



Agenda Item No. 5

To: Finance-Auditing Committee/Committee of the Whole
Meeting of October 23, 2008

From: Lisa Locati, Security & Emergency Management Specialist
Kary H. Witt, Deputy General Manager, Bridge Division
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE EXECUTION OF A SECOND AMENDMENT TO
CONTRACT NO. 2005-D-6, REVENUE COLLECTION, WITH
SECURITAS SECURITY SERVICES, USA, INC., RELATIVE TO A
CONTRACT EXTENSION OF TIME**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize execution of a second amendment to Contract No. 2005-D-6, Revenue Collection, with Securitas Security Services, USA, Inc., Sacramento, CA, in an amount not to exceed \$78,953, effective November 1, 2008, to April 30, 2010, for a contract term extension of up to 18 months, and subject to a cost adjustment of up to five percent on May 1, 2009, with the understanding that requisite funds are available in the FY 08/09 Bus and Ferry Division's Operating Budgets and will be budgeted accordingly in FY 09/10, if necessary.

Summary

In May 2005, following a competitive RFP process, the District entered into a contract with Securitas Security Services USA, Inc. (Securitas), for revenue collection services. This service involves picking up and transporting Bus and Ferry Transit revenue to the District's vault using a vehicle provided by the District. The contract was for a two-year base term, with an option to extend for a successive one-year term ending on May 1, 2008.

On February 19, 2008, the District issued RFP No. 2008-MD-4, Revenue Collection. The submission deadline date was March 18, 2008, and no proposals were received. Securitas, the incumbent, did not submit a proposal, stating that it was phasing out of providing this type of service, preferring instead to focus on its core business of security guard services. While Securitas was not interested in continuing to provide these services under a new agreement, it was willing to continue to provide services to the District under an extension to the existing agreement at their current rate. On April 10, 2008, the Board authorized execution of an amendment to Contract No. 2005-D-6 for a contract term extension not to exceed six months, May 1, 2008, to October 31, 2008.

Currently, Staff is evaluating options for revenue collection services on a long-term basis. One option being explored would be to perform revenue collection services with District Staff. Other procurement options and other contracting possibilities are also under consideration. Staff expects to have completed this analysis within the next six months. In the meantime, it is necessary to ensure that there is no interruption in the provision of these services.

Staff therefore contacted Securitas, who is willing to provide services for an additional 18 months under the same terms as its original contract with a cost adjustment of up to five percent on May 1, 2009. Staff has confirmed that Securitas' pricing is considerably less than that available from any other source. Given Securitas' attractive pricing, as well as the lack of any response to the District's RFP, Staff, in consultation with the District's Attorney, have concluded that it would not be in the District's best interest to re-issue the RFP at this time.

Fiscal Impact

Funds for revenue collection services are available in the FY 08/09 Bus and Ferry Divisions' operating budgets and will be budgeted accordingly in FY 09/10, if necessary.