



City of Palo Alto

City Council Staff Report

(ID # 10735)

Report Type: Consent Calendar

Meeting Date: 1/13/2020

Summary Title: Water Quality Control Plant Security Guard Services

Title: Approval of an Exemption from Competitive Solicitation and Approval of Amendment Number 1 to Contract Number C20176003 With Universal Semiconductor Inc. d/b/a Universal Security Company for Security Guard Services, Increasing Maximum Compensation by \$425,062 to Add These Services at the Regional Water Quality Control Plant, for a Total Contract Amount Not to Exceed \$897,344

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends that Council approve an exemption from competitive solicitation, and authorize the City Manager or his designee to execute Amendment No. 1 (Attachment A) to Contract No. C20176003 with Universal Semiconductor Inc. d/b/a Universal Security Company (Universal Security Company) for security guard services at the Regional Water Quality Control Plant (RWQCP) for an additional amount of \$425,062. This amendment results in a revised total contract not-to-exceed amount of \$897,344, including \$874,854 for Basic Services and \$22,490 for Additional Services.

Background

The City currently contracts with Universal Security Company to provide security guards at the main vehicle and pedestrian entrance during operating hours at the Municipal Service Center (MSC) to prevent unauthorized entry. A Request for Quotes for MSC security guard services was posted on the City's eProcurement system on July 11, 2019. The lowest responsive and responsible bidder was Universal Security Company. Security guard services under a five-year contract at the MSC were approved by Council on October 7, 2019 ([Staff Report 10574](#)).

Discussion

Adding a security guard at the main gate of the RWQCP had been under consideration for some time due to the high value of the equipment at the Plant, the presence of many hazardous materials, and concerns for worker and visitor safety. A number of issues needed to be resolved, including complications from a major construction project at the Plant. Those issues

were resolved and security guard services through Universal Security Company began on July 24, 2019 via short term purchase orders. Since that time, Public Works department staff worked with Universal Security Company's management to establish hours of operation and detailed work requirements for the guards at the RWQCP, which are substantially similar to those at MSC. To provide security guard services over a longer term at the RWQCP, staff recommends amending the existing Universal Security Company contract for MSC security guard services. Universal Security Company offered the same hourly billing rates for services at the RWQCP as provided for the MSC, which are valid until the end of contract term on October 7, 2024 (Attachment A, Exhibit C - Compensation and Schedule of Fees). Given that a competitive solicitation for security guard services for the MSC occurred only a few months ago, a new solicitation for security guard services explicitly for the RWQCP would not be expected to result in rates lower than those in the existing contract for the MSC.

Stakeholder Engagement

RWQCP operating costs are distributed among the RWQCP Partner organizations in proportion to the volume and strength of their sewage contribution to the RWQCP. The Partners were briefed on the new security measures and associated costs and did not object to them. RWQCP staff support the security guard services.

Timeline

The current Security Guard Services contract expires October 7, 2024. Pending Council approval of this recommended Amendment No. 1 with Universal Security Company, the contract term will remain unchanged.

Resource Impact

The approved five-year contract C20176003 with Universal Security Company has a total not-to-exceed amount of \$472,282, including \$449,792 for Basic Services and \$22,490 for Additional Services. With the approval of this amendment, the total not-to-exceed amount will be revised to \$897,344, including \$874,854 for Basic Services and \$22,490 for Additional Services. The additional funding associated with this amendment only impacts the Wastewater Treatment Fund.

Funding for the first year of this amendment to the contract, \$65,228.80, is available in the FY 2020 Operating Budget of the Wastewater Treatment Fund. Funding for future years is subject to the annual budget appropriation and contingent upon Council approval. Contract expenses are distributed in proportion to the anticipated usage of the security guard services by the following departments at MSC and the RWQCP: Utilities, Public Works, and Administrative Services.

Funding Allocations

Fund	Department	Annual Amount for year 1	Annual Amount for year 2-5
Vehicle Replacement and Maintenance	Public Works	\$18,891.28	\$18,891.28
Utilities Administration	Utilities	\$34,004.30	\$34,004.30
General Fund	Public Works	\$34,948.87	\$34,948.87
General Fund	Administrative Services	\$6,611.95	\$6,611.95
Current Annual Amount		\$94,456.40	\$94,456.40
Wastewater Treatment (new)	Public Works	\$65,228.80	\$89,958.40
Amended Annual Amount		\$159,685.00	\$184,414.80
Amended Contract Total (5 years)			\$897,344.00

Environmental Review

This project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under Sections 15301 and 15302 of the CEQA Guidelines as operation, repair, maintenance, and alteration of an existing facility and no further environmental review is necessary.

Attachments:

- Attachment A: Amendment #1 Contract S20176003 Universal Security

Attachment A

**AMENDMENT NO. 1 TO CONTRACT NO. C20176003
BETWEEN THE CITY OF PALO ALTO AND
UNIVERSAL SEMICONDUCTOR, INC., DBA UNIVERSAL SECURITY COMPANY**

This Amendment No. 1 (this "Amendment") to Contract No. C20176003 (the "Contract" as defined below) is entered into as of January 13, 2020 by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and **UNIVERSAL SEMICONDUCTOR, INC., DBA UNIVERSAL SECURITY COMPANY**, a California Corporation located at 1925 Zanker Road, San Jose, CA 95112 ("CONTRACTOR"). CITY and CONTRACTOR are referred to collectively as the "Parties" in this Amendment.

RECITALS

A. The Contract (as defined below) was entered into by and between the Parties hereto for the provision of October 8, 2019 for a five-year term for security guard services at the Municipal Services Center, as detailed therein.

B. The Parties now wish to amend the Contract in order to add the equivalent security guard services to the Water Quality Control Plant, with an increase in compensation, as authorized by City Council approval including its approval of an exemption from competitive solicitation for the additional scope of work.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the Parties agree:

SECTION 1. Definitions. The following definitions shall apply to this Amendment:

- a. **Contract.** The term "Contract" shall mean Contract No. C20176003 between CONSULTANT and CITY, dated October 8, 2019.
- b. **Other Terms.** Capitalized terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Contract.

SECTION 2. Section 1, SERVICES, of the Contract is hereby amended to read as follows:

- 1. **SERVICES.** CONTRACTOR shall provide or furnish the services (the "Services") described in the Scope of Services, attached at Exhibits A and A-2.

Optional Additional Services (This provision only applies if checked and an amount for Additional Services is provided under Section 5.)

Additional Services (as defined in Section 5, "Compensation for Original Term") will be authorized by CITY, as needed, with a Task Order assigned and approved by

CITY’s Project Manager, as identified in Section 8 (“Invoicing”). Each Task Order shall be in substantially the same form as Exhibit A-1 (“General Services Task Order”). Each Task Order shall contain a specific proposed scope of services, schedule of performance and compensation amount, in accordance with the provisions of this Agreement. To accept a Task Order, CONSULTANT shall sign the Task Order and return it to the Project Manager within the time specified by the Project Manager, and upon acceptance by CITY, the signed Task Order shall become part of this Agreement. The cumulative total compensation to CONSULTANT for all Task Orders issued under this Agreement shall not exceed the amount of compensation set forth for Additional Services in Section 5 of this Agreement. CONSULTANT shall only be compensated for Additional Services performed under an authorized Task Order and CITY may elect to, but is not required to, authorize Additional Services work up to the maximum compensation amount set forth for such services in Section 5. Performance of and payment for any Additional Services are subject to all requirements and restrictions in this Agreement.

SECTION 3. Section 5, COMPENSATION FOR ORIGINAL TERM, of the Contract is hereby amended to read as follows:

5. COMPENSATION FOR ORIGINAL TERM. CITY shall pay and CONTRACTOR agrees to accept as not-to-exceed compensation for the full performance of the Services and reimbursable expenses, if any:

- The total maximum lump sum compensation of _____ dollars (\$ _____); **OR**
- The sum of _____ dollars (\$ _____) per hour, not to exceed a total maximum compensation amount of _____ dollars (\$ _____); **OR**
- A sum calculated in accordance with the fee schedule set forth at Exhibit C, not to exceed a total maximum compensation amount of Eight Hundred Ninety-Seven Thousand Three Hundred Forty-Four dollars (\$897,344).

CONTRACTOR agrees that it can perform the Services for an amount not to exceed the total maximum compensation set forth above. Any hours worked or services performed by CONTRACTOR for which payment would result in a total exceeding the maximum amount of compensation set forth above for performance of the Services shall be at no cost to CITY.

- CITY has set aside the sum of Twenty-Two Thousand Four Hundred Ninety dollars (\$22,490) for Additional Services (as defined below). CONTRACTOR shall provide Additional Services only by CITY-approved Task Order as detailed in Section 1 (“Services”) of this Agreement. Compensation shall be based on the hourly rates set forth above or in Exhibit C (whichever is applicable), or if such rates are not applicable, a negotiated lump sum. “Additional Services” shall mean any work that is determined by CITY to be necessary for the proper completion of the Project, but

which is not included within the Scope of Services described at Exhibits "A" and "A-2". Additional Services may only be added as provided for in Section 1 ("Services") of this Agreement.

SECTION 4. Section 4, SCHEDULE OF PERFORMANCE, of the Contract is hereby amended to read as follows:

- 4. SCHEDULE OF PERFORMANCE.** CONTRACTOR shall complete the Services within the term of this Agreement in a reasonably prompt and timely manner based upon the circumstances and direction communicated to CONTRACTOR, and if applicable, in accordance with the schedule set forth in the Schedule of Performance, attached at Exhibits B and B-1. Time is of the essence in this Agreement.

SECTION 5. The following exhibit(s) to the Contract is/are hereby amended or added, as indicated below, to read as set forth in the attachment(s) to this Amendment, which is/are hereby incorporated in full into this Amendment and into the Contract by this reference:

- a. Exhibit "A-2" entitled "Scope of Services", AMENDMENT NO. 1 (ADDED).
- b. Exhibit "B-1" entitled "Schedule of Performance", AMENDMENT NO. 1 (ADDED).
- c. Exhibit "C" entitled "Compensation and Schedule of Fees" (REPLACES PREVIOUS).

SECTION 6. Legal Effect. Except as modified by this Amendment, all other provisions of the Contract, including any exhibits thereto, shall remain in full force and effect.

SECTION 7. Incorporation of Recitals. The recitals set forth above are terms of this Amendment and are fully incorporated herein by this reference.

(SIGNATURE BLOCK FOLLOWS ON THE NEXT PAGE.)

SIGNATURES OF THE PARTIES

IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this Amendment effective as of the date first above written.

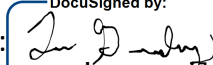
CITY OF PALO ALTO

City Manager or Designee


APPROVED AS TO FORM:

City Attorney or designee
(Contract over \$25k)

**UNIVERSAL SEMICONDUCTOR INC.,
dba UNIVERSAL SECURITY COMPANY
Officer 1**

DocuSigned by:
By: 
Name: Tim Consi
Title: President

Officer 2 (Required for Corp. or LLC)

DocuSigned by:
By: 
Name: George Yan
Title: CFO

Attachments:

- Exhibit "A-2" entitled "SCOPE OF SERVICES", ADDED
- Exhibit "B-1" entitled "SCHEDULE OF PERFORMANCE, ADDED
- Exhibit "C" entitled "COMPENSATION AND SCHEDULE OF FEES" AMENDED REPLACES PREVIOUS

EXHIBIT A-2
SCOPE OF SERVICES
AMENDMENT NO. 1

CONTRACTOR shall supply all labor, materials, equipment and incidentals necessary to provide unarmed security guard services at the Regional Water Quality Control Plant (WQCP) facility at the City of Palo Alto located at 2501 Embarcadero Way, Palo Alto.

CONTRACTOR shall perform unarmed security guard services including, but not limited to, the following services and activities:

- Control vehicle and pedestrian access to the WQCP during the business hours specified below.
- Perform inspections, detection, and investigation of all security-related incidents, violations of City regulations and City employee safety, and report to appropriate authorities and the CITY's Project Manager.
- Respond promptly and appropriately to all security-related emergencies.
- On a quarterly basis, CONTRACTOR shall send CITY a proposed schedule of the guards on duty, which will include the name of each security personnel, working hours, and emergency contact number for each employee. CITY understands that the staffing schedule submitted may be subject to change.
- Patrol the entire facility to provide a visible presence to discourage vandalism or unauthorized entry throughout the day.
- Notify the appropriate law enforcement agency and project manager of any unlawful activity.
- All non-City vehicles will be stopped at the gate before entry subject to Post Orders.
- All visitors, except as noted herein, must have an appointment with staff on site. CITY Staff will notify security guards of their visitors with contacts to call when a visitor is onsite. No one will be allowed on-site without authorization from an authorizing WQCP employee. If no City employee is onsite to accept the visitor, the visitor will not be allowed on the premises.
- Valid ID (Driver's license/City ID badge) is required on all entries from both City employees and non-City employees who are not driving City marked vehicles. Sign in records are required for all visitors. Security officer shall be logging visitor's name, driver license number, company name, date, and time.
- Commercial deliveries (with routine deliveries) will not be treated as visitors, and will be allowed to deliver to the stores warehouse located inside the WQCP.
- Shipping and receiving hours are 6 am to 2 pm Monday through Friday excluding Holidays. No deliveries will be admitted outside these hours unless approved by plant employees in advance or over the plant radio, for example.
- CITY has an authorized vendor and visitor list that will be provided to the Security Officer by the City's Project Manager with periodic updates. These visitors and vendors

will be checked at the gate and allowed entrance without requiring contact with a plant employee by the security guard.

- Check ID (Valid Driver's License) and keep copious written record (who they are visiting, date, & time) of visitors who enters the premises during normal working hours for daily reporting. Turn in visitor log no less than weekly to WQCP administrative staff in the administration building.
- All security officers must be prompt and on time wearing a security uniform with a name badge. High visibility apparel is recommended due to the requirement of working in vehicle traffic situations.
- WQCP employee and visitor parking lots are within the facility. Employees will enter the front main vehicle gate via the security service or through the key-code entry back vehicle gate.
- Visitors to the WQCP with a legitimate business purpose are authorized to park inside the WQCP. City employees are allowed to park their personal vehicles inside the WQCP.
- Issue and receive tickets to recycled water trucks filling up at the recycled water standpipe; turn away recycled water trucks without a legitimate permit to use the standpipe.

Reports:

In the event of an unusual occurrence, the CONTRACTOR shall submit an Incident Report to the CITY's Project Manager.

Immediate threats at WQCP must be reported immediately to public safety officials, as necessary, and in person or by phone to the onsite Operations Supervisor/Senior Operator, Assistant Manager of WQCP, and/or Plant Manager.

CONTRACTOR may use their own forms, subject to prior approval from the CITY's Project Manager. All reports should be submitted via email. Any and all reports prepared during the term of this CONTRACT shall become the property of the CITY.

Personnel:

Security officers assigned to perform work under this AGREEMENT shall wear uniforms at all times. These uniforms must clearly identify the name of the security CONTRACTOR and the name of the individual security guard, in conformance with the California State Requirements. This identification may be accomplished through the use of shoulder patches, silk screening or stitched company emblems, insignias or logos. Security officer shall come equipped with proper clothing and footwear suited for outdoor conditions. All uniform (collar shirts and pants) shall be cleaned and pressed regularly. All collar shirts shall be tucked in neatly while on shift with dark color slacks and shoes. All uniforms shall be approved by the CITY's Project Manager prior to wearing them onsite.

Security officers assigned to perform work under this AGREEMENT shall:

- Be able to communicate effectively in both written and oral English.
- Possess a valid California Driver's License or Identification.
- Be a legal resident of the United States of America.
- Have successfully completed the educational requirements and successfully passed the examinations required by the State of California, Department of Consumer Affairs.
- Be capable of performing the assigned tasks.
- Passed background check and have no disqualifying criminal conviction record as determined by City.
- Must ensure that at least one person every day has a working knowledge of the WQCP.
- Possess a current security guard card.

Code of Conduct

- Staff shall always stand and greet every vehicle (even CITY marked vehicles) as it arrives to make their presence known to arriving visitors.
- Communications should be firm but polite with all visitors and staff
- Violators of the security Standard Operating Procedure shall be identified to the Project Manager immediately
- No security staff is allowed on the premises outside of the assigned hours of this AGREEMENT unless authorized by the CITY's Project Manager.
- The City Guard shack will be properly maintained at all times.
- Computer, phone, and radio issued by the CITY shall be kept in good condition.
- Security staff shall only park in assigned parking spaces.
- Security staff is not allowed to have visitors while on duty.

Equipment:

CONTRACTOR shall furnish all equipment necessary to perform the work as described herein. All equipment shall be kept in good condition.

Required equipment shall include but not be limited to:

- Flashlights and two-way radios/smart phones.
- Appropriate winter and summer wear for staff meeting guidelines in the "Personnel" section above.

Wages:

CONTRACTOR must follow the federal, state, and local minimum wage law each year of the contract.

EXHIBIT B-1
SCHEDULE OF PERFORMANCE
AMENDMENT NO. 1

Required Duties:

CITY requires two unarmed security officers for the Water Quality Control Plant with operation hours from 5:30 am to 4:00 pm, Monday through Friday, excluding holidays. The morning shift shall be from 5:30 am to 1:30 pm and the later (mid-morning) shift shall be from 8:00 am to 4:00 pm. A security sweep and inspection of the entire WQCP facility shall occur as required in post orders, including perimeter fence lines, building exterior doors, storage containers, employee parking lots, and all vehicle and pedestrian gates. A security officer shall be on post at the main entrance gate from 5:30 am to 4:00 pm at all times. The different time shifts will allow for coverage at the guard station during lunch and regularly scheduled breaks, as well as restroom breaks.

If for any reason the security officers cannot meet the required schedule, CONTRACTOR shall notify the CITY's designated Project Manager at least 24 hours in advance.

Holidays

There are 11 City holidays.

<u>DATE</u>
January 1 - New Years Day
3 rd Monday in January - Martin Luther King Jr.
3 rd Monday in February - Lincoln's Birthday
Last Monday in May – Memorial Day
4 th of July
1 st Monday of September - Labor Day
2 nd Monday of October – Columbus Day
November 11 - Veteran's Day
Thanksgiving Day (2)
December 25 - Christmas Day

**EXHIBIT C
COMPENSATION AND SCHEDULE OF FEES
(AMENDED, REPLACES PREVIOUS)**

CITY shall pay CONTRACTOR according to the following rate schedule.

A. Maximum Compensation

The maximum amount of compensation to be paid to CONTRACTOR, including both payment for services and reimbursable expenses, shall not exceed the amounts set forth in Sections 5 and 6 of the Agreement. Any services provided for hours worked for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to CITY.

The maximum compensation on an annual basis are as follows:

- Year 1: Basic Services \$155,187.20
 Additional Services \$4,497.92

- Year 2: Basic Services \$179,916.80
 Additional Services \$4,497.92

- Year 3: Basic Services \$179,916.80
 Additional Services \$4,497.92

- Year 4: Basic Services \$179,916.80
 Additional Services \$4,497.92

- Year 5: Basic Services \$179,916.80
 Additional Services \$4,497.92

B. Additional Services

Additional Services, as defined in Section 5 of this Agreement shall be compensated at the following hourly rates:

Year 1 (October 8, 2019 – October 7, 2020)

Job Class/Title	Rate Type	Base Labor Rate	Direct & Indirect Overhead Rate	Mark Up	Total Hourly Rate
Security Officer	Straight	\$ 18.00	\$ 3.42	\$.98	\$ 22.40
Security Officer	Overtime	\$ 27.00	\$ 4.60	\$ 2.00	\$ 33.60

Year 2 (October 8, 2020 – October 7, 2021)

Job Class/Title	Rate Type	Base Labor Rate	Direct & Indirect Overhead Rate	Mark Up	Total Hourly Rate
Security Officer	Straight	\$ 18.00	\$ 3.42	\$.98	\$ 22.40
Security Officer	Overtime	\$ 27.00	\$ 4.60	\$ 2.00	\$ 33.60

Year 3 (October 8, 2021 – October 7, 2022)

Job Class/Title	Rate Type	Base Labor Rate	Direct & Indirect Overhead Rate	Mark Up	Total Hourly Rate
Security Officer	Straight	\$ 18.50	\$ 3.42	\$.48	\$ 22.40
Security Officer	Overtime	\$ 27.75	\$ 4.80	\$ 1.05	\$ 33.60

Year 4 (October 8, 2022 – October 7, 2023)

Job Class/Title	Rate Type	Base Labor Rate	Direct & Indirect Overhead Rate	Mark Up	Total Hourly Rate
Security Officer	Straight	\$ 18.50	\$ 3.42	\$.48	\$ 22.40
Security Officer	Overtime	\$ 27.75	\$ 4.80	\$ 1.05	\$ 33.60

Year 5 (October 8, 2023 – October 7, 2024)

Job Class/Title	Rate Type	Base Labor Rate	Direct & Indirect Overhead Rate	Mark Up	Total Hourly Rate
Security Officer	Straight	\$ 18.50	\$ 3.42	\$.48	\$ 22.40
Security Officer	Overtime	\$ 27.75	\$ 4.80	\$ 1.05	\$ 33.60