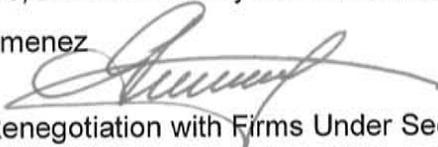


Memorandum



Date: August 28, 2012

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Report on Renegotiation with Firms Under Security Guard and Screening
Services Contract

On April 10, 2012, the Public Safety and Healthcare Administration Committee requested that staff enter into negotiations for rate reductions with those firms currently providing security guard and screening services under Contract Nos. RFP487A and RFP487B. Based on the results of these negotiations, I have executed contract modifications with each of the existing vendors under both contracts. As a condition of the rate reductions negotiated with the vendors, I have agreed to exercise at the appropriate time the final option-to-renew (OTR) for the period of September 1, 2013 through August 31, 2015. Assuming no change in the hours contracted by the County, the savings generated through these negotiations will amount to approximately \$1.7 million annually or \$5.1 million over the three years remaining in the current and pending OTR period.

BACKGROUND

Effective September 1, 2008, the Board of County Commissioners (Board) awarded seven contracts under Solicitations RFP487A and RFP487B for the purchase of Countywide security guard and screening services from six firms: 1) Allied Barton Security Services; 2) Delad Security, Inc.; 3) Feick Security Corporation; 4) 50 State Security Service, Inc.; 5) McRoberts Protective Agency, Inc.; and 6) Security Alliance of Florida, LLC. The services were organized into three tiers (by type of service) and eight sectors (by geographic region). The contracts included an initial term of three years, with two, two-year OTRs at the County's discretion. The initial term for these contracts expired on August 31, 2011. The contracts are now in the first OTR period. Subsequently, Sector 1A, originally under contract 8773-2/15, expired on February 29, 2012, and was added to Contract RFP487B effective March 1, 2012. All eight contracts are administered by the Internal Services Department.

Since the original award in 2008, a number of factors – among them the economy, recent County solicitations that resulted in lower prices, and a substantial decrease in service hours under the contract – led staff to conclude that the pricing secured under the original solicitations was no longer representative of the market. Staff met in late 2011 with representatives of the six contracted firms and attempted to negotiate reductions in contract pricing. Unfortunately, while staff received one serious offer from Delad to reduce expense, the majority of the security firms were unwilling to significantly reduce their pricing. Still convinced of the potential savings to be accrued from a competitive process, staff from Internal Services Department and the Water and Sewer Department, the contract's primary users, elected to proceed with a new solicitation, which was scheduled to be advertised this summer.

On April 10, 2012, three of the firms appeared before the Public Safety and Healthcare Administration Committee to express their concerns with the issuance of a new solicitation. The firms' representative advised the Public Safety and Healthcare Administration Committee that upon the County's request in 2011, each firm submitted documentation identifying additional savings, but never received a formal response from County staff. The representative requested that the firms be given the opportunity to "complete the process" of finding alternatives to create better efficiencies and achieve savings in order to continue providing the services under the second OTR period, which would expire on August 31, 2015. The Public Safety and Healthcare Administration Committee expressed its support for continuing the existing contracts and requested that staff attempt to again negotiate reduced rates with the firms.

NEGOTIATIONS

The negotiations team (Team) consisted of two representatives from the Water and Sewer Department, and four from the Internal Services Department. The Team reviewed the current rate structures on other, recently awarded contracts for security guard services (Transit, Juvenile Assessment Center, and Special Taxing Districts), the documentation submitted by the firms in the previous attempt to reduce rates under the contracts RFP487A and RFP487B, in addition to the lowest billing rates within the existing rate structure of contracts RFP487A and RFP487B.

The Team met individually with each firm on May 21 and 22, 2012. As pricing under contracts RFP487A and RFP487B varies dramatically among the firms due to the date of initial engagements and the conditions of the market at that time, the team pursued a strategy of achieving overall rate parity among the vendors. At the negotiations, the team requested larger reductions in rates from firms with higher rate structures than they did from firms with lower rates. All rate adjustments were requested with the understanding that quality of service must not be compromised, that firms would continue to abide with the Living Wage Ordinance, and that firms would continue to maintain reasonable separation between various guard/screener levels (i.e. higher levels require higher qualifications). All of the firms responded in a timely manner by June 1, 2012 and negotiations ensued.

The following table represents the gross annual savings to the County and associated percentage changes. The costs include labor and non-labor costs such as vehicles and project management.

Contractor / (Sector)	Contract Hours	Current Annual Cost	Negotiated Annual Cost	Gross Annual Savings	Actual % Change
Allied Barton Security Services - (Combined Sectors 1A, 1B, and 3A)	12,470	\$ 12,636,359	\$ 12,483,310	\$ 153,049	-1.7%
Security Alliance of Florida, LLC (1C)	4,283	4,085,898	3,879,176	206,722	-5.1%
Delad Security, Inc. (1D)	2,710	3,166,485	2,789,415	377,070	-11.9%
Feick Security Corporation (1E)	5,328	5,819,229	5,332,072	487,157	-8.4%
50 State Security Service, Inc. (2A)	3,535	4,314,466	4,156,966	157,500	-3.7%
McRoberts Protective Agency, Inc. (2B)	2,686	3,287,389	2,985,933	301,456	-9.2%
Total, All Sectors	31,010	\$ 33,309,826	\$ 31,626,872	\$ 1,682,954	-5.1%

All other terms and conditions of the contracts will remain the same.

If you have any questions or concerns, please contact Lester Sola, Internal Services Director, at 305-375-2363.

- c: R. A. Cuevas, Jr., County Attorney
 Office of the Mayor Senior Staff
 Hugo Benitez, Assistant County Attorney
 John Renfrow, Director, Water and Sewer Department
 Lester Sola, Director, Internal Services Department