

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)