



September 23, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Agreement for Armored Vehicle Transportation and Fare Collection Counting Services

Overview

On May 22, 2020, the Orange County Transportation Authority Board of Directors approved the release of a request for proposals to procure armored vehicle transportation and fare collection counting services. Proposals were received and evaluated in accordance with procurement procedures for professional and technical services. Approval is requested to execute a new agreement for these services.

Recommendations

- A. Approve the selection of Los Angeles Federal Armored Services, Inc. as the firm to provide armored vehicle transportation and fare collection counting services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2256 between the Orange County Transportation Authority and Los Angeles Federal Armored Services, Inc., in the amount of \$2,700,000, for a seven-year term to provide armored vehicle transportation and fare collection counting services.

Discussion

The Orange County Transportation Authority (OCTA) contracts with a firm that provides armored vehicle transportation services for fare collections and other bank deposits, as well as fare collection counting services. The current contract for these services expires November 30, 2020.

The primary need for armored vehicle transportation services is to transfer fare collections between OCTA bus bases and the contractor's counting facility. Prior

to the coronavirus pandemic, cash fare collections on the fixed-route bus system exceeded \$21 million per year.

Included in the new contract, will be an optional expansion of service allowing OCTA to extend armored transportation and counting service to the 4.15-mile OC Streetcar between the Santa Ana Regional Transportation Center in the City of Santa Ana and the Harbor Boulevard/Westminster Boulevard intersection in the City of Garden Grove. The streetcar includes ten station stops in each direction comprised of four shared center platforms and six side platforms in each direction, for a total of 16 platforms. OCTA plans to install ticket vending machines along the length of the initial service area.

Armored vehicle transportation services are also needed to transport the fare collection deposits from the contractor's counting facility to the bank, as well as miscellaneous deposits from various OCTA locations to the bank. All fare collection, administrative collections, and miscellaneous deposit are transferred Monday through Friday, except holidays. As per the requirement from Bank of the West, all deposits will be made to the Los Angeles Loomis Vault located in City of Montebello.

Procurement Approach

The procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering factors such as qualifications, prior experience with similar projects, staffing and project organization, work plan, as well as cost and price.

On May 22, 2020, the Board authorized the release of Request for Proposals (RFP) 0-2256, which was issued and electronically sent to 63 firms registered on CAMM NET. The project was advertised in a newspaper of general circulation on May 22 and May 29, 2020. A pre-proposal conference was held on June 1, 2020. Three addenda were issued to make available a copy of the pre-proposal conference presentation slides, respond to questions, and for administrative changes related to the RFP.

On June 23, 2020, two proposals were received by the date and time identified in the RFP. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management, Accounting and Financial Reporting, Revenue Administration, 91 Express Lanes, and Operations departments, met to review both proposals.

The proposals were evaluated based on the following Board-approved evaluation criteria and weightings:

- Qualifications of the Firm 25 percent
- Staffing and Project Organization 15 percent
- Work Plan 30 percent
- Cost and Price 30 percent

Several factors were considered in developing the criteria weightings. Qualifications of the firm was weighted at 25 percent as the contractor needed to demonstrate they have the resources and experience to provide the services. Staff and project organization was assigned 15 percent because much of the counting function is automated with equipment used to count the coin and paper currency. Work plan was weighted at 30 percent due to the importance of security since the contractor will be in possession of large amounts of cash. In addition, the contractor had to demonstrate how they would adhere to the specifications and schedule in the scope of work. Cost and price was also weighted at 30 percent to ensure that OCTA receives value for the services provided.

On July 8, 2020, the evaluation committee reviewed both proposals received based on the evaluation criteria. The firms are listed in alphabetical order as follows:

Firm and Location

Los Angeles Federal Armored Services, Inc. (LA Federal)
Los Angeles, California

Sectran Security, Inc. (Sectran)
Pico Rivera, California

On July 15, 2020, the evaluation committee conducted interviews with the two firms. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firms' staff qualifications and experience, as well as security procedures throughout the process from initial pickup to deposit. In addition, the evaluation committee asked a specific clarification question related to each firm's proposal.

At the conclusion of the interviews, firms were requested to submit a best and final offer (BAFO) to provide more competitive pricing. Both firms submitted prices consistent with their original proposals.

After considering the responses to the questions asked during the interviews and the information provided in the BAFO, the evaluation committee reviewed the preliminary ranking and no change was made.

Based on the evaluation of the written proposals, information obtained from the interviews and BAFO, the evaluation committee recommends LA Federal for consideration of the award. The following is a brief summary of the proposal evaluation results.

Qualifications of the Firm

The two firms are qualified with extensive experience providing armored vehicle and currency counting services to various transit agencies. LA Federal has been in operation for almost 30 years with 25 employees and has served Los Angeles County Metropolitan Transportation Authority, Riverside Transit Agency, and Long Beach Transit. In addition, LA Federal has been providing armored vehicle and fare collection counting services to OCTA since 2013. The firm utilizes the “mantrap” system in its facility, in which one gate does not open until the other one is closed to prevent access from unauthorized personnel. Access to the building and various secured locations within the building require security officer authorization or a key card. In addition, surveillance cameras are placed throughout the facility and recordings are saved for at least six months.

Sectran provided armored vehicle and counting services to OCTA from 2008 to 2013. The firm has many years of experience and its customers include North County Transit District, San Diego Transit District, and First Transit. Sectran has multiple security procedures in place, such as surveillance cameras and dual custody, a quality control measure that allows a second processor to empty and count the coin and currency. In addition, no one individual has complete access to the entire facility; therefore, two individuals are required to access certain areas.

Staffing and Project Organization

Both firms described similar background screening procedures for their personnel, such as undergoing a thorough criminal and driver background check, individuals must be licensed to carry a weapon, and have current driver's licenses, as well as provide OCTA with a current list of employees authorized to perform services. Both firms were also agreeable to allow the Orange County Sheriff's Department to perform a criminal background check on their armored vehicle staff at OCTA's discretion.

LA Federal proposed an experienced project team and described their roles and responsibilities, as well as provided resumes, which demonstrated their knowledge and capabilities to perform the work. The project manager has been in the armored transportation services industry for 29 years and proposed assigning the current LA Federal team to ensure continuity of service and no disruption to the pick-up schedules.

Sectran provided a very brief description of its proposed project team and did not include resumes. The project manager has been in the armored transportation services industry for 27 years and proposed a high level of commitment to the project. Although the evaluation committee asked a question related to the proposed project team's qualifications and experience, Sectran did not provide a clear response related to their past projects during the interview.

Work Plan

Both LA Federal and Sectran confirmed in their work plans their abilities to meet the requirements for providing armored vehicle and fare collection counting services as specified in the RFP; however, LA Federal demonstrated a more comprehensive understanding of the project requirements in its detailed work plan, as well as during the interview.

LA Federal outlined the sequence of activities from initial pickup to deposit of currency. The firm's security procedures include dual custody at all times when handling currency, surveillance cameras throughout the facility, and segregation of all currency for each client. Armored vehicle staff are trained on safety procedures and operating trucks and lift gates. They are also cross-trained on all routes and assignments to prevent any lapse in service and are rotated periodically to avoid a breach in security. LA Federal will provide three trucks dedicated to serving OCTA to guarantee continued security and service in the event a truck breaks down. Each truck has the capacity to transport the money bins each day and are equipped with a hydraulic lift with safety rails.

As variances in the currency count is a major concern, LA Federal demonstrated proper documentation procedures are in place, as well as accurate and timely reporting. Coin and paper currency are tracked at initial pickup, upon arrival at facility, and deposit. In addition, currency for each client is segregated into separate secured counting rooms to prevent counting variances and mix-ups. Furthermore, LA Federal follows a schedule in which each client's currency is counted and processed for the day before proceeding to count the next client's currency. The firm will prepare and submit a deposit worksheet with details of the deposit on the day the deposit is made.

Sectran demonstrated an understanding of OCTA's requirements and identified security measures for ticket vending machines. However, Sectran did not identify the process to validate the deposit worksheets, and there were no quality control measures other than security cameras to ensure zero errors occur.

Cost and Price

Pricing scores were based on a formula, which assigned the highest score to the firm with the lowest total average monthly fee. The formula also scored the remaining total average monthly fees based on their relation to the lowest total average monthly fee. LA Federal proposed lower rates overall to perform the services. LA Federal proposed a range of two to six percent annual increases for the armored vehicle service and an average of two percent annual increase for the fare counting service. Sectran proposed a five percent increase annually for both armored vehicle service and the fare counting service for the entire contract term. LA Federal received the higher score as they proposed the lower overall total average monthly fee.

Evaluation Summary

Based on the evaluation of the written proposals, team qualifications, and information obtained from the interviews and BAFOs, the evaluation committee recommends the contract award to LA Federal. LA Federal demonstrated expertise in armored vehicle and fare collection counting services and submitted a comprehensive proposal that was responsive to all requirements of the RFP.

Fiscal Impact

This project was approved in OCTA's Fiscal Year 2020-21 Budget, Finance and Administration Division/Revenue Administration Department, Transit Division/OC Streetcar Operations Department, Express Lanes Programs, accounts 1261-A5105-DU4-7629, 0035-OC100-DU4-7629, 0036-B0001-DU4-7629.

Summary

Staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2256 with Los Angeles Federal Armored Services, Inc., in the amount of \$2,700,000, to provide armored vehicle transportation and fare collection counting services for a seven-year term.

Attachments

- A. Review of Proposals RFP 0-2256, Armored Vehicle & Fare Collection Counting Services
- B. Proposal Evaluation Criteria Matrix, RFP 0-2256, Armored Vehicle and Fare Collection Counting Services
- C. Contract History for the Past Two Years, RFP 0-2256, Armored Vehicle and Fare Collection Counting Services

Prepared by:



Sam Kaur
Department Manager,
Revenue Administration
714-560-5889

Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
714-560-5649



Virginia Abadessa
Director, Contracts Administration and
Materials Management
714-560-5623