



## **CITY COUNCIL AGENDA REPORT**

**MEETING DATE:** 6/20/2023

**DEPARTMENT:** City Manager

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### **SUBJECT:**

SECOND AMENDMENT TO THE AGREEMENT WITH ALL CITY MANAGEMENT SERVICES, INC.

### **RECOMMENDED ACTION(S):**

1. Approve the Second Amendment to the Professional Services Agreement with All City Management Services, Inc.
  2. Authorize the Mayor to sign, and the City Clerk to attest, the Second Amendment to the Professional Services Agreement substantially, in the form attached.
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### **EXECUTIVE SUMMARY:**

This item was continued at the June 6, 2023, City Council meeting to the June 20, 2023, City Council meeting. A meeting excerpt from the June 6, 2023, City Council meeting is provided (Attachment 1).

Since 2015, the City of Lake Forest has been providing crossing guard services near public schools throughout the city. All City Management Services, Inc., ("ACMS") has been the crossing guard service provider. The City's purchasing guidelines require that services over \$30,000 require a formal bidding process. On May 26, 2020, the City Manager authorized staff to solicit bids for crossing guard services. On July 7, 2020, the City entered into a three-year Professional Services Agreement with ACMS for crossing guard services with a \$858,843 compensation amount ("Agreement") (Attachment 2). On September 25, 2020, the City Council authorized the First Amendment to the Agreement (Attachment 3), which added a midday shift to the scope of services and increased the compensation amount to \$940,479.66. The midday shift was implemented due to the "hybrid learning model" implemented by the Saddleback Valley Unified School District ("SVUSD") in response to COVID-19. The Agreement is set to expire on July 8, 2023, unless the City Council authorizes an amendment to extend the term.

To ensure the continued provision of crossing guard services, staff recommends the City Council approve the proposed Second Amendment to the Agreement, which would extend the term by one year and add \$361,670.40 in compensation

(Attachment 4). The additional compensation amount will cover the costs of an additional year of crossing guard services as well as a 23% increase in hourly rates for crossing guard personnel. If approved, the Second Amendment would bring the Agreement's total compensation amount to \$1,302,150.06 and extend the term through July 8, 2024. There are sufficient funds in the proposed 2023-2025 Operating Budget to cover the costs of the recommended action. As the 2020 Agreement did not anticipate a 23% rate increase after three years, staff plans to initiate a procurement process in the fall to identify market rates for crossing guard services.

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## BACKGROUND:

This item was continued at the June 6, 2023, City Council meeting to the June 20, 2023, City Council meeting. A meeting excerpt from the June 6, 2023, City Council meeting is provided (Attachment 1).

The City has contracted for crossing guard services near public schools at various locations throughout the city since incorporation. These services include providing equipped and trained personnel for crossing pedestrians in marked crosswalks, as well as supervisory personnel to ensure crossing guard activities are taking place at the required places and times. On June 9, 2020, the City entered into the Agreement with ACMS with a \$858,843 compensation amount over a three-year term (Attachment 1). On September 25, 2020, the City Manager authorized the First Amendment to the Agreement, which adjusted the scope of work to include a midday shift at each site and added \$81,636.66 in compensation (Attachment 2). The midday shift was implemented in response to SVUSD's hybrid school day model, which was temporarily in place during the COVID-19 pandemic. Pursuant to the Agreement, there are 23 crossing guard stations at 20 designated locations in the morning and afternoon during school days. Table 1 lists the locations of each guard, including the three intersections that have two guards providing service.

*Table 1: Intersections*

Lunette/Torino Dr.	Ridge Route/Trabuco	Fawn Ridge/Saddleback*
Rue De Fortuna/Fascia	El Toro/Northcrest	Pendleton/Saddleback
Rue De Fortuna/Bake Pkwy	Lake Forest/Pittsford	Lake Forest/Trabuco
Los Alisos/Rockfield	Pittsford/Charford	Serrano/Winding Way
Los Alisos/Muirlands	Pittsford/Northcrest	Ridge Route/Jeronimo*
Landsview/Rockfield	Dune Mear/Rockfield	Rivendell/School Site
Ridge Route/Serrano	El Rond/Ridge Route	

\*Denotes two guards at these locations

On August 16, 2021, SVUSD transitioned away from the hybrid learning model and resumed traditional in-person school hours. Crossing guard hours have since been adjusted to accommodate the shift back to traditional school instruction.

Pursuant to the Agreement, the City is charged on a per-hour basis for crossing guard services. Crossing guards provide one hour of service in the morning and one hour of service in the afternoon on school days. This is considered a “split shift” in the State of California. A split shift is a work schedule that is interrupted by non-paid and non-working time, longer than a meal period or regular break and within the same workday. According to the California Department of Industrial Relations, a business is required to pay one hour of wages to employees making minimum wage for each split shift.

#### Community Satisfaction Study:

The 2023 Community Satisfaction Study conducted by True North Research reported that of those surveyed, 93% of respondents were “very satisfied” or “somewhat satisfied” with the City’s efforts to provide crossing guards near schools. This metric represents the third highest satisfaction score amongst all the police services surveyed with “maintaining a low crime rate” and “investigating criminal activity” tied at a 94% satisfaction rate.

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#### DISCUSSION:

In anticipation of the July 8, 2023, term expiration of ACMS Agreement, staff is proposing the Second Amendment to the Agreement. The Second Amendment would increase the compensation amount in the Agreement by \$361,670.40, which would bring the total compensation amount to \$1,302,150.06. The Second Amendment would also extend the term of the Agreement by one year to July 8, 2024. The increased compensation amount would cover the costs of an additional year of service as well as a 23% increase in hourly rates charged for crossing guard staff services. During discussions about the potential extension of the Agreement, ACMS communicated to staff that employee recruitment and retention have proved difficult. As a result, significant wage increases are needed to ensure adequate staffing is available to meet contract demands. Table 2 describes the history of hourly crossing guard rates and annual compensation.

*Table 2: Contract Breakdown*

<b><i>Fiscal Year</i></b>	<b><i>Hourly Rate</i></b>	<b><i>Annual Cost</i></b>
2020-21*	\$21.91	\$353,759
2021-22	\$23.62	\$293,360

2022-23	\$23.62	\$292,360
2023-24 Proposed	\$29.12**	\$361,670
<b>TOTAL COMPENSATION</b>		<b>\$1,302,150</b>

*\*Included a majority of the “hybrid learning model” period*

*\*\*Updated hourly rate*

The City Council originally received this report as part of the agenda for the June 5, 2023, City Council meeting. At that time, the hourly rate proposed by ACMS was \$30.34 per hour for crossing guard staff. In response to further negotiations with staff, ACMS has agreed to reduce the proposed hourly rate to \$29.12 – \$1.22 less than their originally proposed hourly rate of \$30.34. As a result, the proposed Second Amendment now includes the slightly lower hourly rate of \$29.12 and the compensation amount has been adjusted accordingly.

Pursuant to the City’s Purchasing and Contracting Guidelines (“Purchasing Guidelines”), staff completes a vendor assessment before a contract receives an amendment extending the term. Since the inception of the Agreement with ACMS, staff have been satisfied with services provided. Staff’s assessment of ACMS’ performance is described in Table 3 below.

*Table 3: Performance Review*

<b>All City Management Services, Inc.</b> <b>July 9, 2020 through May 31, 2023</b>	
<b>Category</b>	<b>Unsatisfied – Very Satisfied</b>
Performance of Scope of Services	<input type="checkbox"/> Unsatisfied <input checked="" type="checkbox"/> Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> N/A
Timeliness	<input type="checkbox"/> Unsatisfied <input checked="" type="checkbox"/> Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> N/A
Budget Performance	<input type="checkbox"/> Unsatisfied <input checked="" type="checkbox"/> Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> N/A
Customer Service	<input type="checkbox"/> Unsatisfied <input checked="" type="checkbox"/> Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> N/A

Staff recommends that the City Council approve the Second Amendment to the Agreement with ACMS. If approved, the term of the ACMS Agreement would be extended through July 8, 2024, and the compensation amount would be increased to \$1,302,150.06. The Second Amendment was written by the Finance Department and approved as to form by the City Attorney’s Office.

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## **FISCAL IMPACT:**

Approval of the Second Amendment to the Agreement would increase the compensation in the Agreement by \$361,670.40 for a total compensation amount of \$1,302,150.06. The Second Amendment would also extend the term of the

Agreement to July 8, 2024. The increased compensation would cover the costs associated with another year of services and the increase in contract hourly rates charged by ACMS. There are sufficient funds available in the Proposed 2023-2025 Operating Budget to cover the costs of the recommended action.

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**ATTACHMENTS:**

1. June 6, 2023, City Council Minute Excerpt ACMS Agreement, Item 13
2. Agreement with ACMS
3. First Amendment to the Professional Services Agreement
4. Second Amendment to the Professional Services Agreement

Initiated By: Sharlyn De la Paz, Senior Management Analyst  
Submitted By: Sean McGovern, Assistant to the City Manager  
Approved By: Debra Rose, City Manager