



MEMORANDUM

Agenda Item No. 7(J)(1)(F)

TO: Honorable Chairperson Barbara Carey-Shuler, Ed.D. and Members, Board of County Commissioners

DATE: **July 13, 2004**

FROM: George M. Burgess
County Manager 

SUBJECT: Resolution Approving Execution of Contract TR04-SOS for Security Officer Services with The Wackenhut Corporation

RECOMMENDATION

It is recommended that the Board approve the execution of Contract TR04-SOS between Miami-Dade County and The Wackenhut Corporation for security officer services for Miami-Dade Transit (MDT) in an amount not to exceed \$89,500,000. The contract will have a term of five years. Funding from MDT operating funds, revenue funds, as well as surtax funding from the People's Transportation Plan (PTP) will be used for this contract. The current 5-year security services contract expires on November 2, 2004.

BACKGROUND

On April 27, 2004, through Resolution No. R-494-04, the Board approved a waiver of bid allowing MDT staff to enter into negotiations with the Wackenhut Corporation for the provision of armed security services. During contract negotiations, MDT staff used the costs of the fifth year of the existing contract, projected to total approximately \$13,702,900, as the baseline.

Since the inception of the existing security services contract in 1999, the security landscape in the United States has changed dramatically. The events of September 11, 2001, the conflict in the Middle East, the bombings in Madrid, Spain, and the continuous threat and exercise of violence towards the United States and its allies have increased the need for qualified and experienced security personnel. This new landscape has resulted in the creation of new agencies within federal and state governments and has ultimately increased the need for security personnel of all types. As a result, filling these new positions is becoming increasingly more difficult for most government agencies and private companies who provide security services because the demand for well-qualified security professionals far exceeds the availability of those persons in the labor pool.

Miami-Dade County is not immune to these market forces and must, therefore, compete for the same labor pool. Entry salaries in the industry have been driven higher during the period in which the current MDT guard contract has been in force. Compensation for security professionals has risen substantially and, in the case of MDT, many who come to provide security work are quickly lured away by higher paying guard jobs.

As shown in Table 1 below, for several large local security guard contracts, such as the U. S. Marshall's Service and the Krome Detention Center where the guard qualifications are identical (or lesser in the case of Krome), to the requirements for MDT guards, the starting salary is as much as 100% higher than the starting pay rate on the transit project. These contracts compete with Miami-Dade Transit's for qualified labor. This disparity in pay rates has made recruitment for transit security guards much more difficult and long term retention almost impossible. /

Table 1. Security Guard Pay Rates

Contract	Experience	Entry pay/hr	Bill rate/hr
U.S.Marshall's Srvc	3 yr sworn armed	\$23.40 pay/hr	34.73
Krome Detention	Most 1 yr sworn	\$23.40 pay/hr	34.73
MDT current	3 yrs sworn armed	\$11.70 pay/hr	20.33

This disparity in entry-level salaries has also created serious recruitment and personnel problems for Wackenhut as they staff the transit project. The current entry-level salary for a newly hired security officer for transit is \$11.70 per hour. It should be noted that the entry rate for transit guards when Wackenhut first took over security for MDT fifteen (15) years ago was \$9.50. All increases over the last fifteen (15) years have only been as a result of CPI adjustments. In contrast, as shown above, entry-level salaries for security personnel at the Krome Detention Center and the United States Marshall's service are \$23.40 per hour. It should also be noted that, of these contracts, only the United States Marshall's Service has the same guard experience requirements as guards for transit. The contracted security personnel at Krome Detention Center make 100% more than those on transit and have lower experience requirements.

Based on the above, contract negotiations resulted in MDT and the Wackenhut Corporation agreeing to raise the entry-level salary of a Wackenhut officer to \$13.00 per hour with a total first year billing rate of approximately \$23.27 per hour, which rate includes all equipment and administration. The entry level pay rate will go up thirty cents per year along with the annual CPI adjustments and will result in an entry pay rate of approximately \$15.00 per hour in the final fifth year of the proposed contract. As a result of the slightly increased entry rates, MDT hopes to retain more of the security professionals under this contract and slow the exodus of the guards to other contracts.

Table 2. Total Contract Costs

Year		Weekly hours	Cost/hr	Yearly Total
1		CPO 10,993.5	23.27	13,339,119
	<i>** for special circumstances</i>	SUP 1,420	30.91	2,303,423
	<i>e.g. broken gate at station,,</i>	**Specials 140	23.27	169,890
	<i>crime spikes in parking lots,</i>	Svgs mid -yr service		<u>(388,833)</u>
	<i>fire watch , special events etc.</i>	Total		15,423,599
2		CPO 11,233.5	24.50	14,352,369
		SUP 1,429	32.43	2,416,693
		**Specials 140	24.50	178,869
		Total		16,947,931
3		CPO 11,233.5	25.78	15,102,206
		SUP 1,429	33.98	2,532,200
		**Specials 140	25.78	188,215
		Total		17,822,621
4		CPO 11,233.50	27.08	15,863,760
		SUP 1,429	35.57	2,650,687
		**Specials 140	27.08	197,705
		Total		18,712,152
5		CPO 11,233.5	28.42	16,648,747
		SUP 1,429	37.41	2,787,499
		**Specials 140	28.42	207,488
		Total		19,643,734
.5% Contingency for Emergencies				442,750
Investigative Services				500,000
TOTAL 5 YR				\$89,492,787

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The anticipated total hourly cost for the five-year term is \$88,550,037. Additions for a contingency of .5% at \$442,750 for emergency events and \$500,000 for investigative services brings the total to \$89,492,787. The recommended minimum ceiling for this contract is \$89,500,000. The security services contract for MDT expects to utilize approximately 12,562 hours per week of security in the first year of the contract and increase to approximately 12,802 weekly hours in years two through five of the contract. The terms negotiated under TR04-SOS are favorable for the County and include the following:

- MDT will no longer be billed separately for support equipment or personnel.
- The Contractor will be required to submit to the County, on an annual basis, a certified audited report by an independent certified public accounting firm attesting that all records and invoicing are being kept in accordance with the terms of the contract.
- Increased liquidated damages for contractual violations in order to minimize contractual violations.
- Monitoring of security provider operations by dedicated MDT security supervisors.

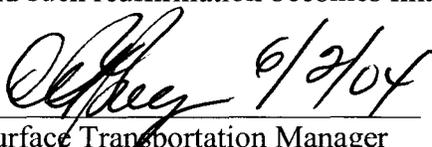
The Department of Business Development has established a Disadvantaged Business Enterprise (DBE) goal of 30%.

FISCAL IMPACT

The fiscal impact of this contract is \$89,500,000 over the five year term. Funding from MDT operating funds, revenue funds, as well as surtax funding from the PTP will be used for this contract. In addition, MDT will apply for any available State and Federal security grant funds. If such grants are awarded, MDT may use this future source of funding to offset the costs of this contract.

Any use of People's Transportation Plan (PTP) funds will be based on an allocation model that will charge the PTP for the cost of any additional services implemented as a result of the approval of the half penny sales tax. This model has been used by MDT since the 1980's. The model distributes all of the department's costs across the four modes of transportation (rail, bus, mover, and special transportation services). Certain costs are directly attributable to one mode or another and as such are charged directly and are not allocated among all modes. The allocation model distributes those costs that are not specific to one mode but support the business of the total activities of the agency. This model has been used to charge the State of Florida and occasionally the Federal government for services and commodities rendered by the department; it is also used as a tool to help in the reports mandated for submission to the Federal government. The model yields a cost per mile per mode. The cost per mile per year will be based on the department's approved budget for that year.

Since proceeds from the Charter County Transit System Sales Surtax levied pursuant to Section 29.121 of the Code of Miami-Dade County may be used to pay for all or some part of the cost of this contract, no award of this contract shall be effective and thereby give rise to a contractual relationship with the County unless and until the following have occurred: 1) the County Commission awards the contract, and such award becomes final (either by expiration of 10 days after such award without veto by the Mayor, or by Commission override of a veto); and, 2) either, i) the Citizens' Independent Transportation Trust (CITT) has approved same, or, ii) in response to the CITT's disapproval, the County Commission re-affirms its award by two-thirds (2/3) vote of the Commission's membership and such reaffirmation becomes final.

 6/2/04

Surface Transportation Manager



MEMORANDUM

(Revised)

TO: Hon. Chairperson Barbara Carey-Shuler, Ed.D.
and Members, Board of County Commissioners

DATE: July 13, 2004

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 7(J)(1)(F)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 7(J)(1)(F)
7-13-04

RESOLUTION NO. _____

RESOLUTION AUTHORIZING WAIVER OF FORMAL BID PROCEDURES AND PROVISIONS OF ADMINISTRATIVE ORDER 3-38 AND AUTHORIZING THE COUNTY MANAGER TO EXECUTE A CONTRACT WITH THE WACKENHUT CORPORATION WITH A TOTAL COMPENSATION CEILING NOT TO EXCEED \$89.5 MILLION FOR PROVISION OF SECURITY SERVICES FOR MIAMI-DADE TRANSIT AFTER REVIEW BY THE COUNTY ATTORNEY'S OFFICE; AND AUTHORIZING THE COUNTY MANAGER TO EXERCISE RENEWAL AND CANCELLATION PROVISIONS CONTAINED THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board finds it to be in the best interest of the County to waive formal bid procedures and provisions of Administrative Order 3-38, formal bidding being waived pursuant to Section 4.03(D) of the Home Rule Charter by two thirds (2/3) vote of the Board members present; and approves the contract TR04-SOS between Miami-Dade County and The Wackenhut Corporation to provide security services for Miami-Dade Transit vehicles and facilities, with a total compensation ceiling not to exceed \$89.5 million, in substantially the form attached hereto and made a part hereof; and authorizes the County Manager to execute

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same for and on behalf of Miami-Dade County, Florida after review by the County Attorney's Office; and to exercise the renewal and cancellation provisions contained therein.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____,

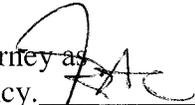
and upon being put to vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Ed. D., Chairperson	
Katy Sorenson, Vice-Chairperson	
Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrian D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 13th day of July, 2004. This resolution shall become effective as follows: (1) ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board, and (2) either i) the Citizens' Independent Transportation Trust (CITT) has approved same, or ii) in response to the CITT's disapproval, the County Commission re-affirms its award by two-thirds (2/3) vote of the Commission's membership and such reaffirmation becomes final.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency. 

R.A. Cuevas, Jr.

By: _____
Deputy Clerk