



## PUBLIC WORKS DEPARTMENT

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### CITY COUNCIL STAFF REPORT

Meeting: June 18, 2024

#### Subject

Approve a first amendment with All City Management Services, Inc. to provide crossing guard services, for a total not to exceed amount of \$1,688,800 extending the agreement date to June 30, 2026, and approve a budget modification in the amount of \$78,707.

#### Recommended Action

1. Authorize the City Manager to execute a First Amendment with All City Management Services, Inc. (ACMS) to continue to provide Crossing Guard Services, increasing the contract amount by \$785,000 for a total not to exceed amount of \$1,688,800 and extending the agreement date to June 30, 2026.
2. Adopt Resolution No. 24-XXX approving budget modification #2324-304 and a budget adjustment in the amount of \$78,707 in the General Fund for Fiscal Year 2024-2025 crossing guard services (100-88-846 700-709).

#### Reason for Recommendation

The City of Cupertino has contracted with vendors to provide school crossing guard services at intersections throughout the City for some time. The guards typically work the morning school drop-off and afternoon school pick-up times, with hours that vary considerably depending on intersection, schools served and day of the week. Guard locations are determined through warrant studies that staff typically conducts every two years, and which are based on usage and traffic patterns at the intersections. The most recent warrant study was completed in 2022, with the next study anticipated for the Fall 2024. The Cupertino Union School District and the Fremont Union High School District are kept informed regarding the results of warrant studies and are included in the final determination of locations.

In August 2021, the City Council awarded an agreement with ACMS to provide school crossing guard services at sixteen locations in the City of Cupertino for a period of three years, expiring on June 30, 2024, with the option to extend the agreement for two additional years. This contract was awarded as a result of an RFP that was solicited in June 2021. Over the past three years, ACMS has met all staff expectations of performance, and has been very responsive to staff and community feedback and

adjustments of school bell schedules. Anticipating the contract to be soon expired, in April, staff initiated discussions with ACMS to negotiate contract pricing for the two-year extension of the contract.

Retention of crossing guards has historically been challenging due to the limited number of daily working hours and competition with neighboring cities that offer competitive rates. Additionally, the recent passage of California Assembly Bill (AB) 1228, which requires a minimum wage of \$20/hour for fast food workers, has resulted in an additional draw on the pool of potential crossing guards. Considering these factors, contract negotiations resulted in a successful agreement on a billing rate of \$38.95/hour for the 2024/25 school year and \$41.45/hour for the 2025/26 school year, resulting in a not-to-exceed amount of \$380,000 for the 2024/25 school year and \$405,000 for the 2025/26 school year. There is no change in service level that is currently provided. This pricing allows ACMS to continue to draw and retain qualified staff, which in turn, is vital to the safety of students being able to walk or bike to school in Cupertino. This negotiated billing rate is identical to the rates being paid under contract in the City of Sunnyvale, the most proximate and significant competition for crossing guards.

This amendment will extend the existing agreement for a period of two years, from July 1, 2024, through June 30, 2026. The Amendment contains a provision that allows the City to terminate the agreement at any time, for any reason.

#### Sustainability Impact

This contract encourages walking and bicycling by providing safe passage across streets for students traveling to school. This is consistent with both the Mobility Element of the General Plan, Goal M-3 (“Support a Safe Pedestrian and Bicycle Network for People of All Ages and Abilities”) and Measure C-T-1 of the Climate Action Plan (“Encourage multi-modal transportation, including walking and biking, through safety and comfort enhancements in the bicycle and pedestrian environment.”). Furthermore, students walking and bicycling to school reduces traffic congestion, which leads to reduced vehicle emissions, helping the City achieve air quality and greenhouse gas emission reduction goals.

#### Fiscal Impact

The Fiscal Year (FY) 24-25 Adopted Budget allocated \$301,293 for Crossing Guard Contract Services (100-88-846-700-709). Although this amount represents the approximate average annual expenditure for crossing guard services over the three years of the current contract, each year has seen an increase of approximately 5.5% over the previous year, with the expenditure during the current and final year of the contract being approximately \$320,000. Increased costs in FY 23-24 were funded by a carryover encumbrance for this contract. Increased costs for this contract were not known at the time of FY25 budget development.

Due to increases in the cost of living, in addition to reasons noted earlier, the negotiated annual cost to manage the crossing guard program is \$377,456 at the billing rate of \$38.95/hour for the 2024/25 school year, and \$401,580 at the billing rate of \$41.45/hour for the 2025/26 school year based upon a billing of approximately 9,690 hours per year at current school bell schedule and guard staffing hours. A not-to-exceed amount of \$380,000 and \$405,000 for the 2024/25 and 2025/26 school years, respectively, is being proposed to allow flexibility if crossing guard working hours need to be modified due to school bell time changes, adjustments based on field observations, etc. Consequently, an additional allocation of \$78,707 will be required in FY 2024-25 to supplement the \$301,293 currently budgeted. For FY26, if the contract is approved the base budget will increase by \$25,000 to cover contract increases in that year.

On June 7, 2022, the City entered into a five-year agreement with the Cupertino Union School District (CUSD) and the Fremont Union High School District (FUHSD), whereby each agreed to contribute \$20,000 per year to the City to help fund crossing guard services. This revenue will partially offset the City's general fund allocation resulting in estimated net costs to the City in FY25 of \$360,000 and FY26 of \$385,000. Considering the increasing cost of crossing guard services compared to previous years, staff will engage with CUSD and FUHSD to negotiate additional contributions to help offset the increasing cost of services.

California Environmental Quality Act

Not applicable.

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Prepared by: David Stillman, Transportation Manager

Reviewed by: Chad Mosley, Director of Public Works

Approved for Submission by: Pamela Wu, City Manager

Attachments:

A – Draft Contract

B – Draft Resolution