

STAFF REPORT

DATE: July 25, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: APPROVING A SOLE SOURCE THIRD AMENDMENT TO THE COMMERCIAL SALES AGREEMENT WITH JOHNSON CONTROLS FOR FIRE AND BURGLAR ALARM SERVICES AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AMEND THE COMMERCIAL SALES AGREEMENT WITH JOHNSON CONTROLS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving these actions will allow SacRT to continue fire and burglar alarm services with its longstanding provider, including adding and deleting equipment and locations as needed, for several more years.

FISCAL IMPACT

The annual cost for fire and burglar alarm services is currently estimated at \$18,500 per year, with an estimated 6% cost increase each year. Staff is requesting that the amendment add \$150,000 to the maximum total consideration, from \$150,000 to \$300,000. The Fiscal Year 2023 Operating Budget for the Facilities department contains a provision for ongoing fire and burglar alarm services. Costs for future years will be incorporated into the appropriate budget year.

DISCUSSION

SacRT entered into a Commercial Sales Agreement with Tyco Integrated Security LLC in 2015 for fire and burglar alarm services. In 2016, Tyco merged with Johnson Controls Security Solutions LLC (Johnson Controls). SacRT currently receives service from Johnson Controls.

In February 2018, the First Amendment to the Commercial Sales Agreement increased the total consideration to \$100,000 and authorized the removal of the 3-year term in favor of an auto-renewal agreement up to the maximum total consideration. In October 2018, the Second Amendment to the Commercial Sales Agreement increased the maximum

total consideration to \$150,000 (consistent with the General Manager/CEO's increased authority under the Procurement Ordinance).

By July 31, 2022, SacRT will reach the maximum total consideration of \$150,000. Staff has been in discussions with Johnson Controls since late last year regarding potential use of a competitively-solicited cooperative purchasing agreement for continued services, but has encountered several obstacles to that procurement strategy. The prices offered under the competitive cooperative are consistent with what SacRT has been paying.

There is insufficient time at this juncture to engage in a competitive solicitation for these services. While the burglar alarm services are discretionary, maintaining fire alarm services is a regulatory requirement. Therefore, at minimum a short-term extension of services with Johnson Controls is necessary. While there are other services providers that could provide these services in the long term, due to the need for equipment installation for these services, there is significant effort involved in changing service providers.

There have been internal staff discussions about bringing burglar alarm monitoring in-house to the SacRT Security Operations Center (SOC). SacRT staff, including the IT Department, will be heavily involved in this project. Due to current IT project loads, it is not anticipated that this project can be implemented for several years.

In addition, due to the upcoming changes to SacRT facility locations and future plans, it is not in the best interest of SacRT to change vendors through a competitive solicitation at this time.

Staff anticipates releasing a competitive solicitation within the next 5 years for fire alarm services, and potentially burglar alarm services, pending the outcome of internal discussions and assessment regarding SacRT's capacity to bring it in-house. Until that time, it is in SacRT's best interest to continue services with Johnson Controls by amending the current Commercial Sales Agreement. Adding \$150,000 to the maximum total consideration should provide sufficient funding for services for at least the next 5 years, though the contract rates are established on a year-to-year basis and are not guaranteed.

RESOLUTION NO. 2022-07-079

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

July 25, 2022

APPROVING A SOLE SOURCE THIRD AMENDMENT TO THE COMMERCIAL SALES AGREEMENT WITH JOHNSON CONTROLS FOR FIRE AND BURGLAR ALARM SERVICES AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AMEND THE COMMERCIAL SALES AGREEMENT WITH JOHNSON CONTROLS

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

THAT, due to the need for consistent uninterrupted services and the effort involved in changing service providers, it is in the best interest of SacRT to amend the existing service contract for fire and burglar alarm services with Johnson Controls Security Solutions LLC without compliance with the competitive solicitation procedures set forth in Article III of the Procurement Ordinance as set forth in Section 1.405.B.2 of the Procurement Ordinance (21-10-01).

THAT, the Third Amendment to the Commercial Sales Agreement with Johnson Controls, LLC, as successor in interest to Tyco Integrated Security LLC, for fire and burglar alarm services, whereby the maximum total consideration is increased by \$150,000, from \$150,000 to \$300,000, is hereby approved.

THAT, the General Manager/CEO is authorized and directed to execute the foregoing Third Amendment.

THAT, the Board hereby delegates authority to the General Manager/CEO to execute riders, addenda and further amendments to the Commercial Sales Agreement as needed to change equipment or service locations during the term of the Agreement.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary