



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

Prepared by: Tisha Bruce, Deputy Executive Officer, Revenue Collection, (213) 922-7621
David Sutton, Executive Officer, Finance (TAP), (213) 922-5633

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer