



September 10, 2025

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 27, 2025, the Orange County Transportation Authority released 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. Board of Directors' approval is requested to execute an agreement for these services.

Recommendations

- A. Approve the selection of Sectran Security, 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-5-4123 between the Orange County Transportation Authority and Sectran Security, Inc., in the amount of \$966,322, to provide armored vehicle transportation and fare collection counting services for a two-year initial term with three, two-year option terms.

Discussion

The Orange County Transportation Authority (OCTA) requires secure, reliable armored vehicle transportation and fare counting services to support its revenue handling operations. These services are essential for the transfer of farebox money bins and ticket vending machine (TVM) cash cassettes between OCTA bus bases and the firm's secure counting facility. The firm counts the collected coins and currency, providing detailed deposit reporting and ensuring strict compliance with OCTA's scheduling, operational, and security protocols. The secure handling and accurate accounting of fare collections are critical to maintaining the integrity of OCTA's revenue collection process.

The scope of work includes the secure transportation of fare deposits from the firm's counting facility to the bank, along with the transport of miscellaneous deposits from various OCTA locations to the bank. Services are performed Monday through Friday, excluding holidays, ensuring timely processing of fare revenue. The firm's fees are based on a negotiated rate per hundred dollars counted. By maintaining consistent, secure, and efficient transportation and counting procedures, OCTA ensures that fare revenue is safeguarded from collection through bank deposit.

Included in the scope of work will be an optional expansion of service allowing OCTA to extend armored vehicle transportation and counting service to the OC Streetcar Project.

The service is currently being provided by Los Angeles Federal Armored Services, Inc. (LA Federal); however, there have been ongoing performance issues with the firm, which have resulted in OCTA issuing several formal notices.

Procurement Approach

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

On May 27, 2025, Request for Proposals (RFP) 5-4123 was issued electronically on CAMM NET. The procurement was advertised in a newspaper of general circulation on May 27 and June 3, 2025. A pre-proposal conference was held on June 3, 2025; however, there were no attendees. Three addenda were issued to make available the pre-proposal conference registration sheet and presentation, respond to written questions, as well as handle administrative issues related to the RFP.

On June 25, 2025, two proposals were received. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management, Revenue Administration, Express Lanes, and Maintenance departments met to evaluate all the proposals received.

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

- Qualifications of the Firm 20 percent
- Staffing and Project Organization 20 percent
- Work Plan 35 percent
- Cost and Price 25 percent

Several factors were considered in developing the evaluation criteria weightings. Qualifications of the firm was weighted at 20 percent to ensure the firm has sufficient resources and the necessary experience related to armored vehicle transportation and fare collection counting services. Staffing and project organization was weighted at 20 percent as the firm had to demonstrate adequate training and relevant experience of the proposed project team. Work plan was weighted at 35 percent as the firm must adhere to the requirements and schedule specified in the scope of work. Additionally, the firm had to demonstrate through its work plan that it has the necessary vehicles, staff, equipment, and security protocols in place to deliver these services. Cost and price was weighted at 25 percent to ensure OCTA receives value for the services provided.

On July 8, 2025, the evaluation committee reviewed the proposals based on the evaluation criteria and interviewed both firms listed below in alphabetical order:

Firm and Location

LA Federal
Headquarters: South El Monte, California
Project Office: South El Monte, California

Sectran Security, Inc. (Sectran)
Headquarters: Pico Rivera, California
Project Office: Pico Rivera, California

On July 17, 2025, the evaluation committee conducted interviews with both firms. The interviews consisted of a presentation by each firm to demonstrate the firms' understanding of OCTA's requirements. 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 related to daily operation processes, contingency plans to ensure staffing requirements are met, quality assurance and quality control protocols, as well as specific clarification questions related to each firm's proposal.

At the conclusion of the interviews, a request for a best and final offer (BAFO) was issued to both firms to seek additional clarifications and final pricing. Both firms made adjustments to their pricing based on the clarifications.

Based on the evaluation of the written proposals and the information obtained from the interviews and BAFOs, as well as cost and price, the evaluation committee recommends Sectran for consideration of the award. The following is a brief summary of the proposal evaluation results.

Qualifications of the Firm

Sectran is a privately held corporation founded in 1982 and headquartered in Pico Rivera, California. The firm demonstrated extensive experience providing armored vehicle transportation and cash management services across four states. The firm services over 10,000 customer locations and operates a fleet of more than 150 Level II and III armored vehicles. Sectran's transit clients include the San Diego Metropolitan Transit System, North County Transit District, and the City of Norwalk. In addition to transit agencies, the firm supports a broad customer base that includes financial institutions, retailers, and public agencies. Sectran demonstrated long-term financial stability, with a 400 percent growth in revenue over the last decade and maintains a litigation-free record. The firm currently operates ten branches and manages 110 daily service routes, supported by over 300 full-time employees. Sectran's proposal demonstrated that its operational infrastructure, financial strength, and relevant public sector experience position it to meet both current and future service demands. References cited Sectran's responsiveness, operational maturity, strong security protocols, and ability to maintain uninterrupted service even during periods of high demand. The firm received positive feedback from its references.

LA Federal is a family-owned business founded in 1990 and headquartered in South El Monte, California. The firm demonstrated experience providing armored vehicle transportation and fare collection services for public transit agencies including Long Beach, Omnitrans, Riverside Transit Agency Transit, and Torrance Transit. LA Federal is the current provider to OCTA and maintains a clean litigation record. The firm operates with a staff of 15 and a fleet of two armored vehicles and emphasizes a client-focused service model. While LA Federal demonstrated a successful track record and strong relationships with regional transit agencies, its limited staffing and fleet capacity raised concerns about operational scalability and surge responsiveness. The firm received positive feedback from its references.

Staffing and Project Organization

Sectran proposed a project team with extensive experience, which includes a chief operating officer with over 30 years of experience, a cash room manager with 30 years at the firm, and a dedicated customer service representative with over a decade of experience supporting public agency accounts. The proposed team would operate from the firm's Pico Rivera branch, which will serve as the primary servicing location for OCTA. Sectran's staffing approach includes cross-training for all key positions, access to certified trainers for onboarding, and contingency staffing plans to address absenteeism, holidays, and emergency needs. Supervisors and operations managers are trained and able to step into field roles when needed, and the firm maintains standby staff and vehicle reserves to ensure continuity of service. Internal procedures also support the reassignment of resources between branches, if necessary. During the interview, Sectran confirmed that the firm has never canceled a scheduled route due to staffing constraints, including during the coronavirus pandemic.

LA Federal proposed a project team with relevant experience. The team includes a vice president of operations with 29 years of experience, a senior vice president with over 40 years in the banking sector, and an assistant project manager. While the resumes presented reflected direct experience with armored transport and fare collection services, the overall team size was limited. The firm reported a staff of 15 and did not demonstrate a backup staffing plan or formal cross-training protocol. During the interview, the project team stated that route coverage would be maintained by shifting resources from other routes as needed. However, the evaluation committee noted that this approach lacked sufficient structure to maintain operation in the event of growth, turnover, or service disruption.

Work Plan

Sectran submitted a detailed and structured work plan addressing all tasks outlined in the scope of work. The plan includes daily collection of farebox bins and TVM cassettes, secure transport to the processing facility, dual custody coin and currency handling, deposit preparation, and same-day or next-business-day deposits to the designated banking institution. The firm's procedures include the use of serialized and barcoded seals, manifest tracking, and automated reconciliation tied to each bin or cassette. All transfers of responsibility require dual signatures and are monitored through closed circuit television. Vehicles assigned to OCTA are 2022 models or newer and include hydraulic liftgates, GPS tracking, digital video recorder camera systems, and internal cargo security measures. Sectran's cash room is equipped with high-speed processing equipment maintained through manufacturer agreements, and all workstations are camera-monitored, supervised, and access-controlled. Coin and currency

are processed using single-bag workflows, reducing handling errors, with automated systems that generate reconciliation reports and deposit summaries. The firm's escalation protocols include procedures for missed pickups, mechanical issues, and emergency rerouting. The work plan also addressed OCTA's audit and reporting requirements, including OCTA's right to inspect facilities and review source documentation. These comprehensive protocols and integration of technology demonstrated secure handling of OCTA's fare revenue. Additionally, the firm provided thorough responses to the evaluation committee's questions during the interview. Furthermore, in its BAFO response, clarifications regarding its vehicle specifications and staffing approach further demonstrated Sectran's ability to meet OCTA's requirements.

LA Federal submitted a general operational workflow outlining the steps from pickup to deposit preparation. The work plan referenced standard dual custody procedures and physical security features including 46 surveillance cameras and an alarm system. Although the firm's approach aligned with the scope of work, the evaluation committee noted a lack of detail on reconciliation procedures, quality control and quality assurance processes, and documentation standards. The firm proposed only two armored vehicles, one primary and one backup, without providing a detailed plan for meeting increased demand or maintaining service in the event of extended mechanical issues. Emergency procedures were described briefly and informally, and the work plan did not include a discussion of system enhancements or reporting tools beyond standard practice. During the interview, LA Federal provided general responses to the evaluation committee's questions and did not sufficiently address questions related to operational backups and quality assurance procedures. The firm's BAFO response addressed general operational coverage related to its vehicle fleet and staff resources.

Cost and Price

Pricing scores were based on a formula which assigned the higher score to the firm with the lower total average monthly fee, which includes fixed monthly rates as well as variable costs, and scored the other proposal's total average monthly fee on its relation to the lower total average monthly fee. Although Sectran did not propose the lower total average monthly fee, the firm's proposed monthly fees are comparable to what other public agencies pay for similar services. Additionally, the firm's fleet of 150 armored vehicles, dedicated staff resources, contingency staffing plans, security procedures, and integration of the latest technology demonstrates Sectran's ability to meet OCTA's needs to ensure secure and timely transport of fare revenue.

Procurement Summary

Based on the evaluation of the written proposals, the firm's qualifications, the information obtained from the interviews and BAFOs, as well as cost and price, the evaluation committee recommends the selection of Sectran as the top-ranked firm to provide armored vehicle transportation and fare collection counting services. Sectran delivered a thorough and comprehensive proposal and interview that was responsive to all the requirements of the RFP.

Fiscal Impact

The project was approved in OCTA's Fiscal Year 2025-26 Budget, Finance and Administration Division, Account No. 1261-7629-A5105-DU4, and is funded through the Orange County Transit District Fund.

Summary

Staff is recommending the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4123 with Sectran Security, Inc., in the amount of \$966,322, for a two-year initial term with three, two-year option terms, to provide armored vehicle transportation and fare collection counting services.

Attachments

- A. Review of Proposals, RFP 5-4123 Armored Vehicle Transportation and Fare Collection Counting Services
- B. Proposal Evaluation Criteria Matrix, RFP 5-4123 Armored Vehicle Transportation and Fare Collection Counting Services
- C. Contract History for the Past Two Years, RFP 5-4123 Armored Vehicle Transportation and Fare Collection Counting Services

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