



## REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

CONSENT  
December 12, 2006

Honorable Mayor and  
Members of the City Council

**Title: Agreement and Suspension of Competitive Bidding: Armored Car Services  
(Requires two-third vote)**

**Location/Council District:** Citywide

**Recommendation:** 1) Adopt a **Resolution** suspending competitive bidding for armored car services, 2) awarding a contract to Armored Transport Systems, Inc., for armored car services, and 3) authorizing the City Manager to extend the current contract with Armored Transport Systems, Inc. for one additional year, for a total contract award not to exceed \$132,203 and a total contract term of two years.

**Contact:** Brad Wasson, Revenue Division Manager, 808-5844

Leslie Cox, Administrative Officer, Revenue Division, 808-7827

**Presenters:** None

**Department:** Finance Department

**Division:** Revenue Division

**Organization No:** 1121

### **Description/Analysis**

**Issue:** In July 2005, through the competitive bid process, the City awarded a one-year contract to Armored Transport Systems, Inc. (IFB #B051187034) for armored car services to pick up cash and checks at various City locations. The contract was originally awarded for 12 months, with an option to extend the contract for two additional 12-month periods for a total contract term of 36 months. The contract now needs to be amended to include three additional pick-up locations: the 4thR After School Program, the Department of Utilities, and the Police Department Alarm Permits Unit. These three additional locations will increase the second year cost by \$17,797, resulting in a total amount not to exceed \$75,000 per contract year. This cost increase will require the contract to



be re-bid. This report seeks Council approval to suspend the competitive bidding process for one year, and approve an extension of the current contract for one-year to allow staff sufficient time to initiate a new competitive bidding process.

**Policy Considerations:** City Code (Chapter 3.56) authorizes the suspension of competitive bidding when it is in the best interest of the City. This action requires a 2/3 vote.

**Environmental Considerations:** This report is not subject to the provisions of the California Environmental Quality Act (CEQA) under the general rule (Section 15061(b)(3)) that CEQA applies only to projects that have the potential for causing a significant effect on the environment.

**Commission/Committee Action:** None

**Rationale for Recommendation:** Armored Transport Systems, Inc. provides armored pick up services for cash and checks received at various City locations. This service provides safe and efficient transport of City revenue to the Bank of America for deposit and reduces staff cash-handling liability. Armored Transport Systems provides essential City services that are necessary for secure collection and deposit of City revenue.

The City is currently using armored car services provided by Armored Transport Systems under a contract resulting from the competitive bid process and is satisfied with these services. By extending the contract for one year, the additional locations and estimated increased annual cost of \$17,797 for the three year contract will exceed the City's Manager's contracting authority of \$100,000. In accordance with City policy, City Council approval is required. Because the terms of the original contract will be amended to include the three additional locations, a new competitive bidding process must be initiated. It is in the best interest of the City to waive the bidding process for the second contract year while new bids are processed because the continuation of armored car services is essential.

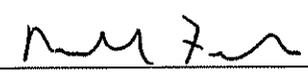
**Financial Considerations:** Sufficient funds are available in the operating department budgets to accommodate the additional annual cost.

**Emerging Small Business Development (ESBD):** None

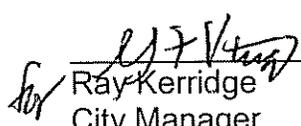
Respectfully Submitted by:

  
Brad Wasson, Revenue Manager

Approved by:

  
Russell Fehr, Finance Director

Recommendation Approved:

  
Ray Kerridge  
City Manager

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## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **AGREEMENT AND SUSPENSION OF COMPETITIVE BIDDING: ARMORED CAR SERVICES (REQUIRES TWO-THIRD VOTE)**

#### **BACKGROUND**

- A.** Currently, Armored Transport Systems, Inc. provides essential armored pick up services for cash and checks received from various City locations. This service provides safe and efficient transport of City revenue to the Bank of America for deposit and reduces staff cash-handling liability.
- B.** In July 2005, through the competitive bid process, the City awarded a one-year contract to Armored Transport Systems (IFB #B051187034) for armored car service. The contract was originally awarded for 12 months with two additional one-year renewal options, provided that both parties agreed to the renewals. Expenditures to date on the contract have been less than \$100,000, and so, this contract was not previously brought to City Council for award or approval.
- C.** The contract now needs to be amended to include three additional locations: the 4thR After School Program, the Department of Utilities, and the Police Department Alarm Permits Unit. Over time, the need for armored car services has increased. This present, greater need was not known at the time the services were first put out to bid. The three additional locations will increase the annual cost by \$17,797 for an annual not to exceed amount of \$75,000. With a contract extension into the second year, the expenditure will equal or exceed \$100,000. Thus, the contract extension must be awarded and approved by Council.
- D.** It is in the City's best interest to suspend competitive bidding to allow a one-year contract extension to be executed with Armored Transport Systems because: (1) Armored Transport Systems was the lowest responsible bidder when these services were bid in 2005 and has performed well under the previous contract, (2) it is critical that armored car services be continued to provide safe and efficient transport of City revenue to the Bank of America for deposit, and (3) the one year contract will be subject to the same terms, including price rates of IFB #B051187034. This one-year contract extension will allow City staff sufficient time to put out to bid armored car services for the three additional locations, and as needed, all other locations throughout the City.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. In the best interest of the City, competitive bidding is suspended for armored car services.
- Section 2. The contract for armored car services is awarded to Armored Transport Systems, Inc., 3800 Watt Avenue, #175, Sacramento, CA 95821, under the terms of IFB #B051187034, in an amount not to exceed \$75,000 for the one year contract extension in 2006, and in an amount not to exceed \$57,203 for the original contract year in 2005, for a not to exceed total contract award of \$132,203.
- Section 3. The City Manager is authorized to execute the one contract extension for 2006, including the amendment to IFB #B051187034 to add three additional pick-up locations: the 4thR After School Program, the Department of Utilities, and the Police Department Alarm Permits Unit, and to increase the annual amount for that year to \$75,000.