



# City of Palo Alto

## City Council Staff Report

(ID # 7333)

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**Report Type: Consent Calendar**

**Meeting Date: 11/14/2016**

**Summary Title: Contract Extension for Cypress Security**

**Title: Approval of a Contract Amendment With Cypress Security, Inc. (C16160138A) in the Amount of \$768,223 for a Total Not-to-Exceed Amount of \$2,092,215 and Extend the Term of the Agreement to June 30, 2017 and Approval of Budget Amendments in the General Fund**

**From: City Manager**

**Lead Department: Police**

### **Recommendation**

Staff recommends that the City Council

1. Authorize the City Manager, or his designee, to execute the attached contract amendment (Attachment A) with Cypress Security, Inc. (C16160138A) in the amount of \$768,223.73 for a total not-to-exceed amount of \$2,092,215.73 and extend the term of the agreement to June 30, 2017;
2. Amend the FY 2017 Budget Appropriation Ordinance for the General Fund by:
  - a. Increasing the Police Department General Contract Service in the amount of \$735,000; and
  - b. Decreasing the General Fund Budget Stabilization Reserve by \$735,000.

### **Background and Discussion**

Since 2009, the City of Palo Alto has used the services of contract security guards in response to teen fatalities that have occurred along the Caltrain corridor in Palo Alto. This program is commonly referred to as Track Watch. From November 2009 to October 2014, guards were stationed at both the Charleston and Meadow crossings from 6:15 p.m. to 1:15 a.m. (seven hours). This evening-only level of service at two locations resulted in a monthly cost for rail security services of approximately \$5,000 per month. To address additional teen fatality incidents, in October 2014, the City increased its rail security services to include the Churchill crossing and, in November 2014, the City increased its rail security services to include the California Avenue Station. Most recently, in response to a teen suicide at the Alma crossing security services were added at this fifth location. This resulted in the City of Palo Alto having contract security guards at a total of five locations. Additionally, the City increased the original scope by hiring rail security guards to be present 24-hours per day to help further mitigate the risk of incidents involving both Caltrain and freight trains.

Cypress began providing contract security guard services on December 1, 2015. In the Spring of 2016, in response to concerns about the quality of services provided by Cypress, the City worked with Cypress to restate our expectations and made several service enhancements including installation of temporary toilet facilities at guard locations, increased coverage to include a fifth guard position at the Palo Alto Avenue crossing, and an additional sixth and seventh guard positions to serve as “rovers” to ensure continuous coverage during scheduled work breaks at all locations. In addition, Cypress guards have been using a GPS tracking technology so that the City can verify their physical location and proximity to their post in real-time.

The City of Palo Alto has also been working on several fronts related to what is called “means restriction” – limiting and reducing access to the tracks, as well as improving visibility along the rail line. Research has shown that “means restriction” is an important part of a comprehensive approach to suicide prevention. On our own initiative, the City has helped put in place several key “means restriction” elements: enhanced and taller fencing along the entire east side of the Caltrain rail corridor, clearing of brush/shrubs for better visibility, and the installation of a pilot intrusion detection camera technology at one location to monitor the grade crossing. This technology is designed to distinguish between humans and other objects down the corridor, along the right of way and at intersections. To ensure continuous monitoring at all locations and down the Caltrain corridor, City staff believes that such technology will be key to a sustainable Track Watch program, eventually replacing the guard program as currently provided. The Fiscal Year 2017 Adopted Operating Budget anticipated contracting with Cypress for at least the first six months of the fiscal year, as it was anticipated that the guards might be able to phase out as the City transitions to this system. However, track security services are anticipated to be necessary through at the least the end of the fiscal year. This contract extension provides sufficient funding through June 30, 2017 for 7 guards, 5 stations, and 24/7 coverage.

While means restriction is an important suicide prevention strategy, it is only one of many efforts underway by the Palo Alto community. The City of Palo Alto’s ongoing commitment to the Project Safety Net Community Collaborative, which aims to build and strengthen the community network of support for youth and teens across all community sectors, and helps provide increased awareness and decreased stigma of mental health, strengthens connections between teens and caring adults, and provides suicide prevention training in line with our long-term strategy in suicide prevention.

Track security services are not the panacea to this complex and challenging issue of suicide prevention that we face as a community. Investment in the health and wellbeing of Palo Alto’s youth and teens must be pervasive, well beyond track security services, inclusive of community, school, parent and student efforts across the Palo Alto community. Finally, it is also important to understand that track security services with human guards is not fool proof, and will be subject to human error. Recognizing the inherent challenges with human guards and following

the best practice of video intrusion detection for suicide prevention on rail lines, staff is experimenting with a pilot intrusion detection camera system as a possible alternative to human guards as long-term strategy. The City has purchased the camera equipment and related networking hardware for the intrusion detection system, is paying for third-party monitoring of the cameras, and intends to go out to bid to expand camera coverage to all street-rail intersections in the City.

### **Resource Impact**

The additional amount requested is a net addition of \$735,000 which includes six months of service for seven guards, 24-hours per day, 7 days a week. Total Fiscal Year 2017 costs for Track Watch are estimated to be approximately \$1.7 million. The Fiscal Year 2017 Adopted Operating Budget allocated \$824,000 for Track Watch services in the Police Department budget which assumed a six month contract at a slightly lower level of service from Cypress. In addition, due to a difference in timing of payments of FY 2016 services, some billings have been accounted for in FY 2017 resulting in expense savings in FY 2016. These savings are recommended to be reappropriated in the Stanford Development Agreement Fund (approximately \$157,000) under a separate City Manager Report to be considered by the Finance Committee on October 18, 2016. Therefore, once adjusted for these additional payments and assuming the reappropriation in the Stanford Development Agreement Fund, additional funding of \$735,000 is anticipated for this extension through the remainder of the fiscal year of the year. These costs are recommended to be drawn from the General Fund Budget Stabilization Reserve.

### **Environmental Review**

This is not a project under the California Environmental Quality Act (CEQA).

### **Attachments:**

- Attachment A: Cypress Amendment 092916 (PDF)

**AMENDMENT NO. ONE TO CONTRACT NO. C16160138A  
BETWEEN THE CITY OF PALO ALTO AND  
CYPRESS SECURITY, LLC**

This Amendment No. One to Contract No. C16160138A (“Contract”) is entered into October 24, 2016, by and between the **CITY OF PALO ALTO**, a California chartered municipal corporation (“CITY”), and **CYPRESS SECURITY, LLC**, a limited liability company, located at 1762 Technology Drive, San Jose, CA 95110, Telephone Number: (408) 946-4102 (“**CONTRACTOR**”).

**RECITALS**

A. The Contract was entered into between the parties for the provision of access control and enforce access control procedures to the site by monitoring pedestrian traffic through designated railroad crossings.

B. The parties wish to amend the Contract.

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

SECTION 1. Section 3 “TERM” is hereby amended to read as follows:

“TERM.

The term of this Agreement is from December 31, 2016 to June 30, 2017 inclusive, subject to the provisions of Sections Q and V of the General Terms and Conditions.”

SECTION 2. Section 5 “COMPENSATION FOR ORIGINAL TERM” is hereby amended to read as follows:

“A sum calculated in accordance with the fee schedule set forth at Exhibit C, not to exceed a total maximum compensation amount of Two Million Ninety-two Thousand Two Hundred Fifteen Dollars and seventy three cents (\$2,092,215.73).”

SECTION 3. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Amendment on the date first above written.

CITY OF PALO ALTO

CYPRESS SECURITY, LLC

City Manager or designee

1<sup>st</sup> Officer  
DocuSigned by:  
*Kes Narbutas*  
BE05744C48804A5...  
CEO

APPROVED AS TO FORM:

2<sup>nd</sup> Officer  
DocuSigned by:  
*Jonas Tegnerud*  
B4AC35DF9D1A44A...  
COO

City Attorney or designee

Attachments:

- a. Exhibit "C" entitled "SCHEDULE OF FEES and RATE SCHEDULE"

**EXHIBIT C  
SCHEDULE OF FEES**

**Compensation based upon fee schedule**

CITY shall pay CONTRACTOR according to the following rate schedule. The maximum amount of compensation to be paid to CONTRACTOR, including both payment for services and reimbursable expenses, shall not exceed Two Million Ninety-two Thousand Two Hundred Fifteen Dollars and seventy three cents (\$2,092,215.73). Any services provided or 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.

<b>Month</b>	<b>Coverage</b>	<b>Cost</b>
<b>January 2017</b>	29 Regular Days 2 Holidays 24 Hour per Day Coverage 7 Locations	\$145,444.08
<b>February 2017</b>	27 Regular Days 1 Holiday 24 Hour per Day Coverage 7 Locations	\$129,749.04
<b>March 2017</b>	31 Regular Days 0 Holiday 24 Hour per Day Coverage 7 Locations	\$140,958.96
<b>April 2017</b>	30 Regular Days 0 Holidays 24 Hour per Day Coverage 7 Locations	\$136,474.80
<b>May 2017</b>	30 Regular Days 1 Holiday 24 Hour per Day Coverage 7 Locations	\$143,201.52
<b>June 2017</b>	30 Regular Days 0 Holiday 24 Hour per Day Coverage 7 Locations	\$136,474.80
<b>Total Cost</b>		<b>\$832,303.20</b>

**EXHIBIT C  
RATE SCHEDULE**

	<b>Regular Rate</b>	<b>Holiday/OT Rate</b>
<b>Track Watch Security Officer</b>	\$26.28	\$39.42
<b>Roving Break Relief Officer</b>	\$27.72	\$41.59
<b>Additional Vehicle (Monthly)</b>	\$975.00/each vehicle	