

CITY COUNCIL AGENDA REPORT



MEETING DATE: AUGUST 2, 2011

ITEM NUMBER:

SUBJECT: PROPOSED OUTSOURCING OF JAIL OPERATIONS

DATE: JULY 27, 2011

FROM: OFFICE OF THE CEO

PRESENTATION BY: THOMAS R. HATCH, CHIEF EXECUTIVE OFFICER

FOR FURTHER INFORMATION CONTACT: THOMAS HATCH – (714) 754-5328

RECOMMENDATION:

Staff recommends the following:

1. Authorize Staff to enter into discussions/negotiations with G4S Custody Services Solution regarding its submitted proposal to explore the potential for contracting for jail operations;
2. Authorize Staff to enter into discussions/negotiations with the City of Newport Beach regarding its submitted conceptual proposal and to review various service models; and
3. Authorize Staff to discuss the results of both of the above reviews with impacted City staff to explore alternatives for reducing current City operational costs.

BACKGROUND:

On March 1, 2011, the City Council agreed to move forward with a comprehensive review and analysis of outsourcing City services, one of which is Jail Operations.

The City has had a Jail since the original construction of the Police facility in 1967. The Jail is a 32-bed, "Type I Jail Facility," as described in the California Code of Regulations, Title 15. The Jail holds inmates—historically male inmates only—prior to court arraignment and/or pending release on Bail, Own Recognizance, Written Promise to Appear, etc. The Jail also houses sentenced inmate-workers, who handle food service and miscellaneous janitorial and maintenance duties.

Since the inception of the Jail, the City Police Department has maintained a reputation for the efficient and effective handling of operations, supervision, and management of the facility. Additionally, the City Police Department is the current entity that ensures suitable hiring and employing practices are carried out and high performance standards are routinely met.

The City Jail staff is responsible for the safety and well-being of all those in their care and custody and adheres to all applicable minimum standards specified by all applicable Federal and State requirements, laws and statutes, applicable court orders and the California Corrections Standards Authority, as applicable to a Type I Jail Facility. Additionally, the Jail staff facilitates the transportation of inmates to and from court and to and from other holding facilities.

In response to Council's directive, a Request For Proposal (RFP) was written seeking proposals from outside entities for Operations of the City of Costa Mesa Police Department's Type I Jail Facility. The RFP was released on May 9, 2011, and closed on June 24, 2011. There were two submissions upon the date of closing—G4S and the City of Newport Beach.

ANALYSIS:

The Costa Mesa Jail staff, on average, conducts well over 400 bookings a month, for an annual average of over 5,000 bookings. Moreover, the City has a significant transient population and this group includes a sizeable number of alcohol abusers. As a result, the Jail books and houses about 40 drunk in public arrests per month, most of whom are male arrestees and cannot be booked in Orange County Jail for the sole charge of public intoxication. Use of a Jail facility, in the Department building, is currently the traditional solution for our inmate housing needs. Additionally, with the volume of arrests the Department generates, the Jail must be staffed adequately in order to provide the proper care and to ensure the well-being of the persons they house.

G4S

G4S currently manages jail facilities for the local cities of Irvine (since 1991), La Habra (2001), Beverly Hills (2007), Whittier (2006), and Azusa (2000). They have also provided over 22,000 hours per week of service to the US Department of Homeland Security since 2006. See Attachment 1 for the details of the proposal. Clearly, G4S has the experience to manage and operate our Jail and they have several good references from the local area.

However, the basic analysis of this proposal is not complete. There are several questions that need to be fully answered and addressed related to the Scope of Work. In addition, the original RFP requested a lower number of hours for custody officers than the facility needs. A discussion with G4S would allow for a better understanding of their proposal and a better understanding of what the costs would be to structure their proposal in a way to meet all of the City's needs.

The City of Newport Beach

The submission from Newport Beach (see Attachment 2) is more of an *operational concept* than a direct response (proposal) to the RFP. The document did not address the full Scope of Work and recommended the use of their Jail facility, rather than staffing the Costa Mesa Jail, as requested in the RFP. For this reason, the Newport Beach proposal does not meet the specific Scope of Work as requested in the RFP but the concept is intriguing and merits further exploration and discussion.

At this point, the initial analysis and research is not complete. If the discussions with one or both of the proposers above produced results that would be beneficial for the City Council to review, then staff would fully evaluate the proposals, prepare a written summary and analysis, complete full reference checks, discuss the reviews with employees and bring a report(s) back to the City Council for review at a later date.

ALTERNATIVES CONSIDERED:

1. Determine that both proposals do not meet the needs of the City and discontinue any further review; or
2. Determine that both proposals do not meet the needs of the City and direct staff to re-release the RFP seeking additional proposals.

FISCAL REVIEW:

The City's FY 11-12 salary and benefit budget for Jail Operations is \$1,343,503. G4S proposes a total estimated annual price of \$364,640. However, it has been determined that the staffing level, originally requested by City staff, is too low and therefore difficult to evaluate the actual fiscal impact. An estimate of doubling the personnel costs for G4S, which would generally produce the same number of personnel hours as the current City staff level, equates to an estimated annual savings to the City of **\$614,223 or 46%** (City budgeted staff cost of \$1,343,503 minus G4S cost of \$364,640 X 2 or \$729,280).

Another comparison (but still incomplete) would be to compare the per hour staffing costs proposed by G4S to the City's per hour staffing costs. G4S is proposing \$28.49 per hour for a Custody Officer and \$39.98 per hour for a Supervisor. The City's average per hour cost for a Custody Officer is \$47.58, a difference of \$19.09 per hour compared to G4S. Since the City employs a sworn Police Sergeant to supervise the Jail operations, the per hour cost is \$91.26, a difference of \$51.28 compared to G4S.

The Newport Beach proposal includes several services related to jail operations. At this time it is better to fully review the details of what is proposed and understand how it could benefit Costa Mesa to better determine what the costs of the proposal would be.

Further discussions would be needed with both proposers to develop the detailed analysis and cost estimates to allow for the necessary comparison. This work is not yet completed and it is vital to develop and review this analysis before the City Council can make an informed decision.

LEGAL REVIEW:

The City Attorney's Office has reviewed this report and has determined that the City Council can authorize staff to further discuss and negotiate with both proposers to explore potential contract terms, clarify Scope of Work questions and the structure of service delivery. The RFP process allows for the exploration of proposals through a discussion and negotiation process to determine if a fair contract can be developed.

CONCLUSION:

The review and analysis of both Jail proposals is incomplete. Allowing staff to enter into discussions and negotiations with both proposers will allow for the gathering of necessary information that will ultimately allow staff to fully analyze the details and for the City Council to make an educated decision concerning Jail operations.

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ATTACHMENTS: 1 [Proposal from G4S](#)
 2 [Proposal from Newport Beach](#)
 3 [Original RFP](#)