



Board Report

File #: 2020-0246, **File Type:** Contract

Agenda Number: 17.

FINANCE, BUDGET AND AUDIT COMMITTEE APRIL 15, 2020

SUBJECT: CURRENCY PROCESSING SERVICES

ACTION: APPROVE CONTRACT MODIFICATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 3 to Contract No. OP39497-2000 to exercise three (3), one-year options with Los Angeles Federal Armored Services, Inc. to provide currency processing services, in the amount of \$572,000 for Option Year 2, \$629,000 for Option Year 3, and \$686,400 for Option Year 4, for a combined total amount of \$1,887,400, increasing the contract value from \$972,400 to \$2,859,800, and extending the contract term to December 31, 2022.

ISSUE

This Contract is for a currency processing service company to process single, unstacked, loose bills from bus farebox operations from the Metro Central Cash Counting Office , of which Metro collects about \$55 million per year.

To continue providing the currency processing services, a contract modification is required to exercise each of the one-year options, extending the period of performance through December 31, 2022.

DISCUSSION

On January 1, 2018, Metro entered into a five-year contract to Los Angeles Federal Armored Services, Inc. in the amount not-to-exceed \$2,859,800 inclusive of four one-year options, of which \$972,000 has been completed and paid, leaving \$1,887,400 for the remaining three (3) one-year options.

Staff is requesting Board authorization to exercise each of the remaining option terms. Staff has determined that expenditures over the remaining life of this contract will not exceed the anticipated annual contract value.

DETERMINATION OF SAFETY IMPACT

Processing currency via the services of the outside agency on a daily basis aid in the safekeeping and accounting of Metro funds.

FINANCIAL IMPACT

Funding required for the current fiscal year was included in the FY2020 Adopted Budget. Since this is a multi-year contract, the Executive Officer, TAP Operations and Revenue Collections cost center manager is responsible for future year budgets.

IMPACT TO BUDGET

The sources of funds for this action are fare revenues and other bus operations eligible sales tax revenues.

ALTERNATIVES CONSIDERED

The goal of Revenue Collection is to process as much currency in-house as possible and to use the services of the contractor as needed to efficiently process the collection of currency. Every effort is made daily to minimize the outside costs associated with the use of an outside contractor.

NEXT STEPS

Upon approval by the Board, staff will execute Contract Modification No. 3 with Los Angeles Federal Armored Services, Inc., to exercise the option terms and extend the period of performance through December 31, 2022.

ATTACHMENTS

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

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

CURRENCY PROCESSING SERVICES / OP39497-2000

1.	Contract Number: OP39497-2000		
2.	Contractor: Los Angeles Federal Armored Services, Inc.		
3.	Mod. Work Description: Exercise option years		
4.	Contract Work Description: Provide currency processing services to process single, unstacked, loose bills from bus farebox operations from the Metro Central Cash Counting Office		
5.	The following data is current as of: 4 February 2020		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	01/01/2018	Contract Award Amount: \$457,600.00
	Notice to Proceed (NTP):	01/18/2018	Total of Modifications Approved: \$514,800.00
	Original Complete Date:	12/31/2019	Pending Modifications (including this action): \$1,887,400.00
	Current Estimated Complete Date:	12/31/2022	Current Contract Value (with this action): \$2,859,800.00
7.	Contract Administrator: Antwaun Boykin		Telephone Number: (213) 922-1056
8.	Project Manager: Tisha Bruce		Telephone Number: (213) 922-7621

A. Procurement Background

This Board Action is to approve Contract Modification No. 2 to Contract No. OP39497-2000 to exercise all three (3) one-year options with Los Angeles Federal Armored Services, Inc. to continue providing currency processing services through December 31, 2022.

This contract modifications will be processed in accordance with Metro's Acquisition Policy and the contract type is Firm Fixed Unit Rate.

On November 15, 2017 the Board approved a five-year contract, inclusive of four, one-year options to Los Angeles Federal Armored Services, Inc., to provide currency processing service to ensure that revenue from bus fareboxes is collected daily and processed for deposit.

(Refer to Attachment B – Contract Modification/Change Order Log)

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon rates that were negotiated and established as part of the competitive contract awarded in 2018. The 2019-2020 CPI indicated an increase of 1.4%. The rates remain unchanged, therefore, exercising the options is in the best interest of Metro.

OPTION YEARS AMOUNT	METRO ICE	MODIFICATION AMOUNT
\$1,887,400.00	\$1,887,400.00	\$1,887,400.00

CONTRACT MODIFICATION/CHANGE ORDER LOG
CURRENCY PROCESSING SERVICES / OP39497-2000

Mod. No.	Description	Date	Amount
1	Exercise Option Year 1	12/28/18	\$514,800
2	Exercise Option Year 2	Pending	\$572,000
3	Exercise Option Year 3	Pending	\$629,000
4	Exercise Option Year 4	Pending	\$686,400
	Modification Total:		\$2,402,200
	Original Contract:	1/11/18	\$457,600
	Total Contract Value:		\$2,859,800

DEOD SUMMARY

CURRENCY PROCESSING SERVICES / OP39497-2000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for this solicitation due to a lack of subcontracting opportunities. It is expected and confirmed by the Project Manager that Los Angeles Federal Armored Services will perform this scope with its own workforce.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.