

REPORT BY THE PERMANENT REVIEW COMMITTEE TO THE CITY COUNCIL TRANSPORTATION AND PUBLIC WORKS COMMITTEE AND WAYS & MEANS COMMITTEE

Permanent Review Committee (PRC) findings upon review of the Request for Proposals for Security Services to be issued by the Department of Public Works, Property Services Division and Traffic and Parking Services Division, and by the Minneapolis Convention Center (City Coordinator's Office), dated October 27, 2008

As directed by the City Council in Resolution No. 2007-454 (August 31, 2007), the Permanent Review Committee (PRC) has made the following findings regarding the Request for Proposals (RFP) for the services requested.

(1) The City owns the underlying real property and improvements that are the subject of the RFP (Convention Center, Water Works Facilities, Impound Lot Facilities). The City is responsible for administering Emergency Security Mobilization (ESM) required in the event of an accident or occurrence (civil disturbance, act of terrorism, natural disaster, etc.) within the City's borders. (See RFP at pages 3 and 4, Section II "Background Information").

(2) It is clear that as the owner in fee title to the underlying real property and improvements that comprise the three facilities at which the City seeks security services, the City has a proprietary interest in one or more contracts for professional security services at the three facilities.

(3) The entire City is subject to the Emergency Security Mobilization Plan (ESM Plan) and procedures developed by the City. The implementation of the ESM Plan affects not only property in which the City holds a proprietary interest (streets, alleys, rights-of-way, and other public buildings and facilities), but also privately-owned property in which the City holds a vital economic interest through the implied contract between the City and property owners and the occupants and owners of the property to protect and serve the private property and its occupants and users in consideration for the payment of taxes and user fees. Thus, the City holds either a proprietary interest or an economic interest in delivering ESM services and implementing the ESM Plan on behalf of the City's residents, workers and visitors.

The PRC has analyzed the following factors to arrive at its findings:

a. The anticipated contract or contracts with vendors will likely exceed the \$250,000 threshold established by the City Council in the August 31, 2007 Resolution.

b. The anticipated duration of the anticipated contract(s) to be awarded by the City is for one year with up to two, one year renewals of the contract(s).

c. The disruption of security services at the three City-owned facilities will have adverse economic affects upon the City.

The Convention Center is the City's primary venue for hosting events that attract hundreds of thousands of visitors annually. Disruptions to, or the delivery of inferior, security services will affect the economic well being of the City. The Convention Center relies upon user fees and sales taxes generated by City visitors to support debt service and operating costs. Interruptions to security services provided at the Convention Center will negatively affect the City's ability to book, schedule and host events that attract a local, national and international clientele. Not only will security problems affect the Convention Center finances, but also the intrinsic ability of the City to market itself to potential visitors, convention holders and event schedulers.

Disruptions to security services at the City's Water Works Facilities located in Minneapolis, Columbia Heights, Hilltop, and Fridley is simply intolerable. The Water Works Facilities are classified as "critical infrastructure" by the federal government. (See 6 U.S.C. Section 101 et. seq., 6 CFR Part 29, and Homeland Security Directive, dated December 17, 2003). Any lapse in the delivery of security services could result in the contamination of the City's potable water supply. The compromising of the City's water supply could result in bodily injury or the death of City residents, persons who are employed in the City, visitors to the City and the persons in adjoining communities that purchase water under contracts with the City. The economic and legal effects of a disaster resulting from water-borne contaminants triggered by a disruption in the delivery of security services to the City at the Water Works Facilities would probably cause financial consequences from which the City may never recover.

While disruptions to security services at the Impound Lot Facilities are likely to affect a smaller and more limited segment of the City's population, the City has economic and public safety interests to protect in maintaining a safe and secure vehicle impound facility. The City becomes essentially a "bailee" for vehicles and contents of vehicles towed to the Impound Facility. The owners or operators of the towed vehicles are required to pay substantial consideration for the safe return of the vehicles and their contents. A breach in security that compromises the safe keeping of the vehicles not only can result in the payment of City funds to vehicle owners or operators for damage to vehicles and theft of contents, it also results in needless administrative hours required of City staff required to address the claims. Breaches in security may also taint forensic evidence associated with vehicles towed to the Impound Lot Facilities as a result of criminal investigations. Additionally, City staff may be subject to threats to their own security when vehicle owners or operators, already disgruntled and irritated because their vehicle has been towed and impounded, may become hostile or violent if a

vehicle and its contents have been compromised due to a lack of adequate security services at the Impound Lot Facilities. Finally, the City and particularly its Department of Public Works, rely upon revenues generated by City's operation of the Impound Lot Facilities.

For the reasons and based upon the findings cited above, the PRC recommends that the City Council should require that a provision preventing work stoppages be required of any contractor entering into an agreement to provide security services to the City at the three City-owned facilities (Convention Center, Water Works Facilities and Impound Lot Facilities) and in any agreement to provide emergency security services necessary to implement the City's ESM Plan. .

PRC Approval: October 16, 2008.