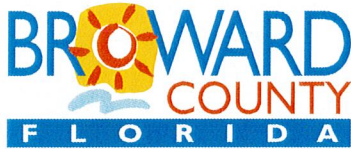


ITEMS #101 AND 102

**ADDITIONAL MATERIAL
REGULAR MEETING**

JUNE 15, 2021

**SUBMITTED AT THE REQUEST OF
COUNTY ADMINISTRATION**



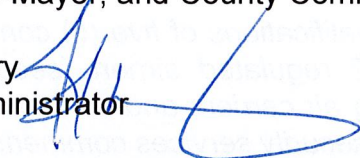
BERTHA W. HENRY, County Administrator

115 S. Andrews Avenue, Room 409 • Fort Lauderdale, Florida 33301 • 954-357-7362 • FAX 954-357-7360

MEMORANDUM

DATE: June 11, 2021

TO: Mayor, Vice-Mayor, and County Commissioners

FROM: Bertha Henry
County Administrator 

RE: June 15, 2021 Commission Meeting (Items No. 101 and 102) Airport and Port Security Request for Proposals - Staff Response to SEIU Position Paper

It is my understanding that the Services Employee International Union (SEIU) has provided a position paper on the above referenced Request for Proposals (RFPs) for security services at the County's Airports and Port Everglades. The following information is provided from staff for the Board's consideration:

SEIU Suggestion 1: SEIU Suggested Minimum Qualifications and Past Performance

A. Respondent must have a minimum of ten (10) years continuous and satisfactory experience providing services in at least (1) North American, Category X airport. Vendor may demonstrate experience of past performance based on confirmed references as provided within the Vendor Reference Verification Forms.

B. Respondent must demonstrate their staffing levels have been maintained at a minimum of three hundred (300) employees for the past five (5) years. Vendor may demonstrate through submittal of payroll records, tax records, insurance documentation (Workers Comp.), etc.

STAFF RESPONSE:

SEIU has proposed 10 years continuous and satisfactory experience providing security services in at least one (1) North American, Category X airport. Category X airports represent the nation's largest and busiest airports as measured by the volume of passenger traffic and other factors. Generally, Category X airports refer to large hub airports, with a minimum of ten million enplaned annual passengers in 2019 million annual passengers.^[1]

^[1] https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/media/cy19-commercial-service-enplanements.pdf

As of 2019, our review indicates that there was only one large hub airport with fewer than 10 million enplaned passengers (Portland, OR). Essentially, SEIU's request would limit the solicitation to only security companies that have large hub airport experience. When coupled with the suggested requirement that only companies with a minimum of 300 employees for the past five years would be qualified, BCAD finds these requirements to be overly prohibitive and would potentially leave some slightly smaller firms unable to propose.

BCAD believes the RFP minimum qualifications of five (5) continuous years of relevant experience at a 49 CFR Part 1542 regulated airport (security rules governing the operation of airports regularly serving air carriers and commercial operators) within the last ten (10) years providing contract security services commensurate with the scope and scale identified in the RFP and where a staff of sixty (60) or more full-time security guards were successfully maintained to be sufficient minimum qualifications.

Additionally, BCAD is requiring that at the time of submittal, the firm must possess – and subsequently maintain – a designation under the Federal Support Anti-Terrorism by Fostering Effective Technologies Act of 2002, also known as the “SAFETY Act”. The BCAD Security division believes this high standard will provide our airports with better qualified firms that are familiar with aviation security services.

SEIU Suggestion 2: SEIU Transition Approach/Ensuring Uninterrupted Services (Employee Retention)

SEIU recognizes that these security RFPs/contracts and associated services do not fall under the County's Ordinance Section 26.41 – Employee Retention – and suggests language to be included in the RFP solicitation.

STAFF RESPONSE:

As indicated in SEIU's position paper, Broward County's worker retention ordinance (Section 26.41 of the Broward County Code of Ordinances) does not apply to security services contracted directly by the County. Section 26.41 is directed at contractors providing services to airlines and with whom the County issues an Airline Service Provider Agreement (ASPA). This ordinance is limited in its application to ASPAs because the County is not a direct party to the contract giving rise to the ASPA. Conversely, the County can address employee retention through the negotiation process, when appropriate, in those contracts the County is a direct party to.

Any inclusion of language into the new security RFP's documents providing for employee/worker retention requirements should be drafted/reviewed in conjunction with County Administration and the County Attorney's Office and done at the expressed direction of the Board of County Commissioners, as such language may have some unintended legal consequences.

SEIU Suggestion 3: Responsible Wages/Costing that Prioritizes Safety

A. SEIU requests that the County ensure that contracted security officers earn no less than the Service Contract Act (SCA) wage benefit rates for a “Guard II” in Broward County, which is currently \$18.11, plus a \$4.54 per hour supplement for benefits. The reasoning for higher wage rate is stated as “necessary for the essential workers at heightened security locations because of their importance as crucial infrastructure and the unique security challenges these sites face.” SEIU suggests higher wage rates would reduce turnover and increase productivity, and further requests the County make this higher wage rate a requirement as part of the solicitation.

B. SEIU requests that vendors must bid at least 25.01% or greater than the SCA rate for wages and benefits to be considered responsive to the RFP.

STAFF RESPONSE:

SEIU has suggested a wage rate consistent with a Guard II rate of \$18.11 per hour plus a \$4.54 supplement for benefits identified in the Service Contract Act. However, the Service Contract Act (or McNamara-O’Hara Service Contract Act) only applies to federal service contracts and does not apply to either of these solicitations.

The Airport’s current hourly billing rate for a level 1 officer is \$22.19 (\$13.61 LW + \$3.44 benefit + \$5.14 markup, or 30%). A new base rate of \$18.11 is \$4.50 more per hour, and \$4.54 for benefits is \$1.10 more per hour than the current \$3.44, for a total of \$5.60 per hour before markup.

*At the suggested lowest markup of 25.01%, the hourly cost would increase to \$28.31 per hour, or \$6.12 per hour more, costing each contract holder (airport, seaport and County) significantly more – potentially millions – over the life of the different contracts. **OF NOTE:** The suggested cost increase are estimated to be approximately \$1.8 million annually (30% over current costs) for the Airports and \$1.74 million (27.6% over current costs) for the Port.*

As a point of reference, the entry level rate for a Broward County Security Guard (Pay Grade 109) is \$17.17/hr. Using 35% for fringe/benefits, the all-in hourly cost is \$23.17. Again, SEIU’s proposed minimum rate is over \$5 an hour more than what the County pays its own Security Guards.

While it stands to reason that a significantly higher wage rate may reduce some employee turnover, it may also present financially difficult/unsustainable budget outcomes, particularly as we work to emerge from the pandemic.

Staff selected the Request for Proposal methodology rather than a hard bid, which is typical among security contracts, so that price is only one factor in the determination. This allows the County to consider factors other than just price. Further, to address turnover concerns at the Airport, the RFP for security at the Airport identified turnover as one of the factors to be evaluated. The Port does not have the same turnover concerns.

As additional information, BCAD is looking to have three (3) separate contracts: one for North Perry Airport; two new contracts at FLL, with each FLL contract equating to approximately 125,000 hours annually.

Outside of the County's current living wage requirement, the Davis-Bacon Act on federally funded construction contracts and prevailing wage requirements on County-funded construction contracts, staff is not aware of any County solicitation in which wage level and/or specific benefits have been dictated or expressly required in the solicitation process.

Establishing wage rates for one job classification (in this case Security Guard) would very likely create a disparity in other job classifications, and ultimately have a cascading effect in wage rates and increase in overall contract amounts.

Additionally, regarding the proposed minimum markup of 25.01%, the County has not established minimum mark-up process in any other solicitation process. This is because there is no way to predict the business strategy of a company and the County arbitrarily establishing a minimum markup rate preempts a company's business strategy and creativity.

SEIU Suggestion 4: Important Holidays

SEIU has stated that Martin Luther King Holiday is not recognized under the current contract.

STAFF RESPONSE:

The proposed RFP includes estimated annual hours to recognize ten (10) billable holidays consistent with the number of holidays currently observed by Broward County, which recognizes Martin Luther King, Jr. Day. The proposed RFP further provides a higher holiday wage rate to hourly employees who work on those days.

Should you have any questions, please do not hesitate to contact me or Assistant County Administrator Kevin Kelleher.

- c: Monica Cepero, Deputy County Administrator
- Kevin Kelleher, Assistant County Administrator
- Mark Gale, Director, Aviation Department
- Jonathan Daniels, Port Everglades Department
- Andrew Meyers, County Attorney
- Adam Katzman, Senior Assistant County Attorney
- Robert Melton, County Auditor