

MEMORANDUM

January 24, 2012

To: City Council Finance Committee

From: Lauren Bradley, Finance & Management Services Director

Subject: Contract thresholds for Living Wage requirements

At the November 22, 2011 City Council meeting, staff brought forward consideration of a three-year contract for security services in the City's parking garages. The annual cost of the contract is \$125,000.

During that meeting, Councilman Smith moved to have the Finance Committee review the contract at its next meeting to determine if the City should proceed with contracting for the service or to bring the service in-house. The minutes read:

"Councilman Smith said that Copeland pays their employees \$8.00/hour, but the City could provide the service for \$137,000 a year. He felt the \$12,000 difference is worth further investigation for this service to be performed in-house as it would align with the City's mission of providing living wages."

On March 22, 2011, City Council adopted a purchasing and contracting policy that includes a living wage requirement for General Service contracts \$30,000-\$90,000. On April 26, 2011, City Council passed a resolution setting the living wage at \$11.35/hour without employer provided health insurance and \$9.85/hour with employer provided health insurance. The resolution also said that Council would revisit the Living Wage each year as part of the annual budget process.

The rationale for contracting out these security services includes cost savings as well as other factors like managerial flexibility, service quality, and speedy implementation. Staff estimates the direct and some indirect costs to bring these services in-house to be \$215,000. This assumes the City would need to hire six full-time employees to provide the equivalent level of service. Indirect and overhead costs include expenses associated with uniforms, benefits and other associated costs. In addition, staff estimates that the associated costs for in-house services will increase at a faster rate than contracted services due to expenses associated with long-term benefits (i.e., pension and health care costs, etc.).

Staff estimates that extending a living wage requirement to this type of contract would increase the cost by 30%-35% for an annual total of about \$165,000.

Given the existing living wage policy adopted by City Council for service contracts, staff would recommend proceeding with the security contract as proposed. If City Council would like to extend the living wage requirement to contracts above the \$30,000-\$90,000 threshold, staff would recommend making that change as part of the FY13 budget process.

STAFF REPORT

TO: City Council Finance Committee Date: April 26, 2011
FROM: Lauren Bradley, Director of Administrative Services
Via: Gary W. Jackson, City Manager
Subject: Living Wage Resolution

Summary: Consideration of a resolution setting a living wage for City of Asheville full- and part-time employees and contract employees working on General Service contracts \$30,000-\$90,000 in value.

Review: In 2007, Asheville City Council approved a living wage for city employees of \$10.86 per hour without health insurance and \$9.50 per hour with health insurance. Since 2007, the Asheville/Buncombe Living Wage increased to \$11.35/hour without employer provided health insurance and \$9.85/hour with employer provided health insurance. The resolution under consideration reflects the current living wage for full- and part-time City employees.

On March 22, 2011, City Council adopted a purchasing and contracting policy that includes a living wage requirement for General Service contracts \$30,000-\$90,000. The resolution under consideration provides for the same living wage described above for these contract employees.

Based on direction given at the March 22 meeting, it is City Council's intent to annually evaluate the living wage as part of the budget process to ensure the wage stays current with inflationary indexes (such as the Consumer Price Index) and/or the most current recommendation from Just Economics. The City Council will also evaluate if the living wage provision should be extended to additional thresholds of General Services contracts.

This action is consistent with the City Council's strategic operating plan and its goal to support a standard of living that is affordable to people of all incomes, life stages and abilities.

Pros and cons are not included with this staff report since City Council has already approved the living wage policy. The adoption of this resolution formalizes City Council's previous action.

Fiscal Impact: The City of Asheville currently meets the current living wage standard for full-time employees, and so no fiscal impact is expected. While the living wage provision in the General Services category may have a fiscal impact for the City, research has shown that cost implications are typically minimal and less than 1%. Staff will regularly monitor and provide quarterly updates on the impacts of the living wage provision to the City Council Finance Committee.

Attachments: Resolution

STAFF REPORT

To: Mayor and City Council Date: November 22, 2011
From: Ken Putnam, PE Prepared by: Harry Brown
Transportation Dept. Director Parking Services Manager
Via: Gary Jackson, City Manager
Subject: Security Services in Parking Garages

Summary Statement: The consideration of a resolution authorizing the City Manager to enter into a contract with Copeland Holdings, LLC for security services in the City's parking garages.

Review: The City of Asheville, through the Parking Services Division, currently operates three parking garages; Civic Center, Rankin Avenue, and Wall Street. A fourth garage, Lexington Avenue Parking Garage will open on or about July 1, 2012. The Parking Services Division uses a combination of City employees and contract security officers to provide security and customer assistance in the garages. Generally, City employees work during the business day and early evenings while contract security is on duty during late nights, weekends, and holidays.

Contracts for security are in effect for three years and the current contract expires on November 30, 2011. In September 2011 the Parking Services Division requested quotes for service from interested vendors resulting in 20 vendors responding as shown on the attached vendor bid sheet. Copeland Holdings, LLC provided the lowest price for the service. Copeland Holdings, LLC, is headquartered in Alpharetta, Georgia, and they have a district office in Burnsville, N.C. On a normal week, a total of 205 hours of security services will be needed. In addition, the Parking Services Division will request additional security support during periods of high demand; for example, Bele Chere, Southern Conference Tournament, Moogfest, employee vacations, or large concerts at the Civic Center. The total cost of the three-year security contract will be \$375,000.00 but will not exceed \$125,000.00 per fiscal year.

This action complies with the City Council Strategic Operating Plan in that it provides safe facilities for residents and visitors to park in the most cost effective manner.

Pros:

- Provides safe facilities for residents and visitors to park in.
- Using contract security is the most cost effective manner to augment the Parking Services Division's security requirements.
- Achieves the City of Asheville's assurances to its partners at 51 Biltmore that adequate security will be maintained in the Lexington Avenue Parking Garage.

Con:

- Total cost of \$375,000.

Fiscal Impact: The necessary funds are already budgeted in the Parking Services Fund's Operating Budget for FY 2011-12.

Recommendation: City staff recommends that City Council adopt a resolution authorizing the City Manager to sign a three-year contract with Copeland, Holdings LLC to provide security services in the City's parking garages at a total cost of \$375,000.00; not to exceed \$125,000.00 per fiscal year.

Attachments:

- (1) Resolution
- (2) Vendor Rates Per Hour

VENDOR	RATE PER HOUR W/O VEHICLE CC, WS, RA / LEX	RATE PER HOUR WITH VEHICLE CC, WS, RA/LEX
Copeland Holdings, Inc	10.47/10.47	11.88/11.88
US Security Associates	11.31/11.31	20.04/15.23
Vets Security America	11.49/11.49	12.23/12.23
G4S	11.68/11.68	13.18/12.90
Security Forces Inc	11.98/11.98	12.69/12.69
Safe & Secure WW Protection	12.00/12.73	14.25/15.75
ABM Security	12.54/12.33	12.59/12.38
Delta Protection Agency	12.50/12.50	15.00/15.00
Defender Services	12.69/11.35	13.19/11.85
Securitas	12.89/12.89	13.41/13.41
DSI Security	12.99/12.99	15.49/13.99
Blue Shield Security	13.50/13.50	15.00/15.00
PNG Security	13.75/13.75	14.75/14.75
Pohoja Corporation	14.25	17.85
Federal Security Services	14.50/14.50	15.70/15.70
Alrod Enterprises	15.75	50.75
Maroon Security	16.00/16.00	19.00/19.00
TRV Security	16.00/16.00	20.00/20.00
Southern Protection Agency	16.25/16.25	18.05/18.05
The PDS Agency	25	25

RESOLUTION NUMBER _____

RESOLUTION ADOPTING A LIVING WAGE FOR FULL- AND PART-TIME CITY EMPLOYEES AND GENERAL SERVICE CONTRACTS \$30,000-\$90,000

WHEREAS, the Asheville City Council has adopted a strategic plan that includes a goal to make Asheville affordable for people of all incomes, life stages and abilities;

WHEREAS, a living wage is the amount that a worker must earn to afford his or her basic necessities without public or private assistance;

WHEREAS, on May 22, 2007, the Asheville City Council adopted a living wage for full- and part-time City employees;

WHEREAS, since 2007, the living wage in Asheville and Buncombe County has increased to \$11.35/hour without employer provided health insurance and \$9.85/hour with employer provided health insurance; and

WHEREAS, on March 22, 2011, the Asheville City Council adopted a purchasing and contracting policy that includes a living wage provision for employees working on General Services contracts between \$30,000 and \$90,000 in value; and

WHEREAS, Council deems it advisable to revisit the amount of the living wage during the annual budget process to ensure it remains consistent with inflation;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The Living Wage for Fiscal Year 2011-2012 be set at \$11.35/hour without employer provided health insurance and \$9.85/hour with employer provided health insurance.

Read, approved and adopted this 26th day of April, 2011.

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH
COPELAND HOLDINGS, LLC FOR SECURITY SERVICES IN THE CITY PARKING
GARAGES

WHEREAS, the City of Asheville has authority pursuant to Article 3 of Chapter 160A of the North Carolina General Statutes to enter into contracts for services with other entities; and

WHEREAS, security services are needed in the City parking garages; and

WHEREAS, the amount of the contract is \$375,000 for three years and the monies have been budgeted in the Transportation Department's Operating Budget for FY 2011-12; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to enter into a contract on behalf of the City of Asheville with Copeland Holdings, LLC, for \$375,000.00 over three years not to exceed \$125,000.00 per fiscal year for security services in the City parking garages and further authorized to execute any change orders to said contract or documents which might arise during the time period of the contract up to the budgeted amount.

Read, approved and adopted this the 22nd day of November 2011.

City Clerk

Mayor

Approved as to form:

City Attorney