

AMENDMENT TO THE AGREEMENT WITH THE GEO GROUP INC. FOR JAIL BOOKING AND SECURITY SERVICES May 8, 2012

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For FY 2011-12, the cost of the contract is \$491,583. GEO has agreed to a zero percent cost increase for the first full year of the new agreement, commencing July 1, 2012. Year's two and three of the agreement, however, will each include a three (3) percent cost increase.

The cost of the jail contract is partially mitigated by booking fees collected by the Department. In 2011, approximately \$193,000 was collected, which is an approximate \$50,000 increase over 2010. If the value of the jailer program's gross savings of seven (7) officers (\$1,090,390) is offset by the contract's first full year net cost of \$491,583, then the Department's agreement with GEO could save the City approximately \$598,807 in FY 2012-13.

FINANCIAL IMPACT

The cost of the proposed contract for GEO's services was anticipated and is fully funded in the Police Department's current budget. No additional funding will be necessary.

RECOMMENDATION

It is recommended that the City Council:

- Approve the First Amendment of the City's contract with The GEO Group Inc. extending the contract through June 30, 2015; and
- Authorize the City Manager to execute the contract on behalf of the City and make minor modifications as appropriate.



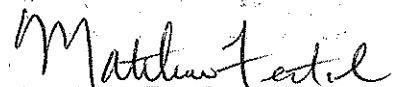
KEVIN J. RANEY
Chief of Police



By: John Keely, Lieutenant
Community Policing Bureau
Watch Commander

Attachment: Agreement

Recommended for Approval



Matthew Fertil
City Manager

**FIRST AMENDMENT TO THE
CITY JAIL OPERATIONAL SERVICES AGREEMENT**

**BETWEEN
CORRECTIONAL SYSTEMS, INC.
AND
THE CITY OF GARDEN GROVE**

This First Amendment to the City Jail Operational Services Agreement ("Amendment") is made this ____ day of March, 2012, by and between The City of Garden Grove (the "City") and The GEO Group, Inc. as successor in interest to Correctional Systems, Inc. ("GEO") and is to be effective July 1, 2012.

RECITALS

WHEREAS, the parties entered into a City Jail Operational Services Agreement, effective January 10, 2010 ("Agreement"); and

WHEREAS, the parties wish to amend the agreement to reflect a change in name and address of the Operator; and

WHEREAS, the parties wish to amend the Agreement Section 4 – Term of the Agreement to extend the term for an additional three years; and

WHEREAS, the parties wish to amend Section 9.E to reflect pricing increase for the extension of the term; and

WHEREAS, Section 18.H of the Agreement provides for amendments to the Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged, the City and GEO (hereinafter collectively the "Parties") agree to the following changes to the Agreement:

1. As The GEO Group, Inc. is successor in interest to Correctional Systems, Inc. all references to Correctional Systems, Inc. contained in the Agreement shall be changed to The GEO Group, Inc. or GEO where appropriate.
2. Section 4 – Term of the Agreement – is hereby amended to add that the parties have agreed to extend the term of the Agreement for an additional three (3) years commencing July 1, 2012 through June 30, 2015.
3. Section 9.E – Payment – shall be amended to incorporate an Attachment II-A setting for the new rates for the three additional Agreement years and to add that the parties agree that there will be no CPI or COLA increase sought for first of the three years and such first year rate shall remain at the Agreement's current rates for the entire first year.

4. Section 17 – A – Notices shall be amended to replace Operator with the following:

The GEO Group, Inc.
Attn: Amber Martin
Vice President
One Park Place
621 NW 53rd Street – Suite 700
Boca Raton, FL 33487
Voice: 561-999-7359
Email: amartin@geogroup.com

With a copy to:


The GEO Group, Inc.
Attn: John Bulfin
Senior Vice President – General Counsel
One Park Place
621 NW 53rd Street – Suite 700
Boca Raton, FL 33487
Voice: 561-999-7350
Email: jbulfin@geogroup.com

5. All other terms and conditions of the Agreement not specifically modified herein shall remain in full force and effect.

CITY OF GARDEN GROVE

THE GEO GROUP, INC.

By: _____
Title: _____



Amber Martin
Vice President Contracts

APPROVED AS TO FORM



THOMAS F. NIXON
City Attorney
City of Garden Grove

DATED: 4/30/12

Attachment II-A
to
CITY JAIL OPERATIONS AND MANAGEMENT AGREEMENT
(The GEO Group, Inc. and The City of Garden Grove, CA)
BUDGET

	YEAR ONE July 1, 2012 to June 30, 2013	YEAR TWO July 1, 2013 to June 30, 2014	YEAR THREE July 1, 2014 to June 30, 2015
Staffing (9.625 FTE)	\$ 368,724	\$ 379,786	\$ 391,179
Jail Administrator (1)			
Jail Officers (8.5)			
Operations Manager (.125)			
Salaries, Overtime, Benefits,			
Taxes, Training, Recruitment,			
New Hire Costs			
Operating Costs	\$ 51,432	\$ 52,975	\$ 54,564
Incidental Expenses, Insurance,			
Food, Inmate Care Items			
City Provisions			
Booking Supplies, Utilities,			
Transportation Vehicle,			
Equipment, Normal Maintenance			
Direct Costs	\$ 420,156	\$ 432,761	\$ 445,744
Management Fee	\$ 71,427	\$ 73,569	\$ 75,776
TOTAL OPERATIONS COST	\$ 491,583	\$ 506,330	\$ 521,520

Note:

Monthly billing will equal one twelfth (1/12) of the annual Total Operations Cost each month regardless of actual expenses.