

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	10/27/14	Open	Action	10/09/14

Subject: Approving the First Amendment to the Contract for Security Guard Services with G4S

ISSUE

Whether or not to approve the First Amendment to the Contract for Security Guard Services with G4S.

RECOMMENDED ACTION

Adopt Resolution No. 14-10-____, Approving the First Amendment to the Contract for Security Guard Services with G4S.

FISCAL IMPACT

This is a no-cost change to the Contract with no fiscal impact.

DISCUSSION

On April 8, 2013, the Board awarded a Contract for Security Guard Services to G4S. The Contract was executed on May 24, 2013 with the work commencing effective July 1, 2013.

It was recently brought to RT's attention by G4S that the indemnification language that was agreed upon by RT and G4S during contract negotiations in March 2013, was not included in the executed Contract. Neither RT nor G4S caught the omission while the Contract was being executed. Additionally, the Issue Paper brought before the Board on April 8, 2013, failed to disclose to the Board the added risk to RT resulting from the modification to our standard indemnity provision.

The indemnification language the parties agreed upon is materially different from RT's standard indemnity language that places nearly all of the risk on the contractor. During contract negotiations, G4S requested language that would limit its liability to only those instances where a *negligent* act or omission gave rise to liability. At the time the parties negotiated the terms and conditions of the principal agreement, RT's legal counsel advised against accepting G4S's requested modification because it did not cover claims that could arise as a result of G4S's breach of a statutory obligation, that would not necessarily result from G4S's negligence. After several rounds of discussion, the parties agreed to modified language that limited G4S's liability, while addressing RT Legal's concerns regarding G4S's proposed modification. The parties agreed to qualify "act or omission" by requiring that the act or omission be *negligent*; however, the parties also agreed to require G4S to indemnify RT if a claim arose resulting from G4S's breach of a statutory obligation. While the parties did include "breach of statutory obligation" in the indemnity provision contained in the principal agreement, the parties failed to add the qualifier "negligent" in front of "act or omission". The First Amendment seeks to correct the omission and revise the Indemnity provision to include the language the parties agreed upon in 2013.

Approved:

Presented:

Final 10/16/14

General Manager/CEO

Chief Operating Officer

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Staff recommends approval of the First Amendment to the Contract for Security Guard Services with G4S.

RESOLUTION NO. 14-10-_____

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

October 27, 2014

**APPROVING THE FIRST AMENDMENT TO THE CONTRACT FOR SECURITY
GUARD SERVICES WITH G4S**

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

THAT, the First Amendment to the Principal Agreement between Sacramento
Regional Transit District, therein referred to as "RT," and G4S Secure Solutions (USA) Inc.,
therein referred to as "Contractor," whereby the indemnification language is modified and
written as agreed to by the parties in March 2013, is hereby approved.

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

PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary