

**Board Report**

File #: 2020-0030, **File Type:** Contract**Agenda Number:**

**OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE
FEBRUARY 20, 2020****SUBJECT: SECURITY GUARD SERVICES****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 6 to Contract No. PS560810024798 with RMI International, Inc. to continue providing security guard services, and increasing the not-to-exceed contract value by \$18,400,000 from \$87,053,758 to \$105,453,758.

ISSUE

RMI provides security guard services at selected locations of the regional Metro System to protect Metro assets, staff and prevent unlawful entry into secured areas. In order to continue to provide preventative physical security at Metro stations, parking lots/structures, and critical infrastructures, and increase visible security presence at bus/rail maintenance facilities, Contract Modification No. 6 is required. Staff intends to aggressively manage all areas being patrolled and guarded by RMI International, Inc., in an effort to deter and detect threats, mitigate security risks while minimizing costs wherever possible.

BACKGROUND

Since the Metro Board approved the award of a five-year, firm-fixed unit price contract to RMI for security guard services in September 2016, significant costs have been incurred to provide additional coverage for special events and new services and to support the increasing demand for visible security presence, system-wide, to deter crime and address homelessness.

In April 2018, Metro initiated an Ancillary Area Surge and provided a 24-hour system-wide security guard presence in the underground stations on the Red and Purple Rail Lines. Notably, since the surge, there has been a 56% reduction in removals of homeless trespassers from entering Metro's ancillary areas and a 100% reduction in trespasser arrests. Metro staff has also seen a 69% reduction in Facilities Maintenance Division (FMD) cleanups and an 87% reduction in repair requests.

An increase in staffing levels was also required to support the opening of the Southwest Yard facility in February 2019 and Location 64 in May 2019. Metro staff anticipates that an increase in 24-hour security guard presence will be required for the following: Soto, Mariachi Plaza, and North Hollywood

Stations, the new Rosa Parks Customer Service area, and the opening of the new Crenshaw Line which consists of seven underground stations.

In addition, Contract No. PS560810024798 was impacted by the unforeseen higher living wage increases during the FY17/18 and FY18/19 budget cycles. These rates are subject to an annual increase every July 1. These rate increases have exceeded the originally anticipated annual rate of increase Metro advised proposing firms to use in determining their price proposals for multi-year contracts.

In October 2018, the Board approved the staff's recommendation to cap the annual living increases for both active and future contracts to 3% effective July 1, 2019. However, additional funding is still required to cover the unanticipated living wage rate increases from prior years.

DISCUSSION

Under this contract, RMI provides security guard services at selected locations of the regional Metro System which includes rail and bus lines, stations, transit facilities, parking lots, construction sites, bus and rail operating divisions, and maintenance facilities. It also provides additional security guard services on an as-needed basis for special events and/or emergencies.

DETERMINATION OF SAFETY IMPACT

This Board action will not have any negative impact on establishing safety standards.

FINANCIAL IMPACT

The increase of \$18,400,000 will be added to the contract value in the System Security and Law Enforcement Department budget, in Cost Center 2610. Since this is a multi-year service contract, the Chief System Security and Law Enforcement Officer and the Project Manager will be responsible for budgeting costs for this multi-year service contract.

Impact to Budget

The source of funds for these Projects will be local operating funds including Proposition A, C, TDA, Measure R and Measure M taxes. These funds are eligible for Bus and Rail operations.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal 2.1 of committing to improving security. To achieve this goal, Metro will rely on a multi-layered, integrated security program that comprises of plans, organizing, equipment, training, exercises, technology, public awareness, and regional partnerships and collaborations.

ALTERNATIVES CONSIDERED

The Board may decline to approve the contract modification. This alternative is not recommended as

it will invite the following significant risks to our current security profile: 1) discontinuation of current security services covering selected portions of the LA Metro Transit System, including but not limited to underground stations, and 2) loss of necessary staff to address the exigent homeless situations on the LA Metro Transit System. Reduction in security presence will impair Metro's ability to attract and retain ridership and weaken strategies to prepare for system expansion and large scale National Special Security Events.

NEXT STEPS

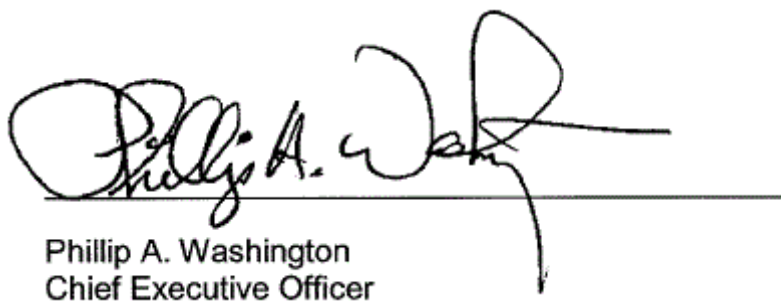
Upon Board approval, staff will execute Modification No. 6 to Contract No. PS560810024798 with RMI International, Inc., to continue to provide security guard services to the end of the contract term.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary

Prepared by: Susan Walker, Director, Physical Security, (213) 922-7464

Reviewed by: Aston Greene, Interim Chief System Security & Law Enforcement Officer (213)
922-4433
Debra Avila, Chief Vendor/Contract Management Officer (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

SECURITY GUARD SERVICES/PS560810024798

1.	Contract Number: PS560810024798		
2.	Contractor: RMI International, Inc.		
3.	Mod. Work Description: Increase contract value		
4.	Contract Work Description: Security Guard Services		
5.	The following data is current as of : January 21, 2020		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	9/27/16	Contract Award Amount: \$81,944,840
	Notice to Proceed (NTP):	N/A	Total of Modifications Approved: \$5,108,918
	Original Complete Date:	9/30/21	Pending Modifications (including this action): \$18,400,000
	Current Est. Complete Date:	9/30/21	Current Contract Value (with this action): \$105,453,758
7.	Contract Administrator: Aielyn Dumaua		Telephone Number: (213) 922-7320
8.	Project Manager: Aston Greene		Telephone Number: (213) 922-2599

A. Procurement Background

This Board Action is to approve Modification No. 6 to Contract No. PS560810024798 to RMI International, Inc. (RMI) for security guard services at selected locations of the regional Metro System which includes rail and bus lines, stations, transit facilities, parking lots, construction sites, bus and rail operating divisions and maintenance facilities. This modification shall also cover increases in security guard personnel covering ancillary areas in the underground stations on the Metro Red and Purple Lines, new and existing facilities (e.g. Soto and Mariachi stations and the new Rosa Parks Customer Service area), and underground stations of the new Crenshaw Line.

This contract modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit rate.

In September 2016, the Board approved a five-year contract to RMI International, Inc. to provide security guard services for five years.

Refer to Attachment B – Contract Modification/Change Order Log for modifications issued to date.

B. Price Analysis

The recommended price has been determined to be fair and reasonable based on price analysis and are subject to Metro's living wage rates.

Modification Amount	Metro ICE	Negotiated Amount
\$18,400,000	\$18,400,000	\$18,400,000

CONTRACT MODIFICATION/CHANGE ORDER LOG

SECURITY GUARD SERVICES/PS560810024798

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Clarified basis for payment of billable overtime work and holiday work.	Approved	9/27/16	\$ 0
2	Increase contract value due to unanticipated living wage adjustment for FY17/18	Approved	7/1/17	\$ 5,108,918
3	Revised fully burdened hourly labor as a result of unanticipated living wage rate adjustments for FY18/19	Approved	7/1/18	\$ 0
4	Change in deployment	Approved	1/25/19	\$ 0
5	Updated list of subcontractors and issued applicable living wage rates for FY19/20	Approved	7/1/19	\$ 0
6	Increase contract value to cover increased security guard presence and living wage rate adjustments	Pending	Pending	\$ 18,400,000
	Modification Total:			\$ 23,508,918
	Original Contract:			\$ 81,944,840
	Total:			\$105,453,758

DEOD SUMMARY

SECURITY GUARD SERVICES/PS560810024798

A. Small Business Participation

RMI International, Inc (RMI) made a 33.20% Disadvantaged Business Enterprise (DBE) commitment. The project is 65% complete and the current DBE participation is 31.13%, which represents a 2.07% shortfall. According to RMI, the shortfall is primarily due to the voluntary withdrawal of DBE subcontractor Security America, Inc. in 2018, which required RMI's service coverage when the alternative DBEs were not able to support.

In September of 2019, Metro approved RMI's request substitute Security America, Inc. with DBE firm American Eagle Protective Services. RMI plans to release additional work sites to two DBE subcontractors within the first quarter of 2020 and anticipates compliant DBE participation within the 2020 calendar year.

Notwithstanding, Metro Project Managers and Contract Administrators will work in conjunction with DEOD to ensure that RMI is on schedule to meet or exceed its DBE commitment. Metro staff will request that RMI submit an updated mitigation plan if RMI is not on track to meet its small business commitment. Additionally, key stakeholders associated with the contract have been provided access to Metro's tracking and monitoring system to ensure that all parties are actively tracking Small Business progress.

Small Business Commitment	DBE 33.20%	Small Business Participation	DBE 31.13%
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	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	Allied Protection Services, Inc.	African American	13.44%	1.66%
2.	North American Security and Investigations, Inc.	Hispanic American	5.96%	15.06%
3.	Security America, Inc. (<i>substituted due to voluntary withdrawal</i>)	Hispanic American	13.80%	14.30%

4.	American Eagle Protective Services	African American Female	Added	0.11%
Total			33.20%	31.13%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Contracting Outreach and Mentoring Plan

To be responsive, Proposers were required to submit a Contracting Outreach and Mentoring Plan (COMP), which included RMI's plan to mentor one (1) DBE firm for protégé development. RMI International Inc. selected three (3) DBE protégés: Allied Protection Services, North American Security and Investigations, and Security America, Inc. (Security America was substituted with American Eagle Protective Services as RMI's third DBE protégé in September of 2019).

C. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is applicable to this modification. Metro staff will monitor and enforce the policy guidelines to ensure that applicable workers are paid at minimum, the current Living Wage rate of \$19.56 per hour (\$14.22 base + \$5.34 health benefits), including yearly increases. The increase may be up to 3% of the total wage, annually. In addition, contractors will be responsible for submitting the required reports for the Living Wage and Service Contract Worker Retention Policy and other related documentation to staff to determine overall compliance with the policy.

D. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

E. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.

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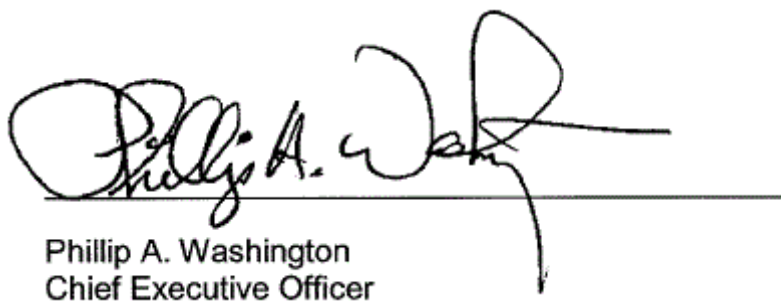
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