



Report to: General Committee

Date Report Authored: March 19, 2014

SUBJECT: School Crossing Guard Program Contract Award
(September 2014 – June 2021)

PREPARED BY: Bob Nicholson, Manager, Business & Technical Services, Ext.4893
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Patti Malone, Senior Buyer, Ext.2239

RECOMMENDATION:

- 1) That the report entitled “ School Crossing Guard Program Contract Award (September 2014 – June 2021)” be received;
- 2) And that the tender process be waived in accordance with the City’s Purchasing By-law # 2004-341, Part II, Section 7 Non-Competitive Procurement, item (c) which states “when the extension of an existing contract would prove more cost-effective or beneficial”;
- 3) And that the contract for School Crossing Guards be awarded to “Staffing Services Inc.” in the total amount of \$4,511,020.80 inclusive of HST over a seven-year period at the following annual amounts:
 - \$603,436.80 September 2014 – June 2015
 - \$620,736.00 September 2015 – June 2016
 - \$620,736.00 September 2016 – June 2017
 - \$620,736.00 September 2017 – June 2018
 - \$681,792.00 September 2018 – June 2019
 - \$681,792.00 September 2019 – June 2020
 - \$681,792.00 September 2020 – June 2021
 - \$4,511,020.80 Total (Inclusive of HST)
- 4) And that the award for September – December 2014 in the amount of \$241,374.72 inclusive of HST be funded from the 2014 Operating Budget #740-998-5642 “School Crossing Guards”;
- 5) And that the award for the years 2015 to 2021 be funded from the Operating Budget #740-998-5642 “School Crossing Guards” and are subject to Council approval of the respective year’s operating budgets;
- 6) And that staff be authorized to amend the award amounts in years 2015 – 2021 to reflect changes to the crossing guard operating budget account approved by Council during the annual budgeting process;
- 7) And that staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

This report recommends the approval of the School Crossing Guard Program for a term of seven (7) years.

BACKGROUND:***Staffing Services Inc. has provided School Crossing Guard Services for over 25 years***

The School Crossing Guard Program currently has 85 locations where school crossing guards are deployed throughout the City. Over the past 25 years, "Staffing Services Inc." has continuously been the successful proponent on all contracts released to the marketplace. In 2001, the City released a bid to the market for which "Staffing Services Inc." was the sole bidder. Once again, in 2005, staff released a bid to the market for which "Staffing Services Inc." was once again the sole bidder.

The existing five (5) year contract approved by Council on May 12, 2009 with "Staffing Services Inc" will expire on June 30, 2014. To continue this service from September 2014 onward, the award of a new contract is necessary. The City's Purchasing By-law # 2004-341, Part 11, Section 7 (1) (c), provides the City with the option to negotiate with the current supplier, "when the extension of an existing contract would prove more cost-effective or beneficial".

This contract provides the City with all aspects of administering the School Crossing Guard Program. This includes recruitment, training, payroll and day-to-day supervisory activities of the crossing guards. City staff will provide overall contract management ensuring that the terms / conditions and service level requirements of the contract are met.

Staffing Services has consistently achieved very high performance evaluation ratings throughout the current and prior contract periods.

The School Crossing Guard program is a high profile and important service provided by the City. With safety as the central focus of the program, it is imperative that excellent and consistent service levels be provided. Staffing Services Inc. provides training of the crossing guards in accordance with Provincial regulations, equipping guards with the required safety equipment and conducting routine patrols to ensure guards are effectively executing their roles.

Recruiting for suitable candidates can be challenging. Guards are often exposed to adverse weather and traffic conditions and are required to be at their designated locations at very specific timeframes. In recognition of these requirements, guards are provided with a competitive hourly rate and are offered a mileage allowance where applicable. Where vacancies exist, Staffing Services Inc. has staffing resources available to deploy stand-by crossing guards to be used in the event of unexpected absences.

Staffing Services Inc. routinely advertises new positions in local media publications, City Electronic Information Boards (EIBs), and through individual schools. A referral bonus of \$750 for educational programs is offered to individual schools that can successfully refer a candidate that is subsequently hired as a crossing guard.

The School Crossing Guard Program promotes active transportation initiatives.

The program is a considerable asset to local families, neighbourhoods and the City as a whole. By improving safety for school children, encouraging parents to leave their vehicles at home and promoting active transportation, the program helps reduce traffic congestion on our streets while improving the health of our children and the environment.

DISCUSSION:

Currently, there are no other contractors known within the Greater Toronto Area (GTA) that have demonstrated the ability or expressed interest in providing a School Crossing Guard Program of this scale. Most municipalities in the GTA that have a School Crossing Guard Program require dedicated municipal staff to administer the program internally including recruitment, payroll, training and supervisory duties.

If the City was to administer the school program in-house, Markham would be required to hire two (2) full-time staff members and provide a vehicle if service levels were to be consistent with the current program. A coordinator would be required to manage the various aspects of the program, including service coordination, deployment, training and recruitment. A field supervisor would be required to conduct daily patrols across the City, assist with ongoing training and acting as a back-up crossing guard, if necessary. Markham's staff would be required to be on-call after normal business hours in case of sudden absences and ensuring the timely deployment of back-up guards.

Additionally, by administering the contract internally, Markham would have to absorb indirect costs for the Human Resources and Finance Departments relating to hiring of part-time personnel and payroll for these staff, whereas, Markham's contractual pricing includes all these items.

Based on Staff's analysis the cost of administering the program is competitive to other municipalities when considering the additional administrative elements incurred by municipalities administering in house programs.

From September 2009 to June 2014, Markham's contract included an annual price increase of 3%. Under this new contract, Purchasing and Operations Departments negotiated the annual price increase to 2.20% over the term of the contract from the suppliers original request of 3.85%. The 1.65 percentage point negotiated reduction represents approximately \$87,000 cost avoidance over the term of this contract. The first year of the contract is 2.49% higher compared to 2013/14 prices and the seven year contract includes increases in year 2 (2.86%) and year 5 (12.62%) for an average of 2.20% over the seven year term.

Staffing Services Inc. continues to demonstrate their expertise in administering the program requirements. Their extensive knowledge of the local communities in which they serve has proven to be an invaluable asset in ensuring the high service levels expected from the City are being achieved and at competitive pricing. To ensure that this continues, the City is recommending that this contract be awarded to "Staffing Services Inc."

FINANCIAL CONSIDERATIONS AND TEMPLATE:

The contract for the School Crossing Guard Program is recommended to be awarded to "Staffing Services Inc." in the total amount of \$4,511,020.80 over a seven year period at the following annual amounts:

Year	Jan-Jun	Sep-Dec	Total
2014		\$241,374.72	\$241,374.72
2015	\$362,062.08	\$248,294.40	\$610,356.48
2016	\$372,441.60	\$248,294.40	\$620,736.00
2017	\$372,441.60	\$248,294.40	\$620,736.00
2018	\$372,441.60	\$272,716.80	\$645,158.40
2019	\$409,075.20	\$272,716.80	\$681,792.00
2020	\$409,075.20	\$272,716.80	\$681,792.00
2021	\$409,075.20		\$409,075.20
Total Award			\$4,511,020.80

The award is based on the assumption of 188 school days in a year and 107 billable hours per day based on 85 locations. However, annual amounts are subject to minor variations, dependent on program requirements.

The following table summarizes the financial impact of this award for 2014:

2014 Operating Budget # 740 998 5642	\$ 604,132.00	School Crossing Guard
Current Budget Available for this Project	\$ 241,387.00	Amount allocated for Sep – Dec 2014
Less : Cost of Award	\$ 241,374.72	Award to Staffing Services Inc. including HST impact
Budget Remaining	\$ 12.28	

2015 to 2021 awards will be subject to Council approval of the respective year's operating budgets and the future increases will be submitted for consideration as part of the annual operating budget process.

HUMAN RESOURCES CONSIDERATIONS:

Staffing Services expends significant effort each year in the recruitment, training and deployment of Guards and assumes responsibility for payroll, insurance, workplace safety and other employer requirements thereby alleviating much of the responsibility that would otherwise be assumed by the City.

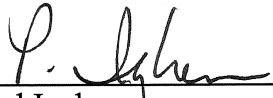
ALIGNMENT WITH STRATEGIC PRIORITIES:

The School Crossing Guard Program achieves the requirements defined in the Transportation & Transit strategic priority.

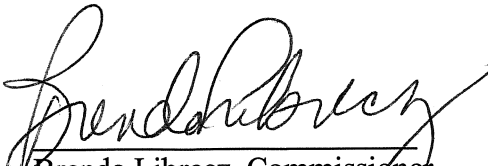
BUSINESS UNITS CONSULTED AND AFFECTED:

Corporate Services – Purchasing and Financial Services Departments

RECOMMENDED BY:



Paul Ingham,
Director, Operations



Brenda Librecz, Commissioner,
Community & Fire Services