

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	02/28/11	Open	Action	02/16/11

Subject: Approving the First Amendment to the Contract for Security Guard Services with G4S Secure Solutions, Inc.

## ISSUE

Whether to Approve the First Amendment to the Contract for Security Guard Services with G4S Secure Solutions, Inc.

## RECOMMENDED ACTION

Adopt Resolution No. 11-02-\_\_\_\_, Approving the First Amendment to the Contract for Security Guard Services with G4S Secure Solutions, Inc.

## FISCAL IMPACT

Budgeted:	Yes	FY2012:	\$	3,881,226.00
Budget Source:	Operating	FY2013:	\$	3,997,663.00
Funding Source:	Local	Annualized:	\$	NA
Cost Cntr/GL	36	Total Amount:	\$	7,878,889.00
Acct(s):	630045			
Total Budget:	\$7,878,889.00			

Original Contract Amount:	\$11,043,214.55
Fluctuations in Staffing:	-\$1,864,753.42
Subtotal (funds allocated at time of this writing):	<u>\$9,178,461.13</u>
First Amendment:	<u>+\$7,878,889.00</u>
New Total:	\$17,057,350.13

## DISCUSSION

On June 28, 2008, the Board awarded the security guard services contract to Wackenhut for an amount not to exceed \$11,043,214.55 for a 3-year term, with an option to renew for years 4 and 5. The current contract was executed and a notice to proceed was issued on July 1, 2008. In 2010, Wackenhut changed its name to G4S Secure Solutions, Inc. (G4S) to reflect its new business model.

G4S Secure Solutions, Inc. has done an excellent job as RT's security guard services provider. G4S implemented several strategies that have improved performance on this contract, and improved relations with passengers, some of which are noted below:

- Consistency of Project Manager - G4S has had the same Project Manager for the last five years.

Approved:

Presented:

FINAL 2/21/11

General Manager/CEO

Chief Operating Officer

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- Additional guards - At any given time, G4S has 2 or more additional guards and supervisors assigned to the contract for added support on the field. RT is not billed extra for these additional guards and supervisors and they are provided within the current billing structure. To date, G4S has supplied RT with more than 6,250 hours of additional guard service.
- RT's Customer Advocacy Department has received numerous commendations from passengers for outstanding work performed by G4S security guards.

Prior to being assigned to the RT contract, G4S security guards are required to go through a 40-hour California Peace Officer Standards and Training (P.O.S.T.) Certified Basic Law Enforcement Class. With this training, G4S has been able to obtain and maintain a high level of security personnel.

The security officers assigned to RT's Video Control Center (VCC) have become very proficient at video surveillance. They initiate 80-100 system and security related calls for service per month. In addition, they record approximately 100 videos in response to RT and local law enforcement agency requests. Despite a 33% reduction in staffing over the last two years, the VCC security guards continue to expand their responsibilities and the services they provide to RT and its patrons.

With the implementation of parking fees at RT's park-and-ride lots, the parking citations written by G4S personnel have to be fully processed and submitted to RT. This new requirement has resulted in the creation of a low-cost, administrative guard position that G4S will fill as part-time, but may evolve to a full-time position depending on RT's on-going needs. The budget estimate for this position for the first year is \$18,970 and \$39,077 for the second year. Funding for this position is available and is included in the price for the option years.

RT has realized great savings over the past 2 years from an RT-imposed reduction in G4S security guard staffing, due to budget constraints. The total cost savings from these measures has been \$1,864,753.42. Another cost-saving measure for RT is that G4S agreed, in FY2010 and FY2011, not to implement a contractually-allowed billing rate increase. G4S has again agreed to forego a contractual billing rate increase for FY2012.

Staff is very satisfied with G4S and desires to extend the contract for 2 additional 1-year periods. Although the contract language states that the exercise of option years 4 and 5 is to be done consecutively, staff requests that both option years 4 and 5 be approved at this time (the contract language will be modified accordingly).

Staff recommends the Board approve the First Amendment to the Contract for Security Guard Services with G4S Secure Solutions, Inc., by which RT exercises its options to extend the Contract for years 4 and 5, commencing on July 1, 2011, and terminating on June 30, 2013, and amend the scope of work to include an administrative guard position.

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The total increase in costs associated with these contract modifications is \$7,878,889. However, because RT realized a total savings of \$1,864,753.42 as a result of RT-imposed reductions in G4S security guard staffing in 2009, the total amount that must be added to the contract is \$6,014,135.58 which amount takes into account the \$1,864,753.42 in cost savings realized in 2009, but never effectuated through a contract amendment. As such, the First Amendment increases the total contract consideration by \$6,014,135.58 to \$17,057,350.13.

RESOLUTION NO. 11-02-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

February 28, 2011

**APPROVING THE FIRST AMENDMENT TO THE CONTRACT FOR SECURITY  
GUARD SERVICES WITH G4S SECURE SOLUTIONS, INC.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE  
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the First Amendment between Sacramento Regional Transit District, therein referred to as "RT," and G4S Secure Solutions, Inc., therein referred to as "Contractor," whereby RT exercises its options to extend the Contract for years 4 and 5, commencing on July 1, 2011, and terminating on June 30, 2013, and amend the scope to add an administrative guard position, and the total consideration is increased by \$6,014,135.58 to \$17,057,350.13, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said First Amendment.

\_\_\_\_\_  
DON NOTTOLI, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary