

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
12.2	03/28/16	Open	Action	03/23/16

Subject: Approving the Second Amendment to the Contract for Security Guard Services or Delegating Authority to the General Manager/CEO to Release a Request for Proposals for Security Guard Services

ISSUE

Whether to approve the Second Amendment to the Contract for Security Guard Services with G4S Secure Solutions (USA) Inc. or Release a Request for Proposal for Security Guard Services

RECOMMENDED ACTION

- A. Adopt Resolution No. 16-03-____, Approving the Second Amendment to the Contract for Security Guard Services with G4S Secure Solutions (USA) Inc. to Exercise Option Years 4 and 5.
- B. Adopt Resolution No. 16-03-____, Approving the Second Amendment to the Contract for Security Guard Services with G4S Secure Solutions (USA) Inc. to Exercise Option Year 4.
- C. Adopt Resolution No. 16-03-____, Delegating Authority to the General Manager/CEO to Release a Request for Proposals for Security Guard Services.

FISCAL IMPACT

Budgeted:	Yes	Year 4, FY17:	\$ 3,231,478.00
Budget Source:	Operating	Year 5, FY18:	\$ 3,408,740.00
Funding Source:	Local	Annualized:	\$ NA
Cost Cntr/GL Acct(s) or	CC 36	Total Amount:	\$ 6,640,218.00
Capital Project #:	GL 630045		
Total Budget Year 4:		\$3,231,478.00	
Total Budget Years 4 and 5:		\$6,640,218.00	

	Option Year 4	Option Years 4 and 5
Original Contract:	\$12,417,498.06 (3-Year Term)	\$12,417,498.06
First Amendment:	No Cost	No Cost
Second Amendment:	<u>\$3,231,478.00</u>	<u>\$6,640,218.00</u>
New Total Consideration:	\$15,648,976.06	\$19,057,716.06

Approved:

Presented:

Final 03/23/16

General Manager/CEO

Chief, Police Services

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DISCUSSION

On April 8, 2013, the Board awarded a security guard services contract to G4S Secure Solutions (USA) Inc. (G4S), for an amount not to exceed \$12,417,498.06 for a 3-year term with an option to renew for up to 2 additional 1-year periods. The current contract was entered into on April 24, 2013 and the initial 3-year term will expire on June 30, 2016. If the Board approves exercising its option to renew, this Second Amendment may extend the contract for either the 4th year, or both the 4th and 5th years, depending on the Board's preference.

RT Police Services (RTPS) will be going through a transition over the course of the next 2 years. The transition involves hiring, training, and deploying the new Transit Agent positions while decreasing the number of security guards. The Transit Agent positions are created through a 2-year demonstration agreement with the Amalgamated Transit Union (ATU) which will deploy and test a significantly expanded approach to fare inspection. The Transit Agents will be funded through a reduction in RT's contract for security guard services. Transit Agents will be phased in, replacing contract security guards on board trains. While the reduction to the security guard contract in support of the Transit Agent positions is considerable, there is still a significant role for private security in RT's overall security program. RT will continue to provide fixed-post guards at light rail stations, provide mobile patrols, and provide augmented security in response to issues or other specific needs.

RT has a number of upcoming initiatives that add a measure of uncertainty to RT's security needs over the next two years. These include: the operation of event service in conjunction with the opening of the Golden 1 Center; the implementation of Paid Fare Zones at light rail stations; a more robust rules and ordinance effort; and the implementation of a mobile application allowing RT's patrons to quickly and easily report security-related issues. During this period of transition, staff believes that RT would be best served by continuing the services of G4S, a large security contractor that can support RT with responsible, trained, security guards as RT's needs fluctuate.

In FY2016, the cost of the G4S services will be \$4.2 million, with the company providing 90 plus security guards. G4S has been a responsive contractor to RT public safety needs and has received many rider acknowledgements for its work. Some of the more high profile acts by G4S guards have been: reporting and assisting officers in response to a man armed with a knife on a train preventing a woman from running back into a burning house across the street from a light rail station; and guards who have helped in identifying wanted subjects that have committed crimes on the system.

The following are issues to consider when evaluating the options presented below.

- RTPS will be hiring, training, and deploying RT Transit Agents on trains and replacing guards. This will change the contract in FY2017. The Transit Agents will be employed by RT under a limited 2-year term demonstration project. If successful, this may alter the

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guard staffing needs further in FY2018. We may not know the full scope of a new guard contract until FY2018 after the Transit Agents' deployment is fully assessed.

- The Transit Agents are being deployed under the terms of a demonstration agreement that could be terminated before the conclusion of its 2-year term. If this happens, RT may need to return guards to trains quickly.
- The guards assigned to RT will need to know the system and its rules to respond and assist with Transit Agent calls for service as the group encounters riders unaccustomed to the significantly increased rate of fare inspection.
- The opening of the Golden 1 Center is a major opportunity to provide a positive riding experience for those using the system to attend events. The guards assigned must be knowledgeable about the RT system to provide the security needed to assist with the event staffing. Training new guards and guard managers on the deployment needs and responsibilities in a short duration before October while also training Transit Agents will pose staffing challenges.

RESPONSIBILITY

RT is subject to FTA's Third Party Contracting Circular C 4220.1F on any FTA assisted contract. The circular requires contract awards be made only to responsible contractors. Federal transit law at 49 U.S.C. Section 5325(j) limits third party contractor awards to those contractors capable of successfully performing under the terms and conditions of the proposed contract. Before selecting a contractor for award, the recipient must consider such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

The Circular C 4220.1F also requires that the Department of Transportation (DOT) regulations, "Nonprocurement Suspension and Debarment," 2 CFR Part 1200 apply to each third party contract that RT awards at any tier of \$25,000 or more. FTA requires RT to verify and document in the file for that procurement that the Contractor(s) recommended for award of an FTA assisted contract are not listed on the federal System for Award Management (SAM) of debarred contractors.

RT staff has verified that G4S is not listed in SAMs. G4S is not debarred from contracting by the federal government. G4S has performed satisfactorily on RT's security contracts. RT finds that within the framework of FTA's Third Party Contracting Circular, G4S is a responsible contractor eligible for award of RT contracts.

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ALTERNATIVE ACTIONS

Staff has identified the following options for the Board’s consideration:

Option Number 1: Approve a Two-Year Contract Extension:

- If the Board opts to extend the contract for 2 years, RT staff will have the opportunity to rely on a known contractor to assist RT with its security needs for the full term of the Transit Agent demonstration period, thus allowing a true determination of what scope of security service RT needs with a potential for a significantly reduced guard deployment model.
- RT will have a better idea of its Security Guard contract needs after the Transit Agent program has developed because it gives staff time to see in practice how the program is working and what RT’s staffing needs will be after the Transit Agent program is in full swing.
- Extending the contract and keeping the current guards on will allow for stability and having experienced guards on staff leading up to opening of the Golden 1 Center.
- Will provide for the opportunity to tap into experienced guard staff which will be able to assist with Transit Agent transition.
- G4S staff is knowledgeable of RT and the staff is known by RTPS staff to be an experienced staff that performs well for RT.
- Will allow for more time to conduct the procurement process, train and transition if a new company is selected for the contract.

Option Number 2: Approve a One-Year Contract Extension to the Existing G4S Contract:

Issues listed in Option 1 (above) are the same; however, the results may not be fully realized.

Option Number 3: Direct Staff to Bid Out Security Guard Services and Allow the Current G4S Contract to Lapse on June 30, 2016.

- If the Board desires to do a new solicitation rather than extending the existing contract, Staff requests that the Board delegate authority to the General Manager/CEO to release a Request for Proposals for Security Guard Services:

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- If the Board authorizes the issuance of an RFP for Security Guard Services, doing so provides the opportunity for competition, which would have a favorable impact on security costs.
- Rebidding at this time will significantly compress the solicitation process. This compressed schedule could result in a temporary gap in service if we encounter any complications in the bid process. – see chart below.
- RTPS staff would be forced to train both the new security guards and the new Transit Agents at the same time, resulting in potential reduced drain on sworn staffing for calls for service needs.

The procurement timeline for fast-tracking the re-bidding is listed below.

Action	Timeline	Months for completion
Release RFP	30 calendar days	1 month (April)
Receive, review and score proposals	2 weeks minimum	1 month (May)
Contract negotiations; prep for award	2 weeks minimum	1 month (May)
Board approval ^{(1) (2)}	3 weeks	4 (June 27th)

⁽¹⁾ If this option is selected, and if a different security guard firm is selected over the current firm, a short-term extension with G4S would be needed to allow time for Contract execution, hiring, outfitting and training of guard by the vendor, and RT training of guards to be ready for deployment.

⁽²⁾ Assumes no bid protest is filed.

RESOLUTION NO. 16-03-_____

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

March 28, 2016

**APPROVING THE SECOND AMENDMENT TO THE CONTRACT FOR SECURITY
GUARD SERVICES WITH G4S SECURE SOLUTIONS (USA) INC.**

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

THAT, the Second Amendment to the Contract between the Sacramento Regional Transit District, therein referred to as "RT," and G4S Secure Solutions (USA) Inc., therein referred to as "Contractor," whereby RT exercises its options to extend the Contract for years 4 and 5, commencing on July 1, 2016 and terminating June 30, 2018, and the total consideration is increased by \$6,640,218 from \$12,417,498.06 to \$19,057,716.06, is hereby approved.

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

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 16-03-_____

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

March 28, 2016

**APPROVING THE SECOND AMENDMENT TO THE CONTRACT FOR SECURITY
GUARD SERVICES WITH G4S SECURE SOLUTIONS (USA) INC.**

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

THAT, the Second Amendment to the Contract between the Sacramento Regional Transit District, therein referred to as "RT," and G4S Secure Solutions (USA) Inc., therein referred to as "Contractor," whereby RT exercises its option to extend the Contract for year 4, commencing on July 1, 2016 and terminating June 30, 2017, and the total consideration is increased by \$3,231,478 from \$12,417,498.06 to \$15,648,976.06, is hereby approved.

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

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 16-03-_____

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

March 28, 2016

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO RELEASE A
REQUEST FOR PROPOSALS FOR SECURITY GUARD SERVICES**

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

THAT, the Board hereby delegates authority to the General Manager/CEO to
release a Request for Proposals for Security Guard Services.

THAT, the solicitation be advertised pursuant to the provisions of the Procurement
Ordinance.

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary