



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 16, 2019**

FROM: PUBLIC WORKS DEPARTMENT **WARDS: ALL**

SUBJECT: SCHOOL CROSSING GUARD SERVICES UPDATE AND COST SHARING OPTIONS WITH RIVERSIDE AND ALVORD UNIFIED SCHOOL DISTRICTS; AND CONSIDER APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT FOR CROSSING GUARD PROGRAM MANAGEMENT SERVICES WITH ALL CITY MANAGEMENT SERVICES, INC. FOR A FIVE YEAR TERM IN AN AMOUNT NOT TO EXCEED \$4,966,041.60 – RFP 1873

ISSUES:

That the City Council receive an update on school crossing guard service cost sharing options with Riverside and Alvord Unified School Districts and consider approval of a Professional Services Agreement for Crossing Guard Program Management Services with All City Management Services, Inc. from Santa Fe Springs, CA for a five year term in an amount not to exceed \$4,966,041.60.

RECOMMENDATIONS:

That the City Council:

1. Receive an update and provide input on school crossing guard services cost sharing options with Riverside and Alvord Unified School Districts;
2. Select Option D as the preferred cost sharing option for crossing guard services with Riverside and Alvord Unified School Districts, which provides a gradual reduction in City contribution from 50% to 0 over a five-year period;
3. Direct staff to negotiate Memorandums of Understanding with Alvord and Riverside Unified School Districts for Cost Sharing of Crossing Guard Services in accordance with the terms provided in Option D;
4. Authorize the City Manager to execute the Memorandums of Understanding with Alvord and Riverside Unified School Districts for Cost Sharing of Crossing Guard Services in accordance with the terms provided in Option D over a five year contract term;
5. Approve a Professional Consultant Services Agreement for Crossing Guard Program Management Services with All City Management Services, Inc. in an amount not to exceed \$4,966,041.60 for a five year term with an option to extend for one additional two year term;

6. Authorize the City Manager or his designee to execute the Professional Consultant Services Agreement with All City Management Services, Inc., including making minor and non-substantive changes and contract extensions.

BACKGROUND:

Prior to 2014, the Public Works Department was responsible for staffing and managing the City's crossing guard program. Due to a series of challenges associated with the program, including citywide staffing reductions following the Great Recession, difficulties recruiting and retaining part-time guards, and an increase in liability associated with workplace injuries, the City Council authorized issuance of a request for proposals (RFP) on December 3, 2013 for the management and provision of crossing guard services within the City. On April 15, 2014, the City Council approved a five-year contract with All City Management Services, Inc. (ACMS), which expired on June 30, 2019. The City has funded crossing guard services at 100% through June 30, 2019.

DISCUSSION:

On May 14, 2019, staff brought a new contract proposal for crossing guard services before the City Council for a five year term with an option to extend for one additional two year term in an amount not to exceed \$4,966,041.60, which covers up to 64 locations at 43 schools for Riverside Unified School District (RUSD) and Alvord Unified School District (AUSD) and two parochial schools. During that discussion, City staff indicated that based on findings from an informal survey of 50 agencies, many are exploring cost sharing models with school districts for crossing guard services. Since the last meeting, staff has received additional information. Of the cities surveyed, 24 are currently funding either a majority or all of the cost of crossing guard services. Of those 24 cities, 20 have indicated they are actively considering cost sharing models.

At the May 14, 2019 meeting, in response to budgetary constraints facing the City, City Council rejected the contract, directed staff to explore cost sharing models with both AUSD and RUSD, and to return with an update prior to the beginning of the next school year. AUSD's students return on August 8 and RUSD students return on August 9 (7th grade) and August 12 (all other students).

Subsequently, on May 21, 2019 and June 18, 2019, the Finance Department presented to the City Council mid-cycle budget updates to the City's two year budget and five year plan. In addition, the Finance Committee has been briefed multiple times regarding short and long-term financial impacts resulting from California Public Employees Retirement System liability to the General Fund, which impacts are substantial.

Cost Sharing Options

The cost sharing options outlined below are based on input received from City Council at the May 14, 2019 meeting, consideration of budgetary constraints, feedback from RUSD and AUSD, as well as cost sharing trends noted from survey feedback of other cities.

Representatives from the City Manager's office and the Public Works Department met with Alvord Unified School District on June 11, 2019 where we discussed budget constraints, crossing locations and cost sharing scenarios. While staff had a meeting with RUSD representatives scheduled for June 25, 2019, RUSD requested to reschedule for August 6, 2019. However, in order to provide timely information to RUSD, the City Manager's office spoke with the Assistant

Superintendent by phone on July 2, 2019 to present the situation and options below and to solicit feedback from the District.

The table below outlines several options for City Council consideration with both City and School District preferences highlighted according to the key below.

'Key' to Preferences

	RUSD and AUSD Preference
	City Staff Recommendation

Options		City Share	District Share
A – No city contribution	All Years	0%	100%
B – Equal cost share	All Years	50%	50%
C – Gradual cost share to 50%	Year 1	90%	10%
	Year 2	80%	20%
	Year 3	70%	30%
	Year 4	60%	40%
	Year 5	50%	50%
D – Gradual reduction in City contribution (from 50% to 0)	Year 1	50%	50%
	Year 2	40%	60%
	Year 3	30%	70%
	Year 4	15%	85%
	Year 5	0%	100%

Some cities, such as Whittier, have recently eliminated program funding altogether. AUSD funds 100% of crossing guard services in unincorporated Riverside County areas. RUSD utilizes parent volunteers at two locations outside of the City of Riverside.

Intersection Improvements Resulting in Location and Cost Reduction

The City has funded 64 locations for both Districts for a number of years. Traffic Engineering recently reviewed the locations to identify whether safety improvements (i.e. updates/delays to signal timing for added pedestrian safety, flashing LED stop signs) had been implemented since the program began. As a result of that review, several potential locations were proposed for AUSD and RUSD to consider for reducing services. Based on staff conversations with the school districts, **both AUSD and RUSD support a reduction in locations.**

For illustration purposes, the following cost assumptions reflect a reduction of five locations for RUSD and AUSD (10 total), which would result in an immediate contract reduction in the amount of approximately \$776,000 over the five year period.

Contract Rates (Fixed Per Location)	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24
• Per Hour	\$18.36	\$20.99	\$21.69	\$23.04	\$23.69
• Per Day (4 hrs)	\$73.44	\$83.96	\$86.76	\$92.16	\$94.76
• Per Year (180 days) ^{1, 2}	\$13,220	\$15,113	\$15,617	\$16,589	\$17,057
# of Locations (Variable)	54	54	54	54	54
Total Cost – 54 Locations	\$713,880	\$816,102	\$843,318	\$895,806	\$921,078

1. 180 Days is a standard school year and does not include summer school.

2. Figures may be rounded for illustrative purposes.

Cost Scenarios (based on 54 locations)

The following table shows the costs for the City and each school district for the Options outlined previously with reduced locations based on traffic improvements discussed above. RUSD and AUSD prefer Option C, highlighted in yellow. Based on the critical state of the City's projected five year financial position, staff is recommending Option D, highlighted in blue.

		Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24
OPTION A Schools pay 100%	City	\$ -	\$ -	\$ -	\$ -	\$ -
	AUSD	\$132,200	\$151,130	\$156,170	\$165,890	\$170,570
	RUSD	\$581,680	\$664,972	\$687,148	\$729,916	\$750,508

OPTION B Schools pay 50% City pays 50%	City	\$356,940	\$408,051	\$421,659	\$447,903	\$460,539
	AUSD	\$66,100	\$ 75,565	\$ 78,085	\$ 82,945	\$ 85,285
	RUSD	\$290,840	\$332,486	\$343,574	\$364,958	\$375,254

OPTION C Gradual cost share to 50%	City	\$642,492	\$652,882	\$590,323	\$537,484	\$460,539
	AUSD	\$ 13,220	\$ 30,226	\$ 46,851	\$ 66,356	\$ 85,285
	RUSD	\$ 58,168	\$132,994	\$206,144	\$291,966	\$375,254

OPTION D Gradual elimination of City contribution (50% to 0%)	City	\$356,940	\$326,441	\$252,995	\$134,371	\$ -
	AUSD	\$ 66,100	\$ 90,678	\$109,319	\$141,007	\$170,570
	RUSD	\$290,840	\$398,983	\$481,004	\$620,428	\$750,508

Total Annual Cost	\$ 713,880	\$ 816,102	\$ 843,318	\$ 895,806	\$ 921,078
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Figures may be rounded

Contract Considerations

During the May 14, 2019 City Council discussion, questions arose as to the flexibility of the proposed contract terms. Staff has consulted with the City Attorney's office and the contract language provides sufficient flexibility to modify the program as needed.

- 1. Compensation:** Section 3 – Compensation/Payment is written as a “not to exceed” or maximum contract amount.
 - a. Crossing guard services are billed on an invoice basis for locations actually served which provides staff and the Districts the ability to reduce locations with minimal notice to the Contractor.
- 2. Termination:** Section 25 – City and Contractor have the right to terminate any or all services at any time with 30 days' notice. Additionally, the contract provides the City the option to terminate the contract with **15 days written notice** if the.... “City decides to abandon or postpone the Project.”
 - a. Because this is a City Council approved contract, any termination of the contract from the City would require City Council approval.
- 3. Exhibit A – Scope of Work – Additional Requirements.** Sections B(IV) and B(V) states “Locations may be added/**subtracted** at the request of the City. Company will adjust the service hours and service locations as needed to accommodate any such requests. Adjusted hours and locations shall be adjusted at the rate provided in Section 11.g., Pricing.” “The City

may remove crossing guard locations and/or reduce crossing guard hours at a location following 24-hour prior written notice to Company.”

- a. Given the nature of crossing guard services, changes in traffic patterns, financial conditions, population or other unforeseen conditions, the scope of work was drafted with flexibility in mind.

If the contract is approved, these provisions provide the City with flexibility to modify or terminate the program as needed.

The Purchasing Manager concurs that the recommendations are in compliance with Purchasing Resolution 23256.

FISCAL IMPACT:

The Fiscal Impact depends on the Option selected and the number of intersections. The following table reflects General Fund savings and city cost for the number of locations serviced through June, 2019 (64) and for the agreed upon reduction in locations (54):

	General Fund Savings		City Cost	
	64 locations	54 locations	64 locations	54 locations
Option A – Schools pay 100%	\$4,966,042	\$4,190,098	\$0	\$0
Option B – Equal Cost share (50/50)	\$2,483,072	\$2,095,092	\$2,483,072	\$2,095,092
Option C – Gradual cost share (100% to 50%)	\$1,548,403	\$1,306,465	\$3,417,741	\$2,883,719
Option D – Gradual funding reduction (50% - 0%)	\$3,697,110	\$3,119,437	\$1,269,034	\$1,070,747

**Figures may be rounded for illustrative purposes.*

Funds are available to cover any option selected in the FY 2019/20 Public Works' Non-Departmental Crossing Guards Professional Services account number 7241500-421000. Appropriations for future fiscal years will be included in the Department's Budget submissions for those fiscal years to be presented to the City Council for approval.

Prepared by: Kris Martinez, Public Works Director
 Certified as to
 availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
 Approved by: Rafael Guzman, Assistant City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Agreement
2. Cost Sharing Survey Results
3. Presentation