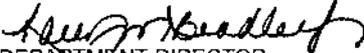
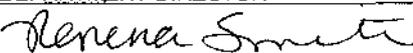
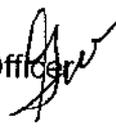


AGENDA ITEM NO. **IE**
COUNCIL MEETING 05/01/14
APPROVED BY

Date: May 01, 2014


DEPARTMENT DIRECTOR

CITY MANAGER

FROM: KAREN M. BRADLEY, Assistant Controller
Finance Department 

BY: GREGORY S. WILES, Treasury Officer
Finance Department 

SUBJECT: Award a five-year services contract for armored transport service to Loomis Armored US, LLC (Rebid File 9178) in the amount of one-hundred fifty-four thousand eighty-one dollars (\$154,081 base fixed fee) (No Council District affected)

RECOMMENDATION

Award a five-year services contract for armored transport service to Loomis Armored US, LLC (Rebid File 9178) in the amount of one-hundred fifty-four thousand eighty-one dollars (\$154,081 base fixed fee).

EXECUTIVE SUMMARY

The City of Fresno ("City") has an ongoing need to transport revenue receipts to its bank. Currency, coin and checks are received at approximately thirty (30) separate Departmental locations throughout the City. Deposits are accumulated and sent to approximately nine (9) City locations for pickup by armored transport. After issuing a Request for Proposal ("RFP") for armored transport service, Treasury Staff has determined that the only responsible and responsive bidder is Loomis Armored US, LLC of Houston, Texas ("Loomis").

BACKGROUND

The City of Fresno currently has approximately thirty (30) separate Departmental locations throughout the City, including the Convention Center Administration Office and the Convention Center Box Office, that receive money from the public, in payment for City services. A large portion of these receipts includes currency, coin, and checks. Examples of such receipts include bags of coins from parking meters for the Parking Division, and fare-box currency and coin from FAX. There are nine (9) locations where funds are assembled for pickup and transport to the City's bank, with the largest shipments from the Utility, Billing and Collections Division in City Hall.

Although each Department could be tasked with transporting its own receipts to the bank, the Finance Department provides transport service by outsourcing this function to a company that not only specializes in providing this service, but is fully bonded. Finance believes that the risk of loss to both life and property in having City Staff transport the funds to the bank is too great for the City to retain. This risk is transferred to an armored transport service provider.

Armored transport services constitute a highly specialized industry. There are a limited number of firms with the capital and resources able to provide these services. There are only three such companies in Fresno that provide this service, Garda, Inc, Brink's Incorporated, and Loomis. With so few firms in the business of armored transport, there is limited competition in the industry. Monthly prices vary within a narrow range from company to company.

Proposal Process

An RFP was prepared and sent to all three companies. Initially, no responses were received. After contacting each of the firms by telephone, a second Rebid RFP was sent out with only Loomis and Garda, Inc responding. Of these two, only Loomis agreed to negotiate with the City regarding terms and prices. Loomis is the current service provider for the City.

Over the last five years, the amount expended for armored transport services has steadily decreased. In Fiscal Year 2008-2009 the cost was \$44,072; in Fiscal Year 2009-2010 it was \$38,770; in Fiscal Year 2010-2011 the cost was \$36,514; in Fiscal Year 2011-2012 it was \$34,600, and in Fiscal Year 2012-2013 the cost was \$29,321. For the first six months of this year, the amount expended has been \$15,321.

The primary reason for these ongoing decreases is that Treasury has deployed electronic check scanners throughout various City Departments. These allow checks to be deposited by scanning them through a desktop device that transmits the check images, front and back, to the bank for immediate credit to the City's bank account. There are currently four additional desktop scanners that will be deployed in the near future; this should further reduce the number of checks that must be delivered by armored transport to the bank, thereby potentially further reducing risk and transport costs.

Pricing

The most important aspect in pricing armored transport services is the liability or risk of loss related to the amount of money shipped. Based on the dollar range of amounts shipped per pickup location, and the frequency of pickups, armored transport companies calculate a fixed charge for each location. This amount covers the consignor (the City) up to the highest amount in the range. Any amount shipped over this amount would result in an additional charge of \$.40 per \$1,000 in excess of the highest amount in the range.

For example, a shipment of \$95,000 from a location for which the City is paying for a range of \$0 to \$100,000 would be covered by the monthly base amount paid for that location. However, if the shipment exceeds \$100,000, for example \$110,000, the City would be liable for an additional charge of \$4.00 for that shipment ($\$10,000/\$1,000 \times \$.40$). This charge is identified and assessed as "Excess Liability."

In addition to this unknown variable cost, armored transport firms assess a fee for the cost of diesel fuel. While this fee is intended to be a variable fee, to reimburse the company in the event that fuel costs rise as quickly as they have in recent years, Staff has been able to negotiate a maximum fixed amount of eight percent (8%) of the base fee, as opposed to the firm's normal maximum charge of sixteen percent (16%), regardless of the future price of diesel fuel. This effectively limits the amount that the City may be liable for, with regard to future diesel fuel price increases.

There are additional costs, of a variable nature, which could be incurred. Loomis normally charges \$3.75 per minute in excess of five (5) minutes whenever a Loomis driver must wait at a pickup

location because the Staff has not prepared the deposit for timely pickup. Even though Departmental Staff normally have deposits prepared in advance of driver visits, five (5) minutes is often insufficient time to allow for a pickup, particularly at locations with secure or limited access. Finance has been able to negotiate concessions with the charges now assessed at \$2.25 per minute, beyond the first fifteen (15) minutes. This will greatly assist in reducing potential costs.

Loomis charges \$75 for a pickup on a holiday or a Saturday. This is referred to as a "Special" pickup. Likewise, if the City chooses to add any locations other than those currently covered, there will be additional charges. As a result, the City's charges for armored transport services over the next five years, will be a combination of a known fixed base amount of \$154,081, and a variable amount, which is currently unknown. The unknown variable costs are, however, likely to be relatively minimal with careful oversight and planning. The contract is therefore written on a fixed cost basis, for those fixed charges per location that can be currently identified. Annual amounts budgeted for each year will include both fixed and variable costs based on the average amount incurred for previous years.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 this item does not qualify as a "project" and is therefore exempt from the California Environmental Quality Act requirements.

LOCAL PREFERENCE

All firms considered for this Contract are national in scope. Fresno Municipal Code Section 4-112 is not applicable in this situation.

FISCAL IMPACT

Of the proposed five (5) year fixed fee expenditure of \$154,081, approximately \$26,000 or 16.87 percent of the cost will be funded by user fees in the utility enterprise funds. The remaining \$128,081 will be expended through the general fund. However 88.67 percent of this amount, or \$113,585, is covered by investment earnings from the City's Investment Portfolio, recorded as revenues in the general fund. The remaining amount, approximately \$14,522, or 11.33 percent, will be funded by other general fund revenues, and represents the actual use of general fund resources.

Attachments:

Listing of Proposers
Report from the Evaluation Committee
Armored Transport Contract with Loomis Armored Transport US, LLC

LISTING OF PROPOSERS

REQUEST FOR PROPOSALS FOR ARMORED TRANSPORT SERVICES

RFP No. 9178

<u>PROPOSERS</u>	<u>TOTAL PROPOSAL AMOUNT</u>
1. Loomis Armored Transport US, LLC	\$154,081

Each proposer has agreed to allow the City one-hundred twenty (120) days from the date the proposals were opened to accept or reject their proposal.

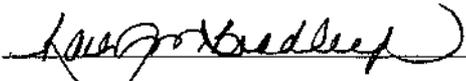
DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$154,081 to Loomis Armored Transport US, LLC.

Reject all proposals Reason:

Remarks: Only one proposal

Division Head Approval



Title ASSISTANT CONTROLLER

Date 4/2/2017

Approve Dept. Recommendation Approve Purchasing Recommendation
 Disapprove Disapprove
 See Attachment

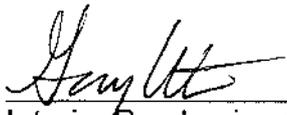
LISTING OF PROPOSERS

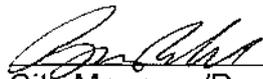
REQUEST FOR PROPOSALS FOR ARMORED TRANSPORT SERVICES

RFP No. 9178

FINANCE DEPARTMENT

CITY MANAGER


Interim Purchasing Manager 4/17/14 Date


City Manager/Designee Date


Assistant Controller 4/2/2014 Date

**REPORT FROM EVALUATION COMMITTEE
FOR ARMORED TRANSPORT SERVICES – RFP 9178 (REBID)**

Committee Members:

Karen Bradley, Assistant City Controller, Finance
Gregory Wiles, Treasury Officer, Finance
Connie Alfaro, Business Tax, Finance

Background:

The purpose of this Request for Proposal (RFP) was to obtain proposals from armored transport carriers who could provide service to the City and SMG. The City has approximately nine (9) locations where currency, coin and checks are aggregated into deposits to go to the City's bank. As always, the City was looking for dependable and consistent service to be provided at the lowest cost.

Evaluation by Committee:

There was only one proposer who was willing to negotiate price and terms with the City.

Loomis Armored Transport, LLC

The Committee selected Loomis Armored Transport, LLC. This firm is currently providing armored transport services to the City, and so its level of performance is well known.

Recommendation:

The Committee recommends award to Loomis Armored Transport, LLC.

CONTRACT FOR ARMORED TRANSPORT SERVICES

THIS CONTRACT is hereby made and entered into effective _____, 2014, by and between the City of Fresno (hereinafter referred to as "CITY") and Loomis Armored US, LLC, a Texas Limited Liability Company with corporate offices at 2500 City West Blvd, Ste. 900, Houston, TX 77042, and branch offices at 2892 E. Dorothy Ave., Fresno, CA 93706 (hereinafter referred to as "CONTRACTOR").

WITNESSETH

WHEREAS, CITY desires to obtain armored transport shipment services to and from locations as specified by CITY, for CITY valuable property, including, but not limited to, currency, coin, and checks; and

WHEREAS, CONTRACTOR is a Texas corporation in the business of providing armored transport services (hereinafter referred to as "Cash-In-Transit" or "CIT" services); and

WHEREAS, CONTRACTOR is ready, willing, and able to perform the services required by CITY.

NOW THEREFORE, in consideration of the mutual covenants and promises herein, IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS:

- a. Consignor—CITY of Fresno, or its officials, employees, volunteers or Departments, Divisions or Sections. CITY shall consign its property to CONTRACTOR for the purpose of secure transport to and from locations designated by CITY.
- b. Consignee—CONTRACTOR, or Loomis Armored US. Consignee or its employee shall provide secure transport service to CITY for its property.
- c. Custodian—CONTRACTOR'S employee assigned to visit CITY locations for the purpose of receiving CITY property to transport to location(s) determined by CITY, or for the purpose of delivering to CITY locations change funds (usually coin) ordered from CITY'S financial institution.
- d. Guard—A Custodian may also be referred to as a Guard.
- e. Pickup—Visit to a single CITY location by a CONTRACTOR Custodian for the purpose of taking into possession and transporting CITY property to a designated location. A Pickup can include one or more shipments.
- f. Delivery—Visit to a single CITY location by a Custodian for the purpose of tendering an order of coin placed by CITY personnel
- g. Container—A cloth or plastic bag that contains CITY property to be transported to a location designated by CITY. Also referred to as a package.
- h. Shipment—One or more Containers (bags or packages), taken into possession by a Custodian or Guard during a Pickup. Each type of Shipment is identified by its own Customer Consignment Log.
- i. Customer Consignment Log—Book provided by CONTRACTOR for the purpose of recording Shipment information, including date and time of Pickup, number of Containers (bags or packages), property value per Container, total value of Shipment, and signatures of CITY Consignor and CONTRACTOR Custodian, verifying transfer of property.

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2. DELIVERY OF SERVICES: CONTRACTOR agrees to pick up, receive from, and/or deliver to CITY, or any agent designated by CITY, securely sealed or locked containers which may contain any or all of the following: currency, coin, checks, securities, or other valuables. The pickups or deliveries shall take place at the times and locations specified in Exhibit A, hereby incorporated into and made a part of this Contract. The type of shipment container shall be determined jointly by CITY and CONTRACTOR. Containers shall be prepared in advance of pickup so that CONTRACTOR is not required to spend more than fifteen (15) minutes for a pickup. If the shipment container(s) does not appear to be securely locked or sealed, CONTRACTOR reserves the right to refuse to accept container(s) and will not receive said container(s) from CITY or its designated agent. If CONTRACTOR accepts sealed container(s), CONTRACTOR will give CITY a receipt for said sealed container(s), transport and deliver such sealed container(s) to the consignee designated by CITY. CITY agrees that it will not conceal or misrepresent any material fact or circumstances concerning the property delivered to CONTRACTOR pursuant to this Contract. The fee payable by CITY to CONTRACTOR is based upon the agreed upon liability limit(s) and levels of service provided by CONTRACTOR as stated herein. If additional or special services are required, CITY and CONTRACTOR agree to negotiate fees for these other services. Before these other services commence, a written amendment will be attached to this Contract confirming these additional services. If other services are provided prior to the execution of a written amendment, the fees to be charged will be the standard fees quoted for such service by CONTRACTOR.

3. TERM: Service will begin on the _____ day of _____, 2014 and shall continue for a period of five (5) years. At the expiration of this Contract, this Contract shall automatically be extended for successive one year term periods unless terminated by either party on sixty (60) days written notice prior to the next anniversary date.

4. TERMINATION BY CITY FOR CONVENIENCE: The CITY reserves the right to terminate this Contract for any reason, upon sixty (60) days written notice to the CONTRACTOR. CITY may terminate this Contract within five (5) days written notice to the CONTRACTOR, in the event of bankruptcy or insolvency of CONTRACTOR. In the event of such termination, the CONTRACTOR shall be paid for satisfactory service performed to the date of termination.

5. TERMINATION BY CITY FOR CAUSE:

a. If the CONTRACTOR shall fail to complete delivery, within the time or times specified herein, of services to be provided under this Contract, the City Manager of the City of Fresno or his/her designee, acting for and on behalf of the CITY, may at any time after the expiration of the time for cure, terminate the Contract as to the whole thereof, or in the event partial delivery has been made and accepted, as to such of the services to be furnished which have not been delivered or accepted prior to such termination. CONTRACTOR shall be paid for satisfactory service performed to the date of termination.

b. The CITY may terminate this Contract if the CONTRACTOR materially breaches any of its obligations under this Contract and fails to commence and diligently pursue reasonable efforts to cure such breach within fifteen (15) days after written notice by the CITY specifically describing the breach.

c. Such termination shall be effective upon receipt by CONTRACTOR of written notice of termination from said City Manager or his/her designee, which notice shall be deemed to have been received by CONTRACTOR, if mailed by certified mail, within forty eight hours to CONTRACTOR'S address at 2892 E. Dorothy Ave., Fresno, CA 93706 or, if personally delivered, upon the delivery thereof to CONTRACTOR, at said address, or to the authorized representative of CONTRACTOR.

6. TERMINATION BY CONTRACTOR: CONTRACTOR may terminate this Contract with five (5) days written notice in the event CITY shall declare bankruptcy or shall become insolvent. CONTRACTOR

may terminate this Contract within thirty (30) days written notice in the event CONTRACTOR experiences a material reduction or cancellation of CONTRACTOR'S insurance.

7. CONTRACT DOCUMENTS: Upon notification of award of this Contract, the CONTRACTOR shall execute and submit all required documents to the Treasury Officer, 2600 Fresno Street, Room 2156, Fresno, California 93721, in a form acceptable to the City of Fresno, prior to approval by the Council of the City of Fresno. Contract shall not become valid until approved by the Council of the City of Fresno, and signed by authorized officials of both CONTRACTOR and CITY. Failure of the CONTRACTOR to provide the required documents within the designated time period shall be sufficient cause to withdraw the award of this Contract.

8. BILLING AND PAYMENT: CONTRACTOR shall invoice CITY monthly, in arrears, for services performed during the previous month. CITY agrees to pay CONTRACTOR within fifteen (15) calendar days of receipt of invoice, including any applicable federal, state or local taxes. CITY agrees to notify CONTRACTOR of any dispute(s) arising from any invoice within thirty (30) days after such invoice has been presented to CITY, or else such claim shall be deemed waived. CITY agrees that undisputed portions of any invoice shall be remitted to CONTRACTOR in accordance with normal payment terms. Should CITY fail to pay any undisputed amounts within thirty (30) days of the invoice date, CONTRACTOR may, at its sole discretion, terminate this CONTRACT upon ten (10) days written notice to CITY. All amounts due hereunder shall be paid by cash, check or ACH unless otherwise agreed upon on the signature page of this CONTRACT.

CONTRACTOR hereby agrees not to assign the payment of any monies due CONTRACTOR from CITY under the terms of this Contract to any other individual(s), corporation(s) or entity(ies). CITY retains the right to pay any and all monies due CONTRACTOR directly to CONTRACTOR.

9. BILLING SCHEDULE:

Base fees for years one through three:

<u>DEPARTMENTS</u>	<u>LOCATION</u>	<u>MONTHLY AMOUNT</u>
Business License	2600 Fresno St	\$565
Fresno Area Express	2223 "G" St	\$560
Ted C. Wills Center	770 N. San Pablo	\$108
FAX Manchester	3590 N. Blackstone	\$389
UBC Manchester	3590 N. Blackstone	\$389
Romain Playground	745 N. First St	\$105
Parks Hdqtrs	848 "M" St	<u>\$195</u>
TOTAL		\$2,311
Convention Center Box	700 "M" St	\$234
Convention Center Adm	848 "M" St	<u>\$234</u>
TOTAL		\$468

Base fees for years four and five:

<u>DEPARTMENTS</u>	<u>LOCATION</u>	<u>MONTHLY AMOUNT</u>
Business License	2600 Fresno St	\$593
Fresno Area Express	2223 "G" St	\$656
Ted C. Wills Center	770 N. San Pablo	\$113
FAX Manchester	3590 N. Blackstone	\$408
UBC Manchester	3590 N. Blackstone	\$408
Romain Playground	745 N. First St	\$105
Parks Hdqtrs	848 "M" St	<u>\$195</u>
TOTAL		\$2,478



Convention Center Box	700 "M" St	\$245
Convention Center Adm	848 "M" St	\$245
TOTAL		\$490

The CITY Convention Center and Convention Center Box Office are currently operated by a third party private contractor, SMG Worldwide Entertainment and Convention Center Management. CONTRACTOR shall prepare separate billing to SMG Corporation to be mailed to: 848 "M" St, 2nd Floor, Fresno, CA 93721

10. FUEL FEE: In addition to the charges stated above, CONTRACTOR shall be reimbursed for the cost of fuel to operate its armored car at the rate of a fixed eight percent (8%) of each monthly charge for the life of the Contract.

11. WAITING TIME: For every minute in excess of fifteen (15) that CONTRACTOR'S representative must spend at CITY'S location to complete a pickup, CITY shall be liable for a charge of two dollars and twenty-five cents (\$2.25) per minute.

12. CONTAINER LIMITATION: CITY acknowledges and agrees that the maximum value which CONTRACTOR will transport in any individual container will not exceed two-hundred fifty thousand dollars (\$250,000). If the total value of a shipment which CITY seeks to tender to CONTRACTOR exceeds two-hundred fifty thousand dollars (\$250,000), CITY agrees to break down the shipment into amounts no larger than two-hundred fifty thousand dollars (\$250,000) per container.

13. HOLIDAYS: CONTRACTOR agrees to provide services as stated in this CONTRACT with the following holiday exceptions: New Year's Day, Martin Luther King, Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, and Christmas Day. If CITY requires pickup services on a holiday, CITY agrees to pay CONTRACTOR'S holiday service charge of \$75 per pickup.

14. DAYS CITY IS CLOSED: For the day after Thanksgiving Day, and for any other day for which CITY notifies CONTRACTOR that it will be closed, CONTRACTOR shall not be required to perform pickup services for CITY. CITY must notify CONTRACTOR that it will be closed at least one week in advance of the day it will be closed. CITY'S monthly charges shall not be reduced unless CITY shall be closed for at least five consecutive or nonconsecutive weekdays during the month.

15. LIABILITY: CONTRACTOR agrees to assume the liability for any loss, according to the terms of this CONTRACT, of the securely sealed container(s) from the time CONTRACTOR signs for and receives physical custody of the sealed container(s). CONTRACTOR'S responsibility terminates when CITY or it designated consignee takes physical possession of the sealed container(s) and signs CONTRACTOR'S receipt. If it is not possible to complete the delivery, CONTRACTOR shall be responsible for any loss until the sealed container(s) is returned to CITY or its designated agent and a signed receipt obtained. While the sealed container(s) is stored on the CITY'S premises, CONTRACTOR does not assume the liability for any loss. If CITY conceals or misrepresents any material fact or circumstance concerning the property or container, or the contents thereof, CONTRACTOR will have no liability for any loss in any way related to such fact or circumstance.

Under no circumstances will either party be liable to the other party for lost profits or for any indirect, incidental, consequential, special, punitive or exemplary damages; such as, but not limited to, loss of revenue, loss of interest, lost data, data transmission error or anticipated profits or lost business.

CITY expressly understands and accepts that ownership (title) to cash transported or stored by CONTRACTOR shall never transfer to CONTRACTOR.

16. EXCESS LIABILITY: CITY agrees to pay an additional amount of forty cents (\$.40) per one-thousand dollars (\$1,000) shipped in excess of the limits stated for each location. The sole liability of

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CONTRACTOR in the event of loss for whatever cause except as hereinafter limited, shall be payment to CITY of the declared Liability Coverage per Shipment Amount.

17. CHECK RECONSTRUCTION: In the event of loss or destruction, CITY will cooperate to the fullest extent to which it is capable in reconstructing checks constituting a part of said loss and as to said checks, CONTRACTOR'S liability, except as limited herein above, shall be the payment to CITY, not to exceed a total of \$10,000 per shipment for:

- a. Reasonable costs necessary to reconstruct the checks plus when the checks are reconstructed, any necessary costs incurred because of stop payment procedures, etc, and
- b. The face value of the checks which cannot be reconstructed.

It is understood and agreed by the parties to this contract that the words "reconstruct, reconstructs, and reconstructed" shall mean to identify the checks only to the extent necessary to determine the face value of said checks and identify the maker or the endorser of each or other relevant information to allow CONTRACTOR to recover any and/or all item(s) or cash associated with loss.

18. CLAIMS: It is understood that CITY agrees to notify CONTRACTOR, in writing, via certified mail, of any claim for loss within seven (7) calendar days after loss is discovered or should have been discovered in the exercise of due care, and in any event within forty-five (45) days after the pickup by CONTRACTOR of the securely sealed container of property in connection with which the claim is asserted and unless such notice shall have been given, such claim shall be deemed waived.

19. MONEY LAUNDERING: CONTRACTOR reserves the right to take any and all action as may be reasonably necessary to prevent money laundering to the extent permitted under law or as may be required by any regulatory body that may exert a right of control over CONTRACTOR.

20. FORCE MAJEURE: CONTRACTOR shall not be held accountable or liable for nonperformance or losses resulting from Acts of God, strikes, labor disturbances, impostor pickup or deliveries, or other conditions or circumstances beyond CONTRACTOR'S reasonable control.

21. CONFIDENTIALITY: Each party receiving information (the "Receiving Party") undertakes to retain in confidence the terms of this Contract and all other non-public information, technology, materials and know-how of the other party disclosed or acquired by the Receiving Party pursuant to or in connection with this Contract, which is either designated as proprietary and/or confidential ("Confidential Information"), subject to the provisions of the California Public Records Act. Neither party shall use any Confidential Information with respect to which it is the Receiving Party for any purpose other than to carry out the activities contemplated by this Contract, subject to the provisions of the California Public Records Act. Each party agrees to use commercially reasonable efforts to protect Confidential Information of the other party, and in any event, to take precautions at least as great as those taken to protect its own confidential information of a similar nature, subject to the provisions of the California Public Records Act. Each party shall also notify the other promptly in writing in the event such party learns of any unauthorized use or disclosure of any Confidential Information that it has received from the other party, and will cooperate in good faith to remedy such occurrence to the extent reasonably possible.

22. SPECIALS: Unscheduled pickups or deliveries are available under the same conditions and provisions of this Contract. CONTRACTOR will quote prices for such pickups or deliveries upon written or oral request of CITY.

23. INSURANCE REQUIREMENTS: Throughout the life of this Contract, CONTRACTOR shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company or companies either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide, or (ii) authorized by CITY'S Risk Manager. The following policies of insurance are required:

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a. COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the CONTRACT) with limits of liability of not less than the following:

\$1,000,000 per occurrence for bodily injury and property damage

\$1,000,000 per occurrence for personal and advertising injury

\$2,000,000 per occurrence for products and completed operations

\$2,000,000 aggregate for products and completed operations

\$2,000,000 general aggregate applying separately to the work performed under the CONTRACT

b. COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, and include coverage for all owned, hired, and non owned automobiles or other licensed vehicles (Code 1 Any Auto) with limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

c. WORKERS' COMPENSATION insurance as required under the California Labor Code.

d. EMPLOYERS' LIABILITY insurance with limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee.

In the event CONTRACTOR purchases an Umbrella or Excess insurance policy(ies) to meet the minimum limits of insurance set forth above, this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

CONTRACTOR shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Contractor shall also be responsible for payment of any self-insured retentions. At no time shall CITY be responsible for the payment of any deductibles or self-insured retentions.

In the event any policy is due to expire during the work to be performed for CITY, CONTRACTOR shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than fifteen (15) calendar days prior to the expiration date of the expiring policy.

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall list CITY, its officers, officials, agents, employees and volunteers as an additional insured. CONTRACTOR'S insurance shall be primary and no contribution shall be required of CITY. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, officials, employees, agents and volunteers. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to CITY, its officers, officials, agents, employees and volunteers.

CONTRACTOR shall furnish CITY with all certificate(s) and applicable endorsements effecting coverage required hereunder. All certificates and applicable endorsements are to be received and approved by the CITY'S Risk Manager or his/her designee prior to CITY'S execution of the CONTRACT and before work commences. Upon request of CITY, CONTRACTOR shall furnish CITY with a complete copy of any insurance policy required under this Contract, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Contract.

If at any time during the life of the Contract or any extension, CONTRACTOR, or any of its subcontractors, fail to maintain any required insurance in full force and effect, all work under this Contract



shall be discontinued immediately, and all payments due or that become due to CONTRACTOR shall be withheld until notice is received by CITY that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to CITY. Any failure to maintain the required insurance shall be sufficient cause for CITY to terminate this Contract. No action taken by CITY hereunder shall in any way relieve CONTRACTOR of its responsibilities under this Contract. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by CITY that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

The fact that insurance is obtained by CONTRACTOR shall not be deemed to release or diminish the liability of CONTRACTOR, including, without limitation, liability under the indemnity provisions of this Contract. The duty to indemnify City shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of CONTRACTOR, its principals, officers, agents, employees, persons under the supervision of CONTRACTOR, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

If CONTRACTOR should subcontract all or any portion of the services to be performed under this Contract, CONTRACTOR shall require each subcontractor to provide insurance protection in favor of CITY, its officers, officials, employees, agents and volunteers in accordance with the terms of each of the preceding paragraphs, except that the subcontractors' certificates and endorsements shall be on file with CONTRACTOR and CITY prior to the commencement of any work by the subcontractor.

24. INDEMNIFICATION: Each party (each being an "Indemnifying Party") shall indemnify, defend and hold the other party (each being an "Indemnified Party") harmless from and against all claims, costs or expenses ("Claims"), including reasonable attorney's fees, to the extent that such Claims were caused by the gross negligence or willful misconduct of the indemnifying Party. Each indemnified Party agrees to give the Indemnifying Party prompt written notice of any Claim under this Section 24 and shall provide reasonable cooperation in defense of the Claim.

In the event of concurrent negligence on the part of CITY or any of CITY'S officers, officials, employees, agents or volunteers, and CONTRACTOR or any of CONTRACTOR'S officers, officials, employees, agents or volunteers, the liability for any and all such claims, demands and actions in law or equity for such losses, fines, penalties, forfeitures, costs and damages shall be apportioned under the State of California's theory of comparative negligence as presently established or as may be modified.

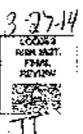
The provisions set forth in this section shall also apply to any subcontractors engaged by CONTRACTOR to perform any work covered by this Contract and Addendum.

This section shall survive termination or expiration of this Contract and Addendum.

25. FEDERAL IMMIGRATION REFORM AND CONTROL ACT OF 1986: As a material part of any contract for a City of Fresno project, every Contractor who has employees who will work on a City of Fresno project, is required to comply with all of the provisions of the Federal Immigration Reform and Control Act of 1986 (P.L. 99-603, 100 Stat. 3359). This requirement includes compliance with all of the employee documentation provisions.

26. WORKMANSHIP GUARANTY: The workmanship of the services to be performed for CITY by CONTRACTOR shall be in accord with generally accepted standards within the armored transport industry.

27. ASSIGNMENT: The Contract is personal to CONTRACTOR and there shall be no assignment, transfer, sale, or subcontracting by CONTRACTOR of its rights or obligations under the Contract without the prior written approval of the CITY. Any attempted assignment, transfer, sale or subcontracting by Contractor, its successors or assigns, shall be null and void unless approved in writing by CITY.



28. TERMINATION BY CITY FOR NON-APPROPRIATION: In the event of non-appropriation relating to the Contract, CITY shall have the right to terminate the Contract at the end of any fiscal year of CITY, in the manner and subject to the terms specified in this paragraph. CITY shall endeavor to give written notice of such termination not less than sixty (60) days prior to the end of such fiscal year, and shall notify CONTRACTOR of any anticipated termination. For purposes of this paragraph, "fiscal year" shall mean the twelve month fiscal period of CITY which commences on July 1 in every year and ends on the following June 30. For purposes of this paragraph, "non-appropriation" shall mean the failure of the CITY or CITY'S governing body to appropriate money for any fiscal year of CITY sufficient for the continued performance of the Contract by CITY.

29. INDEPENDENT CONTRACTOR: In the furnishing of the services provided for herein, the CONTRACTOR is acting as an independent contractor. Neither the CONTRACTOR, nor any of its officers, associates, agents or employees shall be deemed an employee, joint venturer, partner or agent of the CITY for any purpose. However, the CITY shall retain the right to verify that the CONTRACTOR is performing its respective obligations in accordance with the terms of the Contract.

Because of its status as an independent contractor, CONTRACTOR and its officers, agents and employees shall have absolutely no right to employment rights and benefits available to CITY employees. CONTRACTOR shall be solely liable and responsible for all payroll and tax withholding and for providing to, or on behalf of, its employees all employee benefits including, without limitation, health, welfare and retirement benefits. In addition, together with its other obligations under this Agreement, CONTRACTOR shall be solely responsible, indemnify, defend and save CITY harmless from all matters relating to employment and tax withholding for and payment of CONTRACTOR'S employees, including, without limitation, (i) compliance with Social Security and unemployment insurance withholding, payment of workers compensation benefits, and all other laws and regulations governing matters of employee withholding, taxes and payment; and (ii) any claim of right or interest in CITY employment benefits, entitlements, programs and/or funds offered employees of CITY whether arising by reason of any common law, de facto, leased, or co- employee rights or other theory. It is acknowledged that during the term of this Contract, CONTRACTOR may be providing services to others unrelated to CITY or to this Contract.

30. GOVERNING LAW AND VENUE: The Contract shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding the enforcement or interpretation of the Contract and any rights and duties thereunder shall be Fresno County, California.

31. COMPLIANCE WITH LAW: In providing the services required under the Contract, CONTRACTOR shall at all times comply with all applicable laws of the United States, the State of California and the City of Fresno, and with all applicable regulations promulgated by Federal, State, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of the Contract.

32. SEVERABILITY: The provisions of the Contract are severable. The invalidity, or unenforceability of any one provision in the Contract shall not affect the other provisions.

33. INTERPRETATION: The CONTRACTOR acknowledges that the Contract in its final form is the result of the combined efforts of the parties and that, should any provision of the Contract be found to be ambiguous in any way, such ambiguity shall not be resolved by construing the Contract in favor or against any party, but rather by construing the terms in accordance with their generally accepted meaning.

34. ATTORNEY'S FEES: If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of the Contract, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses.

35. EXHIBITS: Each exhibit and attachment referenced in the Contract is, by the reference, incorporated into and made a part of the Contract.

36. MAINTENANCE OF RECORDS: Records of Contractor pertaining to the services hereunder shall be kept on a generally recognized accounting basis and shall be available to CITY or its authorized representatives upon request during regular business hours throughout the life of the Contract and for a period of three years after final payment and for the period of time required by law. In addition, all books, documents, papers, and records of CONTRACTOR pertaining to the Contract shall be available for the purpose of making audits, examinations, excerpts, and transcriptions for the same period of time. This section shall survive expiration or termination of the Contract.

37. NOTICES: Any notice required or intended to be given to either party under the terms of this Contract shall be in writing and shall be deemed to be duly given if delivered personally or sent by United States registered or certified mail, with postage prepaid, return receipt requested, addressed to the CONTRACTOR at the address set forth herein and to the CITY at 2600 Fresno Street, Room 2156, Fresno, CA 93721, or at such other address as the parties may from time to time designate by written notice. Notices served by United States mail in the manner described above shall be deemed sufficiently served or given at the time of the mailing thereof.

38. BINDING: Once this Contract is signed by all parties, it shall be binding upon, and shall inure to the benefit of, all parties, and each party's respective heirs, successors, assigns, transferees, agents, servants, employees and representatives.

39. WAIVER: The waiver by either party of a breach by the other of any provision of this Contract shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Contract. No provisions of this Contract may be waived unless in writing and signed by all parties to this Contract. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

40. CUMULATIVE REMEDIES: No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

41. NO THIRD PARTY BENEFICIARIES: The rights, interests, duties and obligations defined within this Contract are intended for the specific parties hereto as identified in the preamble of this Contract. Notwithstanding anything stated to the contrary in this Contract, it is not intended that any rights or interests in this Contract benefit or flow to the interest of any third parties.

42. EXTENT OF AGREEMENT: Each party acknowledges that they have read and fully understand the contents of this Contract. This Contract represents the entire and integrated agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations or agreements, either written or oral. This Contract may be modified only by written instrument duly authorized and executed by both CITY and CONTRACTOR.

43. HEADINGS: The section headings in this Contract are for convenience and reference only and shall not be construed or held in any way to explain, modify or add to the interpretation or meaning of the provisions of this Contract.

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IN WITNESS WHEREOF, the parties have executed this Contract on the day and year here below written, of which the date of execution by CITY shall be subsequent to that of CONTRACTOR'S, and this Contract shall be binding and effective upon execution by both parties.

LOOMIS ARMORED US, LLC
a Texas corporation

CITY OF FRESNO,
a California municipal corporation

By: *Sarah Kattapong*

By: _____
Gary Watahira, Interim Purchasing
Manager, Finance Department

Name: Sarah Kattapong
(Type or print written signature)

Dated: _____

Title: VP Finance & Accounting

Dated: 3-31-2014

ATTEST:
YVONNE SPENCE
City Clerk

By: _____
Deputy Date

By: _____

Name: _____
(Type or print written signature)

APPROVED AS TO FORM:

Title: _____

DOUGLAS SLOAN
City Attorney

RAJ SINGH BADHESHA

Dated: _____

By: *[Signature]* 4-17-14
Deputy/Senior Deputy



EXHIBIT A SERVICE SCHEDULE

Location of Pickup	Description of Shipment and Liability Limits	Monday	Tuesday	Wednesday	Thursday	Friday
Business License/UB&C (Treasury Division) 2600 Fresno Street	\$28,000 - \$1,000,000 large deposits are comprised mostly of checks; 6 to 7 bags of coins; 10 - 15 other bags	Afternoon	Afternoon	Afternoon	Afternoon	Afternoon
Fresno Area Express 2223 "G" Street (Need pickup some holidays)	\$8,000 - \$55,000; 35 bags /day	Afternoon	Afternoon	Afternoon	Afternoon	Afternoon
Convention Center Box Office 700 "M" Street (Need occasional special pickups)	\$3,000 - \$100,000; cash and check; 1 bag	Afternoon		Afternoon		Afternoon
Convention Center Administrative Office 700 "M" Street	\$5,000 - \$52,000; 1 bag	Afternoon		Afternoon		Afternoon
Ted C Wills Community Center 770 N. San Pablo	\$1,000 - \$20,000; 1 bag		Afternoon			
Romain Playground 745 N. 1st Street	\$1,000 - \$20,000; 1 bag		Afternoon			
Parks Headquarters 848 "M" Street, 3rd Floor	\$5,000 - \$100,000 1-5 bags			Afternoon		
Fresno Area Express Manchester Mall 3590 N. Blackstone Avenue	\$4,000 - \$20,000; 1 bag	Afternoon	Afternoon	Afternoon	Afternoon	Afternoon
UBC Manchester, Manchester Mall 3590 N. Blackstone Avenue	\$15,000 - \$40,000; 1 bag	Morning	Morning	Morning	Morning	Morning

ALL DEPOSITS ARE DELIVERED TO BANK OF AMERICA EXCEPT TED C. WILLS COMMUNITY CENTER AND ROMAIN PLAYGROUND. THESE DEPOSITS ARE FIRST DELIVERED TO PARKS HEADQUARTERS AT 848 M ST. 3RD FLOOR. ANOTHER DEPOSIT IS PICKED UP THERE FOR DELIVERY TO THE BANK.
BILLINGS FOR CONVENTION CENTER BOX OFFICE AND CONVENTION CENTER ARE TO BE ADDRESSED TO SMG CORPORATION, 848 "M" ST, 2ND FLOOR, FRESNO, CA 93721

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