Exhibit to Agenda Item # 2

Approve Contract Change No. 6 to Contract No. 4500096911 with Securitas Critical Infrastructure Services, Inc. for Rancho Seco security services to extend the contract expiration date by five years from August 1, 2021, to August 1, 2026, and increase the contract amount by $15 million, from $10.9 million to $25.9 million.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting Tuesday, July 13, 2021, scheduled to begin at 5:30 p.m. Virtual Meeting (online)
Rancho Seco Security Services

- Securitas has provided SMUD with safe, high quality, and reliable service for over 11 years
- Securitas has right sized staffing and operational support services while establishing themselves as a valued strategic partner over that time
- Maintained regulatory compliance for NRC with zero incidents
Procurement strategy

History

• Prior to 2009 security services were managed directly by SMUD
• 2009 solicitation (RFP) with four proposers, Securitas was the highest rated proposer, 22% higher than all others
• 2016 solicitation (RFP) with two proposers, Securitas was the highest rated proposer by 17% and lowest priced

Current approach

• Direct negotiation with Securitas to secure rates and terms over the next 5 years, execute a contract change to extend the term and increase funding for the contract
• Continue Strategic Partnership built with Securitas over the last 11 years
• Maintain continuity of operations support and specialized security services
• Avoid a transition period with three parties potentially during COVID-19
Securitas experience and qualifications

Securitas is a leader in the industry

- Work closely with Nuclear Regulatory Commission (NRC) and Nuclear Energy Institute (NEI)
- Decommissioning/ISFSI Security conference host
- 2014-2015 provided security services for shipment of nuclear waste from Rancho Seco to Texas
- 2014-2017 upgraded Rancho Seco nuclear security system
- 2015-2020 provided services during 2 solar projects and switchyard expansions

Safety and Compliance

- ZERO lost time accidents or OSHA recordables since 2009
- NRC inspections and Quality Assurance Audits, ZERO violations
- Coordinate with Local Law Enforcement Agency (LLEA)