



STAFF REPORT

Meeting Date: December 2, 2014

To: Honorable Mayor & City Council

From: Erick Lee, Division Commander

Subject: Updated Information on School Security Funding Request FY 2014-2015

Attachment: BHUSD Press Release Re: Campus Safety Program

INTRODUCTION

This report provides an update of the latest development related to the school security funding request to support the district agreement with Evidence-Based, Inc. (EBi) the firm providing the service. With the recent termination of the agreement the District is asking the City to fund the amount already paid to EBi from August through November 5th.

BACKGROUND

On August 5, 2014, the City Council considered a request from BHUSD Board President Noah Margo during the Study Session Agenda to fund half of the cost of the District's Campus Security Program. The annual program cost was \$881,423 and was provided through a private security vendor, EBi. The total request of the City for FY14/15 was \$440,712. During that meeting, the City Council posed a number of questions to staff, representatives of BHUSD and EBi relating to school safety, coordination between the Police Department and EBi, liability issues, the role of armed campus security officers in the schools, and financial issues affecting the District. The City Council then requested that answers to these questions be researched and presented at a future meeting for reconsideration of this item.

On October 7, 2014 the City Council was presented with the answers to the questions they had posed at the August 5th meeting and reconsidered this item. Representatives

from the School District and EBi were also in attendance. The City Council provided direction during the October 7th Study Session to proceed with the request to fund half of the cost of the District's Campus Security Program for the 2014/15 school year.

On October 21, 2014, the City Council appropriated \$440,712 and authorized the City Attorney and City Manager to negotiate and execute a one-year agreement related to the provision of the funding. The City Council directed that this agreement be subject to the following conditions:

- The City would not exercise control over the security operation.
- Before payment is made, the agreement would require the District to demonstrate to the City that its private security vendor has at least \$10 million in general liability insurance and that the City has been named as an additional insured.
- The District must amend its contract with the security firm to require that the firm defend and indemnify the City as well as the District from any liability arising from the security firm's operations to the fullest extent permitted by law with language satisfactory to the City's Risk Manager and the City Attorney.

DISCUSSION

On November 6, 2014, the District issued a press release informing parents that EBi would no longer be administering its campus security program. According to the press release, the District had fulfilled its contractual and payment obligations to EBi. However, EBi had undergone a series of financial difficulties that placed the firm near bankruptcy. The financial difficulties had escalated to the point that EBi officers had been working without receiving paychecks from EBi. Due to these financial issues, the District exercised the termination clause in its contract and severed its business relationship with EBi.

Representatives from the District have contacted the City to inquire about reimbursement for payments made by BHUSD to EBi. As of November 20, 2014, the funding agreement authorized by the City Council at its October 21, 2014 meeting had not been finalized. Additionally, BHUSD had not provided the City with evidence of the \$10 million in general liability insurance or a copy of its amended contract with EBi.

The District paid an advance of \$411,192.50 for services from August 1, 2014 to December 31, 2014 and is requesting half the costs from the City for the incurred costs in the amount of \$205,596.25 from the City.

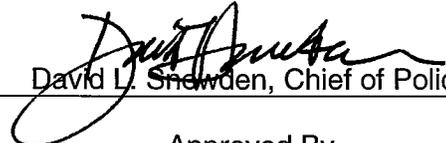
FISCAL IMPACT

Funds in the amount of \$440,712 have already been appropriated to reimburse BHUSD for half of the costs associated with its campus security program.

Meeting Date: December 2, 2014

RECOMMENDATION

It is recommended that the City Council discuss the request and provide direction to staff.



David L. Snowden, Chief of Police
Approved By

Attachment 1

Subject:

FW: Press Release Campus Safety Security

From: Beverly Hills Unified School District PACE <pace@bhusd.k12.ca.us>

Date: November 6, 2014 at 4:21:46 PM PST

Subject: Press Release Campus Safety Security

Reply-To: pace@bhusd.k12.ca.us



**BEVERLY HILLS UNIFIED SCHOOL DISTRICT
PRESS RELEASE – November 6, 2014**

Re: Campus Safety Program

The Beverly Hills Unified School District (“District”) has been informed that Evidence Based, Inc. (“EBI”), the company that administers the Campus Safety Program at the District campuses, will no longer be administering the program.

While the District has fulfilled its contractual and payment obligations to EBI, EBI has undergone a series of financial difficulties that have placed the firm near bankruptcy. The financial difficulties have escalated to the point that EBI officers have been working for the last three weeks without receiving paychecks from EBI.

When the District learned of these financial difficulties, the District was receptive to amending the contract between the District and EBI to allow for some financial relief. However, while attempting to find a solution, additional information came to light that EBI’s financial condition had worsened.

As a result, the District chose to exercise the termination clause in the contract which required the District to provide nine (9) days’ notice prior to termination, and required EBI to continue providing services during that time. However, on November 5, 2014, at approximately 10:30 a.m., just one day after notice was provided, EBI notified the campus officers that they were terminated effective immediately.

Due to EBI’s termination of the campus officers, the officers are currently without the necessary insurances required to perform services on the District’s campuses. The District and former EBI Supervisor Joe Chirillo are feverishly working to find the necessary elements to affect a rapid solution.

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