



# Board Agenda Item 27

DATE: September 25, 2018

TO: Board of Supervisors

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

SUBJECT: Agreement with Garda CL West, Inc. to Provide Armored Transport Services

RECOMMENDED ACTION(S):

**Approve and authorize the Chairman to execute an agreement with Garda CL West, Inc. to provide armored transport services, effective October 1, 2018 through September 30, 2023 which includes a three-year base contract and two optional one-year extensions, total not to exceed \$270,756.**

Approval of the recommended action would authorize Garda CL West, Inc. (Garda) to provide armored transport deliveries of funds and securities between County departments and the bank. The agreement includes a \$10,000 annual contingency for additional services requested by departments during the term of the agreement such as weekend services, holiday services, and fuel surcharges. This item is countywide.

ALTERNATIVE ACTION(S):

There is no other viable option. Failure to approve the agreement would result in County staff transporting funds and securities between County departments and the bank, increasing the risk for loss or theft of funds and the safety of those County employees transporting the funds.

FISCAL IMPACT:

Funds to pay Garda for services provided in Fiscal Year 2018-19 have been budgeted in General Fund Org 0410, Auditor-Controller/Treasurer-Tax Collector. Each department participating in this agreement budgets its share of the expenditures in their individual budget units to offset the cost for these services and reimburse Org 0410.

DISCUSSION:

The County has contracted for armored transport services since 1969. Request for Quotation No. 18-056 was issued by the Purchasing on June 6, 2018. Garda was the only provider who responded by the RFQ deadline. Garda has been awarded the armored transport services agreement five times since 1999 (under the names AT Systems, Garda CL West and Garda) and has consistently performed satisfactorily for the County. Armored transport services are currently needed by the following County departments for Fiscal Year 2018-19:

- Public Works and Planning, 2 sites, \$643 monthly or \$7,716 annually
- American Ave Disposal Site, 1 site, \$243 monthly or \$2,916 annually
- Probation, 3 sites, \$741 monthly or \$8,892 annually
- Social Services, 2 sites, \$800 monthly or \$9,600 annually
- Behavioral Health, 1 site, \$88 monthly or \$1,056 annually

- Public Health, 1 site, \$400 monthly or \$4,800 annually
- Auditor-Controller/Treasurer-Tax Collector, 1 site, \$550 monthly or \$6,600 annually

The agreement includes Garda's proposed annual bid amount of \$41,580 per year (i.e. \$3,465 per month) plus an annual contingency amount of \$10,000 for additional services requested by departments during the term of the agreement. The additional services may only be performed by the written authorization of the Auditor-Controller/Treasurer-Tax Collector or their designee, following the submission of a written quote from Garda detailing the services to be provided and the costs for those services. The annual contingency amount also includes any fees for weekend service, service on certain holidays, large shipments, and fuel surcharges.

Notable limitations on the vendor's liability requested by Garda have been added to the agreement, as follows:

- Garda is not liable for incidental or consequential damages to the County or to any third party directly or on behalf of the County resulting from the loss of any property by Garda.
- Garda is not liable to the County for loss or harm to the COUNTY due to warlike action, weapons of war, accidents caused by atomic fission or radioactive energy, and destruction caused by insurrection.
- The County is required to submit a written claim to Garda within 90 days of the date of any loss or damage, or Garda is relieved and released of liability for that loss or damage.
- Garda is not liable to the County for loss of property exceeding the maximum shipment amounts provided in the agreement, unless the County pays excess liability charges for shipments exceeding those maximum amounts.
- For lost checks, Garda's liability is limited to costs to "reconstruct" checks (that is, establish sufficient identifying information for the lost checks) and for stop payment procedures, and for the face value of reconstructed checks. For lost checks that cannot be reconstructed, Garda's liability is limited to \$5,000 per shipment.
- Garda's obligation to hold the County harmless only applies to negligent or willful misconduct.

Such limitations of liability do not usually appear in the County's contracts. In addition, Risk Management recommended this agreement should have the County's Standard Professional Liability Clause and not to remove the usual requirement of prior written notice of cancellation or change to insurance. The deviation from the standards established by Risk Management have the potential to put the County at increased risk should issue arise. While this is not the standard and Risk Management has advised our department of the potential risk, due to Garda being the only responsive vendor willing to provide armored car services to the County, our department is recommending approval of this agreement so not to have a disruption in service.

This agreement allows for two (2) additional consecutive twelve (12) month extension periods upon written approval of both parties, no later than thirty (30) days prior to the first day of the next twelve (12) month extension period. Approval of these two periods would extend the contract through September 30, 2023, upon the same terms and conditions unless written notice of non-renewal is given not less than sixty (60) days prior to the termination date. Included in these terms and conditions is a provision allowing Garda to annually increase their service fees by up to 3%, but not beyond the \$10,000 annual contingency.

The annual service fees, plus the maximum annual contingency of \$10,000 equates to total annual contract maximums of: \$51,580 during the period October 1, 2018 through September 30, 2019; \$52,828 during the period October 1, 2019 through September 30, 2020; \$54,113 during the period October 1, 2020 through September 30, 2021; \$55,436 during the period October 1, 2021 through September 30, 2022; and \$56,799 during the period October 1, 2022 through September 30, 2023. The department will monitor to ensure satisfactory vendor performance prior to implementing the renewal options.

REFERENCE MATERIAL:

BAI# 18, September 17, 2013 - Agreement No. 13-565

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Garda CL West, Inc.

CAO ANALYST:

Juan Lopez