



# Board Agenda Item 23

DATE: November 16, 2021

TO: Board of Supervisors

SUBMITTED BY: Oscar J. Garcia, CPA, Auditor-Controller/Treasurer-Tax Collector

SUBJECT: Agreement with Brink's U.S. to Provide Armored Transport Services

RECOMMENDED ACTION(S):

**Approve and authorize the Chairman to execute an agreement with Brink's U.S., a Division of Brink's, Incorporated (Brink's) to provide armored transport services, effective November 16, 2021 through November 15, 2026 which includes a three-year base contract and two optional one-year extensions, total not to exceed \$591,000.**

Approval of the recommended action would authorize Brink's U.S., a Division of Brink's, Incorporated (Brink's) to provide armored transport deliveries of funds and securities between County departments and the bank. Due to a limited marketplace, the proposed agreement has terms that differ from the County's usual requirements in relation to the contractor's insurance requirements and maximum liability, the contractor's ability to raise rates, the renewals of the agreement, as described below. This item is countywide.

ALTERNATIVE ACTION(S):

If the recommended action is not approved, alternative methods would need to be analyzed in order to ensure the safety of County Employees and limit the risk of loss and theft associated with transporting funds and securities from departments to the bank.

FISCAL IMPACT:

Funds to pay Brink's for services provided in Fiscal Year 2021-22 have been budgeted in General Fund Org 0410, Auditor-Controller/Treasurer-Tax Collector. Each department participating in this agreement budgets its share of expenditures in their individual budget units to offset the cost for these services and reimburse Org 0410. Sufficient appropriations will continue to be budgeted in the same manner in future fiscal years.

DISCUSSION:

The County has contracted for armored transport services since 1969. Request for Quotation (RFQ) No. 21-055 was issued by Purchasing on May 18, 2021 and Brinks was the only provider who responded by the RFQ deadline. Your Board's approval of the recommended action would be the first time Brinks is awarded the armored transport services agreement for the County. The previous vendor was Garda and while they were provided an opportunity to respond to the RFQ they failed to do so.

Armored transport services are currently needed by the following County departments for fiscal year 2021-22.

- Public Works and Planning - two (2) pickup locations
- American Avenue Disposal Site - one (1) pickup location
- Probation - three (3) pickup locations
- Social Services - two (2) pickup locations
- Behavioral Health - one (1) pickup location
- Public Health - one (1) pickup location
- Auditor-Controller/Treasurer-Tax Collector - one (1) pickup location.

The County's prior vendor ceased providing services as of June 22, 2021. That resulted in a disruption in service.

The market for these services is very limited and vendors are largely unwilling to negotiate the terms of the agreements. However, Brinks was the only responsive vendor willing to provide armored car services to the County and our department recommends approval of this agreement so as to not have any further disruption in service. Although Brink's has been willing to negotiate some provisions of its form agreement, in order to satisfy minimal requirements for the validity of an agreement with the County under State law, Brink's has not been willing to negotiate most of the core provisions of its form agreement. For this reason, the agreement does not appear on County paper, does not conform to standard county verbiage related to insurance and indemnity, and does not include some of the detailed items which have been included in the past. More specifically:

- In lieu of specific insurance levels, Brinks will maintain insurance payable to Brinks to adequately cover the maximum liability amount as well as maintain comprehensive general liability coverage. Brink's does not agree to add the County as an additional named insured.
- The agreement limits Brink's' liability to a maximum amount of \$800,000 per shipment.
- The agreement provides that Brink's may increase rates on January 1 during each year of the agreement.
- The two one-year extensions are automatic, rather than upon written notice by the department head, but may be cancelled with at least 60 days' advance written notice prior to the expiration of the then-current term.
- Only the pick-up locations are specifically listed within the agreement, while the drop off locations will be maintained separately.

Annually, the charges for services may be increased by Brink's due to changes in economic conditions that increase Brink's operating cost. Economic conditions may include increases to the minimum wage, legislative or regulatory requirements related to the services being rendered, and insurance costs.

This agreement provides for an initial three-year term and will automatically renew for two (2) optional one-year periods until cancelled by either party on at least 60 days' written notice prior to the expiration of the then-current term. These two periods would extend the contract through November 15, 2026, upon the same terms and conditions.

The annual service fees, allowance for fuel and excess charges, plus the maximum annual contingency equates to a total contract maximum of \$342,500 during the first three years. The department will monitor to ensure satisfactory vendor performance prior to deciding whether to give timely notice of cancellation before each automatic renewal. If the renewals occur, the cost for the additional two years would bring the total contract maximum to \$591,000.

The Auditor-Controller/Treasurer-Tax Collector anticipates that, even with annual increases that might be imposed by Brink's, the contract maximum is sufficient to allow up to \$20,000 per year in fuel charges and excess items liability and/or premise time costs, as well as up to \$10,000 per year in contingency for

unforeseen charges or additional services requested by departments, such as temporary additional pick-up locations or occasional weekend pick-up. To utilize the contingency, a department must submit a formal request and receive approval from the Auditor-Controller or their designee. Following this, a written quote will be obtained from Brink's, detailing the services to be provided and the costs for those services. If the additional services exceed the scope of the agreement, the Auditor-Controller/Treasurer-Tax Collector would return to your Board with an amendment.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Brink's Services Agreement

CAO ANALYST:

Greg Reinke