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City Manager's Office

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Christopher M. Moore

SUBJECT: SEE BELOW

DATE: April 26, 2012

Approved

Date

4/27/12

INFORMATION

SUBJECT: ADULT SCHOOL CROSSING GUARD PROGRAM - PRELIMINARY BUSINESS CASE ANALYSIS

This memorandum presents the preliminary business case analysis for Adult School Crossing Guard Program as part of the 2012-2013 Proposed Budget.

BACKGROUND

On January 19, 2012, in accordance with Council Policy 0-41, which requires a preliminary business case analysis be conducted to evaluate service delivery changes that could result in the addition, deletion, or reclassification of four or more full-time employees, the Administration provided the Mayor and City Council with an information memorandum entitled "2012-2013 Preliminary Alternative Service Delivery Evaluations". The memorandum identified five services that are undergoing a preliminary business case analysis as part of the 2012-2013 Proposed Budget. The five services include Airport Traffic and Parking Control, Adult School Crossing Guards, Recycle Plus Billing, Parks Maintenance, and Workers' Compensation.

ANALYSIS

The preliminary business case analysis for Adult School Crossing Guard Program has been completed and is now posted on the City's website via the following link:
<http://www.sanjoseca.gov/budget/FY1213/ServiceDeliveryEvaluations12-13.asp>.

The preliminary business case analysis indicates that savings of approximately \$55,000, or about 4.3%, could be generated by outsourcing the program. Although there could potentially be some savings, they are not substantial and need to be weighed against other factors. The program benefits from strong community support as well as positive relationships from the schools and school districts. By keeping the program in-house, the San José Police Department will continue to have

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full control over the program, which in turn means continued high-level program responsiveness primarily due to the local control of the program as well as the established relationships between the City and schools.

Due to the minimal General Fund savings, the Department proposes to retain the program and not proceed with the next steps to potentially contract out the program.

For questions regarding this memorandum, please contact Lieutenant Michael Kihmm at (408) 219-6679.

/s/

CHRISTOPHER M. MOORE
Chief of Police

Attachments: Adult School Crossing Guard Program - Business Case Analysis, April 26, 2012

**Adult School Crossing Guard Program
Business Case Analysis
April 26, 2012**

Current Service Model:

The mission of the San José Police Department is to create safe places to live, work and learn through community partnerships. Currently, the Department operates the Adult School Crossing Guard Program as a part of the School Safety and Education Unit within the Bureau of Field Operations. The purpose of the Adult School Crossing Guard Program is to contribute to the safety of school age children as they travel to and from school. This is accomplished by providing adult crossing guards at designated intersections throughout the City and providing training, guidance and supervision to the student safety patrols and their adult advisors. The Unit also delivers safety education programs and presentations to area schools and at community events. These presentations specifically address the topics of pedestrian and bicycle safety. The Unit provides departmental liaison between the Police Department, school districts and administrators, the School Pedestrian Safety Committee (SPSC), the Traffic Safe Community Network (TSCN), and other mutually concerned groups and organizations.

Currently, the City staffs 104 intersections with 169 adult crossing guards. Approximately 32 intersections are signalized, 24 have all-way stops, and 42 are uncontrolled (of which 6 are enhanced with flashing beacons or lit crosswalks). The resources assigned to this Unit are listed in the table below and are funded through the General Fund.

Table 1: 2011-2012 Adopted Allocations (104 Intersections)

Classification	FTE	Salary	Fringe	Retirement	Total
Senior Analyst	1.00	\$ 74,064	\$ 17,396	\$ 33,001	\$ 124,461
School Safety Supervisor	2.00	\$ 100,094	\$ 25,045	\$ 44,158	\$ 169,297
School Crossing Guard PT	28.16	\$ 947,115	\$ 40,553	\$ 34,993	\$ 1,022,661
School Crossing Guard PT One time for 2011-2012 only	2.02	\$ 67,940	\$ 2,909	\$ 2,511	\$ 73,360
Overtime					\$ 17,229
<i>PS Subtotal</i>	33.18	\$1,189,213	\$ 85,903	\$ 114,663	\$ 1,407,008
Mileage Reimbursement					\$ 6,000
Non-personal					\$ 6,782
<i>NP Subtotal</i>					\$ 12,782
Total Costs	33.18				\$ 1,419,790
County Reimbursement					\$ (61,019)
Net Costs					\$ 1,358,771

The Senior Analyst oversees two full-time civilian supervisors who are responsible for recruiting, hiring, training, and monitoring the part-time crossing guards. The hiring process includes fingerprinting and Department of Justice background checks, as well as a medical examination. Once hired, both off-site (classroom-type training) and on-site training is provided. The two supervisors monitor guards on a daily basis to ensure consistent quality service delivery. The School Crossing Guard PT classification is an at-will, part-time hourly position. The crossing guards serve 72 elementary and 33 middle school locations, and of these locations 13 serve both elementary and middle school locations. Each guard works an average of 10 hours per week and is paid between \$14.52 and \$17.66 per hour. It is estimated the guards work an average of 180 days, or 360 hours per year plus training time.

The Senior Analyst collaborates with the City's Department of Transportation to assure that new intersections that might require crossing guards are studied to determine if the location is warranted. The Senior Analyst interacts with school principals when a new crossing guard location is imminent or if any issues occur near their school. The two departments work closely together on engineering, education, and enforcement to assure safe pathways for students.

Included in the above data, the City provides seven crossing guards to three schools at five locations in the County under an existing contract. The current 2011-2012 contract is based on 525 hours per year and an hourly rate of \$17.62. One location is fully reimbursed by the County; three are reimbursed 50% and a fifth location is reimbursed 25%. The total revenue from the County for this program is \$61,019, which pays for salary, safety equipment and overhead.

New Service Model Concept:

In the 2009 Mayor's March Budget Message, the City Council directed the Administration to reevaluate middle school intersections staffed by adult school crossing guards. The City of San José hired Management Partners to conduct an independent evaluation of the Adult School Crossing Guard Program. The purpose of the study was twofold: identify ways to reduce the cost of the program and to ensure the program is operating in the most effective and efficient way possible. In May 2009, an evaluation of the Adult School Crossing Guard Program was submitted (MBA #32), which included various alternative service models for consideration.

One of the recommendations of the consultant report was to create a system to review crossing guard locations when changes to intersections or school sites are under consideration. As a result, the City, with the assistance of a consultant, evaluated all staffed intersections in 2010 within the program, including those on the waiting list, and scored each section with an updated safety index.

As part of the 2011-2012 Adopted Budget, the position overseeing the School Crossing Guard program was civilianized from a Police Sergeant to a Senior Analyst. Further, the allocated funding allowed the City to fund intersections below the 120 Safety Index with 169 crossing guards staffing 104 intersections. For 2012-2013, the same service level will be maintained.

Table 2: Projected 2012-2013 Costs with Authorized Service Model (104 Intersections)

Classification	FTE	Salary	Fringe	Retirement	Total
Senior Analyst	1.00	\$ 79,215	\$ 8,149	\$ 40,004	\$ 127,368
School Safety Supervisor	2.00	\$ 99,302	\$ 23,248	\$ 49,652	\$ 172,202
School Crossing Guard PT	29.66	\$ 944,413	\$ 13,693	\$ 34,867	\$ 992,973
Overtime					\$ 17,229
<i>PS Subtotal</i>	32.66	\$1,005,436	\$ 43,386	\$ 120,185	\$ 1,309,772
Mileage Reimbursement					\$ 6,084
Non-personal					\$ 6,760
<i>NP Subtotal</i>					\$ 12,844
Total Costs	32.66				\$ 1,322,616
County Reimbursement					\$ (61,019)
Net Costs					\$ 1,261,597

This business case analysis evaluates moving from the current service delivery model above, to a contracted services model. This contracted services model would retain the Senior Analyst position for program oversight and liaison / committee work and would contract out the adult crossing guards and associated supervision. Several vendors provide this type of service and the Department received one budgetary quote. Under this model, a vendor would be fully responsible for the staffing and supervision of the crossing guard locations, but the City would still determine which locations are to be staffed. A vendor may or may not utilize existing staff.

Table 3: Projected 2012-2013 Costs with Contracted Services Model (104 Intersections)

Classification	FTE	Salary	Fringe	Retirement	Total
Senior Analyst	1.0	\$ 79,215	\$ 8,149	\$ 40,004	\$ 127,368
Non-personal					\$ 6,760
Vendor Contract					\$ 1,134,000
Total Costs	1.0				\$ 1,268,128
County Reimbursement					\$ (61,019)
Net Costs					\$ 1,207,109

Using the Contracted Services Model, the City could generate savings of up to \$54,488 over projected 2012-2013 allocations. The estimate for the vendor contract is based upon an adjusted budgetary quote the City received and assumes the same service level.

Recommendation

Due to the minimal General Fund savings and other operational considerations, the Department proposes to retain the program and not proceed with the next steps to potentially contract out the program.

Service Delivery Evaluation Decision-Making Criteria:

- 1. What is the potential impact on public employees currently providing the service and on the workforce in general with respect to issues such as workload, productivity, diversity, and availability of measures to mitigate negative impacts? Impacts will specifically be evaluated relative to the City's core values (Integrity * Innovation * Excellence * Collaboration * Respect * Celebration).**

Of the 33.18 FTEs assigned to the program, only 3.0 FTEs (1.0 Senior Analyst and 2.0 School Safety Supervisor) are filled by full-time staff. The remaining staff is part-time, un-benefitted hourly staff. The three full-time staff positions are currently filled. Given staff's recommendation to continue with the existing service delivery model, there is no impact to existing employees.

- 2. Is it practical for City staff to provide the proposed service (versus being precluded by proprietary, supply chain, or other factors)?**

City staff currently provides the services. It is practical for City staff to continue providing this service since the savings from potential outsourcing are very minimal.

- 3. Is there limited market competition for the service or other reasons that the City directly providing the service would protect public interests from default or service interruption?**

No. The crossing guard work needed is readily available in the marketplace through several outside vendors. A brief review noted that there are at least seven companies within California who provide this type of service.

- 4. Is there currently a City staff unit capable of and interested in developing a managed competition proposal?**

Pursuing the managed competition path will be difficult with the School Crossing Guards as their regular work does not require the skills that are necessary for such an effort. The managed competition process allows for staff training in order to develop these skills; however, this will require a significant effort. It is unknown what possible costs may be incurred for these efforts which may include consultant services and lost staff time due to training for and participation in the managed competition effort.

- 5. Is the workload sufficiently steady to support a permanent workforce (versus episodic)?**

Yes, the services involved are not episodic in nature. However,, there is a seasonal component to the program in that it only operates during the school year and does not operate during school breaks including summer time. In addition, staff is only needed for approximately 2 hours a day, each school day to cover before and after school. As such, the program is comprised of part-time, hourly crossing guards.

- 6. Is a City interest served by being a long- term direct service provider, such as avoiding future costs?**

No, there is no significant City interest in being a long term direct service provider.

7. Is the service model likely to improve the quality, customer satisfaction, and/or responsiveness for the same or lower cost, with particular focus on the General Fund?

It's likely that an outsourced program will have similar quality and customer satisfaction as many of the part-time School Crossing Guards may also be hired by the potential vendor.

8. Do local, state and federal laws, regulations, and funding guidelines restrict the method of service delivery, and if so can these restrictions be changed?

No, there are no restrictions on the method of service delivery.

9. What risks to the City and public do the service delivery models present, and how would these risks be managed?

The risks of implementing a contracted out service delivery model are moderate. Continuity of services and service disruption is a moderate risk as there are sufficient service providers in the area and the state that have the capacity to effectively program a city of this size.

10. Is the City able to cost-effectively maintain the specialized skills, technology, and equipment needed for the service?

There is minimal specialized skill, technology and equipment associated with the program.

11. Does the service delivery model maximize the leveraging of prospective non-City resources (such as sponsorships and donations)?

Yes, the program collaborates with the County of Santa Clara for the provision of additional school crossing guard locations on a cost sharing basis. Additionally, the Department will seek cost sharing ideas with the school districts as part of the School / City Collaborative. A cost sharing model can further reduce the cost of this program to the City.

12. Is there management and administrative capacity to support the in-house workforce or contract oversight needed?

Yes, as the current service delivery model retains a Senior Analyst to provide oversight and administration of the program as well as to carry out the school liaison / committee work.

Public/Private Competition Policy (Policy 0-29)

Not applicable.

Next Steps

Not applicable.