

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 07/14)

Fiscal Year 2016-17	Business Unit 0860	Department State Board of Equalization	Priority No. 4
Budget Request Name 0860-004-BCP-BR-2016-GB		Program All	Subprogram

Budget Request Description
 Transition of Contracted Security Guards to State Civil Service Employees

Budget Request Summary

The Board of Equalization (BOE) requests \$1,415,000 (\$736,000 General Fund, \$269,000 Special Funds, and \$410,000 Reimbursements) and 24.0 permanent positions in fiscal year (FY) 2016-17 and \$1,317,000 (\$685,000 General Fund, \$250,000 Special Funds, and \$382,000 Reimbursements) in FY 2017-18 and ongoing for the BOE to convert and administer security guard services at the BOE Headquarters (450 N Street, Sacramento, CA) and the San Jose District Office (250 South Second Street, San Jose, CA).

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Budget Officer	Date	Chief, Financial Management Division	Date
Deputy Director, Administration	Date	Executive Director	Date

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Technology Agency

BCP Type: Policy Workload Budget per Government Code 13308.05

PBA Date submitted to the Legislature

A. Budget Request Summary

The Board of Equalization (BOE) requests \$1,415,000 (\$736,000 General Fund, \$269,000 Special Funds, and \$410,000 Reimbursements) and 24.0 permanent positions in fiscal year (FY) 2016-17 and \$1,317,000 (\$685,000 General Fund, \$250,000 Special Funds, and \$382,000 Reimbursements) in FY 2017-18 and ongoing for the BOE to convert and administer security guard services at the BOE Headquarters (450 N Street, Sacramento, CA) and the San Jose District Office (250 South Second Street, San Jose, CA).

The Board of Equalization (BOE) currently utilizes a security services contract with Inter-Con Security Services (2017-4117) to provide unarmed security guards at Headquarters (HQ), the San Jose District Office, other Field Office locations, and in emergency situations. This contract is subsidiary to California Highway Patrol (CHP) Master Services Agreement (MSA) 7C065000. Current monthly invoices for both locations are approximately \$70,000. The three-year cost for annual services is approximately \$2.6 million. In order to convert to state civil service employees, it is estimated that ten security guards, twelve Lead Security Guards, one Associate Governmental Program Analyst (AGPA), and one Staff Services Manager I (SSM I), would need to be hired to adequately administer the BOE security program. The annual cost of \$1.28 million with a three-year cost estimated to be \$3.84 million. This staffing estimate does not include coverage during vacations, sick calls, or any other time away from work. A contract would still need to be executed with an unarmed security guard company, in order to backfill these openings, or when a vacant position is in the process of being filled.

B. Background/History

The BOE has historically elected to utilize the MSA, administered by the CHP since 2003. Prior to this, the BOE was responsible for its own contracting of security services. The SEIU Local 1000 has encouraged the BOE to consider this transition in order to increase security employee's commitment and loyalty to the BOE, receive continuity of service while avoiding fluctuations in the financial market, and expand growth opportunities to individuals in public service.

C. State Level Considerations

The BOE collects taxes, fees, and surcharges that provide approximately 34 percent of the annual revenue for state government and essential funding for counties, cities, and special taxing districts. In FY 2013-14, the BOE administered taxes and fees that produced \$60.4 billion for education, public safety, transportation, housing, health services, social services, and natural resource management. The BOE administers the state's sales and use, fuel, alcohol, tobacco, and other taxes and collects fees that fund specific programs. More than one million businesses are registered with the agency.

D. Justification

Headquarters

In order to maintain the same level of service that the BOE currently experiences, it is requested that seven full time Security Guards three part time Security Guards, three full time Lead Security Guards (LSG), and part time Lead Security Guards, sixteen total, be allocated to adequately cover established shifts and posts. Shift schedules can be found in Exhibit A.

San Jose

In order to maintain the same level of service that the BOE currently experiences, it is requested that three full time Lead Security Guards and three part time Lead Security Guards, six total, be allocated to adequately cover established shifts and posts. Shift schedules can be found in Exhibit A.

Analysis of Problem

Administration

Due to the increase in staffing, and the additional workload associated with managing civil service Security Guards, it is requested that one Associate Governmental Program Analyst (AGPA), and one Staff Services Manager I (SSM I) be allocated.

The Physical Security Section (PSS), currently managed by an SSM II, is responsible for the physical security operations in the BOE's 26 in-State and 3 Out-of-State offices and supervises six technical and one support staff. With this oversight and responsibility, the current SSM II cannot assume supervision of the additional guards and workload without approval of the requested subordinate manager and technical support. This additional supervision is requested to handle the increased necessary administrative duties (training, time sheets, performance management, policy development, scheduling, etc.) currently performed by the vendor's management team.

The BOE will develop a comprehensive training plan that will ensure that all state civil service Security Guards are provided with adequate knowledge and the tools to perform their duties. The BOE does not currently have this experience as all contracted guards receive this training from licensed security guard trainers.

E. Outcomes and Accountability

State Civil Service Security Guards will be evaluated during probationary periods and annually with an Individual Development Plan thereafter.

F. Analysis of All Feasible Alternatives

Alternative I - Transition to State Civil Service Security Guards.

Pros:

- Contract administration will be reduced.
- Provides opportunities for additional state employees.

Cons:

- Requires a budget augmentation.
- Additional workload will be generated for scheduling, performance reviews, etc.
- Progressive disciplinary process will need to be followed to counsel underperforming employees, which could jeopardize the safety of staff in these offices.
- Minimum Qualifications for entry as a state civil service Security Guard are much lower than that of the current contractor.
- Vendor contract would still be necessary to provide flexibility for additional guard services in other Field Offices during times of emergency (for short durations).
- Vendor contract would still be necessary to provide coverage in the event of employees being out sick – emergency coverage situations.
- Field Office management would be required to engage in security operations for the San Jose office. The guards for San Jose would report to Field Office management.

Alternative II - Transition HQ to State Civil Service Security Guards and Continue Contracting for San Jose Field Office.

Pros:

- Field Office management would not be required to engage in security operations allowing them to focus their efforts on supervising staff and revenue collection activities.

Cons:

- The BOE PSS would be required to manage two separate security operations by overseeing state civil service Security Guards in the HQ building and contracted Security Guards in the San Jose Field Office which may have different operating guidelines.

Analysis of Problem

- Establishes different and possibly inconsistent security protocols in the BOE's HQ versus Field Office.
- Precludes state employment opportunities for state civil service Security Guards outside of the BOE's HQ.
- Vendor contract would still be necessary to provide coverage in the event of employees being out sick in HQ – emergency coverage situations.

Alternative III - Maintain Current Vendor Contract with Inter-Con for Security Guard Services.

Pros:

- Established relationship with contractor and employees that are permanently assigned and are familiar with BOE buildings.
- Training and background checks are conducted prior to assignment to the BOE.
- BOE has the right to remove a guard from the premises immediately for any reason.
- Does not require a budget augmentation.

Cons:

- Does not provide opportunities for additional state employees.

G. Implementation Plan

Time Prior to Implementation	Activity
9 months	Develop Lead Security Guard & Security Guard exam with Human Resources
6 months	Administer Lead Security Guard & Security Guard exam
5 months	Announce open positions at HQ and San Jose
4 months	Begin ordering of non-sized uniforms
3 months	Begin candidate interviews
2 months	Select candidates and order sized uniforms
10 days	Begin on-the-job training before contract expiration

H. Supplemental Information

Field Office management would need to be engaged in the security operations of their location, should state civil service Security Guards be deemed necessary.

A contract with Inter-Con would still need to be maintained to some degree for emergency situations in the Field Offices and for situations where state civil service Security Guards are out for vacation or sick leave.

I. Recommendation

Alternative I is recommended.

Analysis of Problem

EXHIBIT A

1. Proposed schedule (HQ)

		Monday	Tuesday	Wed	Thursday	Friday	Saturday	Sunday	Total		
Day 1	06:00-14:00	8	8	8	8	8			40	Lead	
Day 2		8	8	8	8	8			40	FT	
Day 3		8	8	8	8	8			40	FT	
Day 4		8	8	8	8	8			40	FT	
Day 5		8	8	8	8	8			40	FT	
Day 6								8	8	16	Lead - PT
Day 7								8	8	16	PT
Mid 1	10:00-18:00	8	8	8	8	8			40	FT	
Swing 1	14:00-22:00	8	8	8	8	8			40	Lead	
Swing 2		8	8	8	8	8			40	FT	
Swing 3							8	8	16	Lead - PT	
Swing 4							8	8	16	PT	
Grave 1	22:00-06:00	8	8	8	8	8			40	Lead	
Grave 2		8	8	8	8	8			40	FT	
Grave 3							8	8	16	Lead - PT	
Grave 4							8	8	16	PT	
15		10	10	10	10	10	6	6	456		

2. Proposed schedule (San Jose)

		Monday	Tuesday	Wed	Thursday	Friday	Saturday	Sunday	Total	
Day 1	06:00-14:00	8	8	8	8	8			40	Lead
Day 2							8	8	16	Lead - PT
Swing 1	14:00-22:00	8	8	8	8	8			40	Lead
Swing 2							8	8	16	Lead - PT
Grave 1	22:00-06:00	8	8	8	8	8			40	Lead
Grave 2							8	8	16	Lead - PT
6		3	3	3	3	3	3	3	168	

