

CITY OF KELOWNA
MEMORANDUM
HUMAN RESOURCES DEPARTMENT

March 25, 2003

TO: Ron Born, City Manager

FROM: Rick Baker, Director of Human Resources

SUBJECT: Jail Guard Services Contract

RECOMMENDATION: THAT the City of Kelowna contract with the **BC Corps of Commissionaires** to provide **Jail Guard Services** for a two-year period at a total cost, excluding GST, of **\$692,688** (based upon estimated actual hours of service required).

BACKGROUND:

The City of Kelowna manages and staffs a municipal jail facility in the Royal Canadian Mounted Police Services building. For several years now, the City has examined every aspect of the service we provide for the RCMP to identify potential cost and efficiency improvements. Contracting out the jail guard services was first identified as a potential cost and efficiency saving option in 2001.

Prior to seeking public proposals to provide jail guard service, we reviewed this option with the RCMP to determine whether they would have any concerns if this service were contracted out. The RCMP advised us that there were no impediments from their point of view, provided that the present scope of work and level of service would be maintained.

Preliminary studies reviewed the guarding function and duties and developed a "Scope of Work" from the existing guards' job description. The "Scope of Work" met the requirements of the Kelowna RCMP and the City. On February 27, 2003, the City of Kelowna issued a Request for Proposals (RFP) for Management/Operation of Jail Guard Services. The RFP closed March 18, 2003. Two proposals were received; one rejected for not meeting bonding requirements, the other submitted by the BC Corps of Commissionaires met all RFP requirements.

The Corps' proposal includes annual hourly service rates to be applied to actual hours of service required, plus an annual base management fee. Included in the annual management fees are guard uniform accessories, guard and matron uniform rentals/laundry and Hepatitis 'B' inoculation costs.

The City's 2003 Operating Budget provides 20,657 hours of base funding for guards and matrons to provide required jail guard services. The 21,000 hours of service proposed by the Corps provides two guards per shift, consistent with existing staffing ratios. Extra

shifts required to meet RCMP guard to prisoner ratios are also included in the 21,000 hour proposal.

Total costs for the two-year contract including management fees, regular shifting and extra shifting hours are:

Year One	Year Two
\$15.85 per hour for actual service hours (projecting 21,000 service hours required based upon past experience; actual service hours may vary)	\$16.17 per hour for actual service hours (projecting 21,000 service hours required based upon past experience; actual service hours may vary)
\$10,032 Annual Management Fee	\$10,236 Annual Management Fee
\$342,882	\$349,806
Total 2 Year Contract Cost \$692,688	

The 2003 Operating Budget for guard and matron wages, including overtime, is \$596,245. Annual cost savings of \$253,363 for year one of the contract are projected. The Corps' proposal for year two provides an hourly rate adjustment of 2% and a \$204 increase in the management fee. These increases are offset by the 2% negotiated wage increase CUPE employees would receive if the work were to remain in-house. To arrive at the total cost savings for the two-year contract term, the year one cost savings are doubled. Over the two-year contract term, **cost savings to the City are \$506,726.**

As is currently the case, we will continue to recover approximately 60% of our costs from the Province **and** through charges to the District of Lake Country for services provided. We will recover 60% of the Corps of Commissionaires contract cost; \$415,612.80 over the two-year term. Our actual cost for the two-year contract will, therefore, be \$277,075.20.

Additional cost savings over the contract term of \$17,912 will be achieved as the Corp' proposal includes guard uniform accessories, guard and matron uniform rentals/laundry and Hepatitis 'B' inoculation costs.

The City has met with the CUPE Executive. They have been provided with cost information consistent with the requirements in the collective agreement. We understand that CUPE will request that Council defer their decision on this recommendation until they have had the opportunity to provide a written submission.

Respectfully submitted,

Rick Baker
Director of Human Resources