



## STAFF REPORT

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**DATE:** July 27, 2020  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Brent Bernegger, VP, Finance/CFO  
**SUBJ:** RATIFY SOLE SOURCE PROCUREMENT AND ARMORED CAR SERVICE AGREEMENT WITH BRINK'S U.S.

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

The Services Agreement will provide auto-renewing armored car services for SacRT.

### FISCAL IMPACT

The estimated annual cost of the armored car service contract with Brink's U.S. is \$7,200, with the expectation of modest pricing increases annually. This amount is included in the FY 2021 Operating Budget.

### DISCUSSION

Brink's was the provider of armored car service for SacRT under a service agreement executed in 2009. The 2009 service agreement included an auto renewal clause and the total consideration paid eventually exceeded the General Manager/CEO's contracting authority; as a result, in June 2019 the Board of Directors ratified the 2009 service agreement and approved a sole source procurement through June 30, 2020 to allow staff to solicit competitive bids or proposals for a new Contract.

SacRT publicly released two formal armored car solicitations in 2020 and received no bids or proposals, despite active outreach to Brink's (which expressed a concern about signing SacRT's form of agreement), Loomis, and Garda. Therefore, Staff determined that it would be in SacRT's best interest to enter into a new service agreement with Brink's, without further competitive solicitation efforts. The General Manager/CEO approved a Sole Source Best Interest determination on May 29, 2020.

Staff entered into negotiations with Brink's; SacRT's position was that the agreement could contain the standard Brink's auto renewal clause, but must also contain language specifying that the agreement will terminate automatically when the total consideration reaches \$150,000 so as not to exceed the General Manager/CEO's contracting authority under the Procurement Ordinance. Brink's rejected this change, leaving SacRT with no choice but to accept the auto renewal provision without a cap. SacRT must maintain armored car services to safely transport currency and coins collected on

buses and at light rail stations around the system, and to ensure the continuance of cash flow in SacRT's checking account.

SacRT entered into an indefinite auto-renewing Service Agreement with Brink's on July 1, 2020 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 Service Agreement does not include a not-to-exceed amount, which allows 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, the Board must ratify the sole source determination and the execution of the Service Agreement.

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.

The costs being charged by Brink's 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. While the Service Agreement provides broad discretion for Brink's to unilaterally increase the rates, historically the rates have not been significantly increased. Further, there are sufficient funds available to cover the expected cost of the Contract. Staff will monitor the rates and any increases to ensure they remain fair and reasonable.

If the Board does not act to ratify the existing contract, SacRT will need to terminate the new agreement, and SacRT will be left without a vendor to provide these critical services.

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.

Staff recommends that the Board ratify the Brink's Service Agreement and approve the Noncompetitive Sole Source Procurement.

RESOLUTION NO. 20-07-0063

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

July 27, 2020

**RATIFY SOLE SOURCE PROCUREMENT AND ARMORED CAR SERVICE AGREEMENT WITH BRINK'S U.S.**

WHEREAS, after conducting two competitive solicitations that elicited no responses, on July 1, 2020, the General Manager/CEO executed the Brink's Service Agreement by and between the Sacramento Regional Transit District (therein "Customer") and Brink's U.S. (therein "Brink's") 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 is estimated to be \$7,200; 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; and

WHEREAS, under Section 1.405 B.2 of the SacRT Procurement Ordinance, a 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.

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

THAT, because no other vendors indicated an interest in performing armored car services for SacRT, it was in SacRT's best interest to directly contract with Brink's U.S. on the standard terms and conditions offered by Brink's U.S.

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, 2020 Brink's Services Agreement to provide armored car services for an indefinite period at the rates specified therein, as they may be subject to future increases.

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STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

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