



MEMORANDUM

TO: Mayor and Council Members

FROM: James Scarboro, Chief Procurement Officer
Darrell Alexander, Building Services Officer

THROUGH: Veronica Briseño, Assistant City Manager

DATE: April 15, 2022

SUBJECT: **April 21, 2022, Council Agenda Item 10 - Unarmed Security Guards**

On April 21, 2022, staff will be seeking Council approval of Item 10 to authorize a set of contracts that would provide unarmed security guard services to multiple departments. These contracts would replace the current contracts for the same services that are expiring on July 12, 2022. The services provided under these contracts are subject to Council [Resolution No. 20190822-067](#) regarding Council's policy preference to insource these services. The purpose of this memo is to provide additional information about the departments that use contracted security guard services and their progress towards implementing the policy objectives set forth in the resolution.

Background. On August 22, 2019, Council passed [Resolution No. 20190822-067](#) directing the City Manager to minimize the use of contracts for various services including but not limited to custodial, security, call center, landscaping, and other services, and instead hire City employees to perform the same work. Since then, departments that use contracted labor subject to the resolution have been reviewing their operations to determine when and to what extent they can implement Council's resolution.

In facilitating the new solicitation for these services, the Financial Services Department coordinated with the Building Services Department to obtain overviews of each department's experience hiring security services since the resolution's adoption, and department plans for decreasing use of contracted security guard services (See Appendix A).

Staff Recommendation. While departments continue working to identify how and when they will transition away from fully relying on contracted security guard services, to ensure coverage during this transition period, staff recommends Council approval of Item 10.

Should you have any questions or would like any additional information please contact either of us:

- Procurement - James Scarboro, 512-974-2050, james.scarboro@austintexas.gov, or
- Operational - Darrell Alexander, 512-974-7948, darrell.alexander@austintexas.gov

cc: Spencer Cronk, City Manager
Ed Van Eenoo, Chief Financial Officer

Attachment: Appendix A – Department Summaries Using Security Contractors

APPENDIX A – DEPARTMENT SUMMARIES USING SECURITY CONTRACTORS

Building Services Department

Building Services Department (BSD) utilizes a hybrid of in-house and contract security guards to meet current security requirements. Below is a list of current sites and the breakdown of in-house and contract security staffing per site. BSD must maintain security at these sites in accordance with community expectations and regulatory requirements.

Building Services Core Sites

Facility	In House Security	Contracted Security
City Hall	8	1
Municipal Building	1	0
Rutherford Lane	10	0
Techni Center	0	1
Planning Development Center	8	0
One Texas Center	0	5
Town Lake Center	0	7

The facilities listed below are supported by BSD through an agreement with Austin Public Health.

Facility	In House Security	Contracted Security
Rosewood Zaragoza	0	1
RBJ Health Center	0	2
Saint John’s Neighborhood	0	1
Montopolis	0	1
South Austin Neighborhood Center	0	1

In support of the resolution, BSD budgeted to hire 10 security guards at Rutherford Lane in FY22 and plans to ask for an additional 13 security FTEs as part of the FY23 budget. However, current labor market conditions and a limited talent pool are creating barriers to insourcing efforts. In addition, BSD is routinely asked to support the security needs for other departments and City initiatives such as COVID vaccine/testing sites, Cold Weather Sheltering, IsoFac’s, and other special events.

For these reasons, Building Services will need to continue utilizing contract security services to cover the currently contracted guards, backfill budgeted position vacancies, and cover the seasonal and special needs that arise related to City services and programs. Building Services will continue to assess the ability to insource security personnel annually based on market conditions and the City’s ability to effectively recruit and retain talent in the security field.

Austin Energy

Pursuant to City Council Resolution 20190822-67 related to the use of contracts for general services or labor-intensive services, Austin Energy (AE) further analyzed the opportunity to in-source security guard services through a partnership with Building Services Department (BSD). After review and given the expansive level of security requirements for Austin Energy operations, it was found that the services are best fulfilled through a continued approach of hybrid insourced security and contract guard services.

Austin Energy and BSD developed a transition plan (which can be performed by either Department) to provide for a primarily in-sourced guard staff business model over a five (5) year period. The five (5) year transition plan limits the number of hires each year to ensure quality candidates can be hired. The plan

also phases in the budget impact of the transition and allows Austin Energy or BSD to slowly grow its security operations team. A summary of the plan is highlighted below:

PROJECTED FY22 ANNUAL CONTACTED SERVICES COST			
Fiscal Year	Projected Cost		
FY22	\$		2,038,186.34
INSOURCE STAFFING PHASED TRANSITION PLAN			
Fiscal Year	FTEs	Cost per year for FTEs	Cumulative YoY Cost
FY23	13.03	\$828,098	\$828,098
FY24	13.45	\$903,946	\$1,732,044
FY25	11.4	\$804,378	\$2,536,422
FY26	11.03	\$684,380	\$3,220,802
FY27	11.6	\$718,258	\$3,939,060
Totals	60.51	\$3,939,060	

FIVE YEAR TRANSITION PLAN COST					
Fiscal Year	Cumulative # of FTEs		FTE Cost	Estimated Contract Cost	Total FY cost
	YoY				
FY23	13.03		\$828,098	\$1,725,687	\$2,553,785
FY24	26.48		\$1,732,044	\$1,372,277	\$3,104,321
FY25	37.88		\$2,536,422	\$945,941	\$3,482,363
FY26	48.91		\$3,220,802	\$533,629	\$3,754,431
FY27	60.5		\$3,939,060	*\$100,000	\$4,039,060
Totals	60.51		\$12,256,426	\$4,677,534	\$16,933,960

*AE/BSD will require ongoing supplemental contract staff to allow for attrition, absences and event staffing.

This plan has met challenges to begin by FY23 because of labor shortages. With security guard functions being critical to Austin Energy operations, AE foresees the need to continue contracted security guard services for the near-term. Austin Energy will continue assessing the phased insource strategy plan as articulated on an annual basis to align with the intent of the resolution.

Austin Water

In response to this resolution, Austin Water, in collaboration with other Departments, prepared a transition plan to insource security services, which calls for a hybrid of in-house and contract security guards to meet our current security requirements. Austin Water is requesting the Purchasing Office pursue Council approval for the award of a new contract to provide security services through the remainder of this transition period and for ongoing contractor services for certain entry-level guard positions. The contract may also augment existing security staff during vacancies and provide increased coverage during incident and emergency responses.

Austin Water requires routine security guard services to protect critical water and wastewater infrastructure at multiple sites. Under the new security services contract, the contractors will monitor secured areas and ensure that all visitors, employees, infrastructure, and equipment are safeguarded. The contractors will be responsible for physical and vehicle patrols, documenting and reporting activities and incidents, and maintaining facility logs.

In accordance with Council Resolution 20190822-067, Austin Water started insourcing security services this fiscal year and will be proposing additional FTEs next fiscal year as a part of our transition plan. Currently, Austin Water is in the process of hiring 9 security positions and intends to hire 6 additional security positions next fiscal year, pending Council approval of additional FTEs in FY23. The award of the

new contract will provide Austin Water adequate time to complete the transition process, continue to implement our insourcing strategy, provide for ongoing contractor services, and gradually allocate the appropriate budget to procure equipment and hire staff to perform these services.

Austin Public Library

APL requires continued access to contracted security for the foreseeable future to provide adequate coverage while continuing to pursue the insourcing plan for branch libraries and the Central Library. It is important to note, however, that even once the insourcing plan is complete, there will still be a need for contracted security services due to labor shortages, position vacancies, turnover, and the need to cover seasonal and event driven work. APL will continue to evaluate plans for insourcing security work to determine the viability of those plans based on operational needs.

Austin Municipal Court and Downtown Community Court

The Austin Municipal Court and Downtown Community Court currently have a hybrid utilization of third-party security and officers from the Austin Police Department. Due to the nature of court security, the Courts recommend continuing this hybrid approach. Additionally, contracted security guards are required to meet standards established by the Texas Commission on Law Enforcement.

Like other departments, the Courts are experiencing a tight labor market for security personnel. It's imperative to have full and complete staffing to support Court operational needs and prevent security risks to employees, judges, the prosecutors, and the public. Call outs and open positions pose a security risk. Continued access to the private security contract ensures adequate staffing regardless of market conditions and mitigates the concerns of open positions.

The additional cost, inefficiency and management required to maintain an insourced, properly trained and certified security force for the Austin Municipal Court and Downtown Community Court is not recommended at this time.

Austin Convention Center Department

The Austin Convention Center Department (ACCD) Security and Safety Division utilizes private security guards to supplement current ACCD security staff primarily during large, contracted events. When the plans of events or shows include a large security presence that exhausts City full time and part time security employee resources, there is a need to use contracted security guards to fill gaps.

In addition, the Austin Convention Center Parking Division utilizes contracted security guards to augment ACCD's current overnight security staff at two of the three garages. Although the Security and Safety Division monitors the garage call boxes and cameras, including random overnight vehicular patrols, the need for site specific guards to secure and understand the nuances of parking operations necessitate the utilization of contracted security services. This includes reporting customer service issues that may evolve into a safety issue, the monitoring of elevators, escort(s) to patron's vehicle, and foot patrols to ensure the safety of our patrons.

Given the 5th Street garage's proximity to the 6th Street entertainment corridor, security guard services are essential to the security and safety of not only ACCD patrons but all guests utilizing the ACCD parking garage. Because of the nature of ACCD's business being client/event based, ACCD will continue using a hybrid model of both insourcing and outsourcing for these services.