



- Board of Directors
Engineering and Operations Committee

11/10/2020 Board Meeting

7-6

Subject

Authorize an agreement with Securitas to provide security guard services for a maximum period of five years at a total cost not-to-exceed \$55 million; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action awards a Metropolitan-wide contract for guard services for the calendar year beginning January 1, 2021, through December 31, 2025.

Timing and Urgency

Metropolitan has an obligation to safeguard its critical infrastructure to ensure the provision of safe and reliable water supplies. Metropolitan has historically utilized a contractor to provide security guards 24 hours per day, seven days per week. At the end of December 2020, Metropolitan's current guard contract expires, and a new guard services contract should be procured to provide seamless protection.

Details

Background

Metropolitan owns and operates critical water infrastructure throughout Southern California. America's Water Infrastructure Act was enacted in April 2018. It required a comprehensive risk assessment and a robust Emergency Response Plan for all critical drinking water infrastructure facilities. The Environmental Protection Agency (EPA), the lead regulatory agency for water security, developed rigorous compliance benchmarks that were due March 2020 (for the risk component) and September 2020 (for the Emergency Response Plan). The Security Management Unit and other key stakeholders led the effort to complete the risk component and emergency response plan prior to the EPA deadlines. Staff collaboratively met all regulatory objectives and used an outside consultant to incorporate an all-hazards mitigation and planning strategy.

In addition to EPA, the U.S. Department of Homeland Security provides guidance and oversight for water utilities to protect critical water infrastructure. Both agencies stress the benefits provided by a professional guard force for controlling access, patrolling, and responding to incidents. Further, Metropolitan's ability to protect its employees and facilities—and to adjust its response to changing threats—requires the flexibility and specialization available only through contracted guard services, which can access on-call emergency staffing and specialized capabilities on short notice.

In order to provide around-the-clock, flexible response capabilities, security guard services have been secured independent of Metropolitan's workforce for decades. The security services include their own supervision and guard coverage at 18 major facilities (including Headquarters), and additional roving security patrols during off-hours and at unattended facilities. The guards facilitate access for employees, verify access for contractors and vendors, and observe and report any threats, intrusion attempts, or other emergencies. In addition, Metropolitan uses the guard service to staff the Security Watch Center and continuously monitor Metropolitan's system-wide electronic security system. This contracted service allows trained security staff to respond to threats without diverting water treatment plant and system operators from their core operational responsibilities.

The contract guard service provides Metropolitan maximum flexibility to close guard posts in areas where they are no longer needed or create new ones in conjunction with changing site conditions or threats. The guard service also provides a surge capacity of up to 20 percent more staff (30 guards) within 24 hours of any emergency request, thereby assuring capacity to rapidly augment protection to meet emergency demands.

In 2015, the Board awarded the current five-year contract for security services to Securitas in the amount of \$38.1 million. In June of this year, the Board approved a \$3 million increase in the amount of the current contract to cover additional expenses through the end of that contract's five-year term in December of this year.

In July 2020, staff issued a two-step request for bids for security services at all Metropolitan facilities (RFB No. 384396). Metropolitan canceled and rebid (RFB No. 384396-A) due to a lack of responsive bids received by the bid due date. On August 14, 2020, Metropolitan re-issued the bid with more details, and three (3) firms submitted responsive bids. Securitas offered the lowest responsive bid of \$8,633,088 per year for a five-year contract, amounting to a base price for the five-year period of \$43,165,440.

The base yearly bid amount of \$8.6 million for the new contract includes regularly scheduled guard shifts and fixed posts, budgeted supplemental coverage for shutdowns or other events, vehicles, and equipment. The total not-to-exceed amount of \$55 million also includes a contingency of approximately \$11.8 million to accommodate unforeseeable security coverage for maintenance and repairs and the flexibility to immediately increase security personnel, as needed, in an effort to mitigate climbing crime levels, trespassing issues, and emergencies throughout the service area. The contingency amount also takes additional requirements into account, such as guard union wage increases, minimum wage increases in the State of California, and changes in the position of personnel in the different counties.

This action awards a five-year agreement to Securitas for a maximum payable total of \$55 million for the five-year term. A five-year term is recommended because this approach is more efficient and cost-effective than rebidding after a shorter term of two or three years. Metropolitan retains the right under the agreement to cancel the contract at any time in any year.

Policy

Metropolitan Water District Administrative Code Section 8121(a): General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize entering into an agreement with Securitas to provide security services for a five-year contract for a maximum payable total of \$55 million.

Fiscal Impact: Approximately \$11 million per year in operations and maintenance funds

Business Analysis: This option provides flexible guard coverage in a fiscally responsible manner to ensure adequate protection and stewardship of Metropolitan’s infrastructure.

Option #2

Do not award the guard contract and re-advertise in an attempt to increase the pool of responsive bidders and attain a more favorable contract.

Fiscal Impact: Unknown

Business Analysis: This option may or may not result in a lower bid and may require a short-term extension of the current contract.

Staff Recommendation

Option #1

 11/2/2020
Shane Chapman Date
Assistant General Manager/Chief
Administrative Officer

 11/2/2020
Jeffrey Lightlinger Date
General Manager