

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	06/10/19	Open	Action	06/03/19

Subject: Armored Car Service Contract Ratification and Extension

ISSUE

Whether or not to ratify the General Manager/CEO's execution of the auto-renewing Brinks Services Agreement and approve a sole source justification for continuing the contract until June 30, 2020

RECOMMENDED ACTION

Adopt Resolution No. 19-06-____, Ratifying the General Manager/CEO's 2009 Execution of the Brinks Services Agreement for Armored Car Services and Approving a Sole Source Justification for Continuing the Contract Until June 30, 2020.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	20,000.00
Budget Source:	Operating	Next FY:	\$	24,000.00
Funding Source:	GL 63003 CC 45	Annualized:	\$	22,000.00
Cost Cntr/GL Acct(s) or Capital Project #:		Total Amount:	\$	44,000.00
Total Budget:	\$ 24,000.00			

DISCUSSION

SacRT entered into an indefinite auto-renewing Service Agreement with Brinks on July 1, 2009 for armored car services. The agreement requires that a notice of intent to terminate be provided at least 60 days prior to the end of the then-current term in order to be effective. The contract did not include a not-to-exceed amount, which allowed SacRT to retain the services year after year without contract renewals. Because such auto-renewing agreements can eventually exceed the General Manager/CEO's contracting authority and the formal solicitation threshold, they cannot be signed by the General Manager/CEO unless they contain a cap on the total consideration and meet the applicable competition requirements. Through an oversight in the contract review process, the Brinks Service Agreement was executed without the required cap.

During a review of contract and purchase order limits, the Procurement Department discovered that the Brinks contract value had exceeded \$100,000, which was the General Manager/CEO's signing authority and the formal solicitation threshold for services at the time the Service Agreement was executed (the current limit is \$150,000). The total contract value is currently \$170,789, which will allow services through June 30, 2019. Based on the terms of the Service

Approved:

Presented:

Final 06/05/19

General Manager/CEO

Treasury Controller

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Agreement, because no termination notice was provided, the Service Agreement will continue until June 30, 2020 if ratified by the Board.

Section 1.105, "Ratification of Unauthorized Procurement" of the Procurement Ordinance permits the Board to ratify an unauthorized procurement if: (1) the supplies or services have been provided to and accepted by SacRT or SacRT will otherwise benefit from the unauthorized procurement; (2) the ratifying official (in this case the Board), has the authority to enter into the contract; (3) the contract would have been proper if made by an appropriate contracting officer; (4) the price is fair and reasonable; and (5) sufficient funds are available.

SacRT must maintain armored car services to safely transport currency and coins collected on buses and at light rail stations around the system. No other service supplier can provide armored car services at this time because a full Request for Proposals (RFP) process needs to be completed. Due to staffing demands and necessary changes to the scope of services, it is not feasible to complete an RFP process before July 1, 2019. The costs being charged by Brinks are considered fair and reasonable because the cost of service has been consistent with only modest increases year over year, for the past ten years. Further, there are sufficient funds available in FY19 and FY20 to cover the cost of the contract.

If the Board does not act to ratify the existing contract, Staff will be left without a vendor to provide these critical services. During FY20, Staff will actively work on completing a competitive solicitation process for armored car service and other potential value added services from prospective vendors.

Per Procurement Ordinance Article 1.405, Noncompetitive and Sole Source Procurement, B.2 Non-Federally-Funded Procurements, for Contracts that are not federally-funded, a noncompetitive Procurement is permitted for Professional and Nonprofessional Service Contracts, when the General Manager/CEO or Board, as applicable, determines that it is in the best interests of SacRT to solicit only one consultant without compliance with the competitive solicitation procedures set forth in Article III.

RESOLUTION NO. 19-06-_____

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

June 10, 2019

RATIFYING THE GENERAL MANAGER/CEO'S 2009 EXECUTION OF THE BRINKS SERVICES AGREEMENT FOR ARMORED CAR SERVICES AND APPROVING A SOLE SOURCE JUSTIFICATION FOR CONTINUING THE CONTRACT UNTIL JUNE 30, 2020

WHEREAS, on July 1, 2009, the then-current General Manager/CEO executed the Brinks Service Agreement by and between the Sacramento Regional Transit District (therein "Customer") and Brinks U.S. (therein "Brinks") for armored car services for an indefinite term with no cap on the total consideration, an action in excess of his contracting authority; and

WHEREAS, the total consideration due under the Agreement through the end of the current fiscal year will be \$170,789; and

WHEREAS, SacRT must maintain armored car services to safely transport currency and coins collected on buses and at light rail stations around the system; and

WHEREAS, Section 1.105, "Ratification of Unauthorized Procurement" of the Procurement Ordinance permits the Board to ratify an unauthorized procurement if: (1) the supplies or services have been provided to and accepted by SacRT; (2) the ratifying official has the authority to enter into the contract; (3) the contract would have been proper if made by an appropriate contracting officer; (4) the price is fair and reasonable; and (5) sufficient funds are available.

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

THAT, in accordance with Section 1.05 of the Procurement Ordinance, the Board of Directors hereby ratifies the General Manager/CEO's execution of the July 1, 2009 Brinks Services Agreement; and

THAT, under Section 1.405 B.2 of the SacRT Procurement Ordinance, sole source procurement for services is permitted upon a determination that it is in the best interest of Sacramento Regional Transit District (SacRT) to solicit only one contractor; and

THAT, because it is infeasible to complete the required Request for Proposal process and avoid a break in these critical services, it is in SacRT's best interest to ratify the existing Brinks Service Agreement and continue the Service Agreement until June 30, 2020.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary