

**Board Report**

File #: 2017-0672, **File Type:** Contract**Agenda Number:** 9.

**FINANCE, BUDGET AND AUDIT COMMITTEE
NOVEMBER 15, 2017****SUBJECT: CURRENCY PROCESSING SERVICES****ACTION: AWARD CONTRACT****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award firm fixed unit price Contract No. OP39497-2000, to Los Angeles Federal Armored Services, for currency processing services for an amount not-to-exceed \$457,600 for the one-year base period, and \$514,800, \$572,000, \$629,000, and \$686,400 for each of the four, one-year option terms, respectively, for a combined total of \$2,859,800, effective January 1, 2018 to December 31, 2022, subject to resolution of protest(s), if any.

ISSUE

The current bill processing contract is set to expire on December 31, 2017. Metro collects over \$104 million in bus farebox revenues, currency and coins, including about 45 million \$1 bills annually. Due to the large amount of \$1 bills, it is necessary to procure the services of a vendor that will accept weighed bills and deposit them daily.

DISCUSSION

The current contract with Los Angeles Federal Armored Services will expire on December 31, 2017. Award of this contract shall ensure that revenue from bus fareboxes is collected daily and processed for deposit. The bills are manually sorted by staff to separate the singles from large denomination bills. The \$1 bills are bagged and counted by weight. The vendor keeps or absorbs the minor over/under variances.

Metro's Revenue Department ensures accuracy by calibrating its one dollar bill scale daily and by randomly selecting bags of bills to be stacked and counted. Through this process, staff has maintained an accuracy of 99.62%.

The process for counting bills in TAP (TVM) vending machines differs from farebox bills because the bills come out from the TVMs pre-stacked. The bills are then counted by machine and staff bands the bills by denomination and quantity for deposit.

DETERMINATION OF SAFETY IMPACT

No safety impact.

FINANCIAL IMPACT

The funding for this service is included in the FY18 budget in cost center 5440, Revenue Collections, under line item 50906, Misc. Disc. Sales of Currency, and allocated to bus operations.

Since this is a multi-year contract, the cost center manager and Chief Financial Officer will be accountable for budgeting the cost in future years, including any option exercised.

Impact to Budget

The FY18 budget includes these fees and is funded with bus operating revenues including fares and sales tax.

ALTERNATIVES CONSIDERED

No other alternatives offer the efficiency and effectiveness of using an armored service to accept \$1 bills that have been bagged and weighed, ready for deposit.

NEXT STEPS

Upon approval by the Board, staff will execute Contract No. OP39497-2000 to Los Angeles Federal Armored Services for currency processing services, effective January 1, 2018.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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