



DATE: August 13, 2014
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 14-32
Authorizing Amendments with DePaul Industries for Security Services Increasing the Contract Value to the Maximum Amount of \$880,550

BOARD ACTION REQUESTED

Adopt Resolution No. 7067

ACTION DESCRIPTION

This action authorizes the Portland Development Commission (PDC) Executive Director to execute amendments to an existing contract with DePaul Industries (DePaul) to provide security services at 222 NW Fifth Avenue, Portland, Oregon (the Mason Ehrman Building). The amendments are expected to increase the contract by \$60,000 to \$68,000 per year for the next six years, effectively through the end of PDC's lease at the Mason Ehrman Building in 2020. The sum of anticipated contract amendments for services over the next six years is \$383,550. This action is necessary because the total amended contract value will exceed the Executive Director's expenditure authority to execute procurement contracts granted by the PDC Board of Commissioners (Board) Resolution No. 6172.

BACKGROUND AND CONTEXT

Upon relocating its headquarters from the 1900 Building to the Mason Ehrman Building in 2004, PDC executed a number of facilities service agreements. One of these agreements was with DePaul to provide stationed security services on the first floor of the Mason Ehrman Building. The DePaul contract was executed in 2005 with an amount not to exceed \$50,860 for twelve months of service. Since then, the contract has been amended seven times to extend the term of service and authorize the expenditure of funds to cover those additional terms of service. Total expenditures on this contract to date are \$497,580.

COMMUNITY AND PUBLIC BENEFIT

DePaul, the contractor providing security services at the Mason Ehrman Building, is a Qualified Rehabilitation Facility (QRF), as certified by the State of Oregon Department of Administrative Services under the provisions of Oregon Revised Statutes (ORS) 279.835 to 279.855 (the QRF Program). The QRF Program was authorized by the 1977 Oregon legislature to support employment of individuals with disabilities by creating a sheltered market for products and services from community rehabilitation organizations. QRF companies must be nonprofit organizations providing vocational services and employment for Oregonians with qualifying disabilities.

The QRF Program benefits Oregonians in many ways. Wages paid to the workers reduce their needs for other forms of public assistance. Public agencies acquire quality products and services through centrally negotiated contracts priced at reasonable rates. Finally, the business and jobs generated by the program are 100 percent in-state, sustaining the Oregon communities where participating facilities and individuals are located.

As a public agency in Oregon, PDC is required by ORS 279.850 to procure necessary services from a QRF “provided the product or service is of the appropriate specifications and is available within the period required by that public agency.”

PUBLIC PARTICIPATION AND FEEDBACK

Not applicable.

BUDGET AND FINANCIAL INFORMATION

Assuming contract costs for fiscal year (FY) 2014-15 of approximately \$60,000, which is included in PDC’s FY 2014-15 Adopted Budget as an indirect operating expense, and an estimated 2.5 percent increase in subsequent years, estimated costs are as follows:

- FY 2014-15: \$60,000
- FY 2015-16: \$61,500
- FY 2016-17: \$63,050
- FY 2017-18: \$64,700
- FY 2018-19: \$66,300
- FY 2019-20: \$68,000

Total: \$383,550

RISK ASSESSMENT

Discontinuing service under the contract could adversely impact PDC by failing to provide security to keep PDC employees and visitors safe.

ALTERNATIVE ACTIONS

In lieu of contracting for this service, PDC could directly hire security guards, though this option would most likely result in additional costs of salaries, benefits, and management of the service.

ATTACHMENTS

None.