or service levels.

CONCLUSION

It is requested that a certified copy of the action taken by your Board and a fully executed copy of the attached contract be mailed to Securitas Security Services, USA, Inc., Attention: Ms. Carol Mitchell, 3325 Wilshire Boulevard, Suite 1100, Los Angeles, California 90010. It is also requested that three (3) conformed copies be forwarded to Chief Margaret York, Office of Public Safety.

Respectfully submitted,



DAVID E. JANSSEN
Chief Executive Officer

DEJ:SRH:RDC
MAY:MM:yjf

Attachments

c: County Counsel
Chief Executive Officer
Affirmative Action Compliance Officer
Chief, Office of Public Safety