



August 19, 1998

To: Board of Directors (Engineering and Operations Committee--Action)
(Organization and Personnel Committee--Action)

From: *for* General Manager Edward J. Meo III

Submitted by: Chief of Operations Jay Malinowski Jay Malinowski

Subject: Authorization to Enter into an Agreement with U.S. Guards, Inc. for Providing Security at Various District Facilities

RECOMMENDATIONS

To provide security services at various District facilities, it is recommended that:

1. The General Manager be authorized to enter into a \$3,900,000 agreement with U.S. Guards, Inc., in form approved by the General Counsel, for a one-year period commencing October 1, 1998 and ending September 30, 1999.
2. The General Manager be authorized to renew the agreement annually for up to 36 months at a maximum amount not to exceed 5 percent over the previous year maximum.

EXECUTIVE SUMMARY

Metropolitan has need for contract guard services at several of its key facilities. These services are currently being provided by Inter-Con Security Systems, Inc. under a contract which expires September 30, 1998. In July, Metropolitan issued a request for proposals for providing security and protective services. Eight firms submitted proposals and after an in-depth evaluation of the proposals, U.S. Guards, Inc. was found to be the most capable of providing the necessary services at the most competitive cost. The contract provides for two extensions at Metropolitan's option.

JUSTIFICATION

Metropolitan has large water treatment, pumping, and other facilities and significant capital investments throughout Southern California. To inadequately protect them would be to expose the assets to unnecessary risk of damage or other loss, thereby failing to exercise reasonable stewardship of billions of dollars of investment in structures and irreplaceable capacity to deliver water throughout Metropolitan's service area. To meet its due diligence requirements for protecting those assets and for maintaining a safe workplace, Metropolitan has traditionally engaged outside contract guards to provide basic security patrols and to respond to alarms.

ALTERNATIVES TO PROPOSED ACTION

1. Develop a Proprietary Guard Force

The burdened cost of a proprietary guard force could double or triple that of a contract service because of the substantially higher benefits available to California public sector employees. Moreover, a move in the direction of a proprietary force would reverse the industry trend which currently shows contract guards doubling the number of proprietary guards by the year 2000 (per *Private Security Trends, 1970 to 2000: The Hallcrest Report II*, Butterworth-Heinemann, 1990).

2. Contract with Law Enforcement Agencies

Contracting with police for security services is also cost prohibitive. The Los Angeles Police Department charges \$129,000 per officer assigned to MTA. The Los Angeles Sheriff's Department charges \$118,000 per assigned deputy. Such options are unrealistic for Metropolitan.

3. Assign Security Duties to Existing Staff

With the drive for long-term reductions in staff, the field can scarcely afford to overburden remaining staff with additional security duties. Operators are increasingly being drawn away from their control rooms to perform light maintenance and other duties. As modernization and an increase in unattended operation of facilities moves forward, Metropolitan field staff can no longer be made available to monitor intrusion alarms as well as water system alarms. Therefore, intrusion alarms are being reconfigured for central station monitoring by contract security staff who will also be charged with associated response. Besides the local system operator at a given facility no longer being available to handle security-related alarms, he or she is not trained to perform such functions. Consequently, staffing for such increased burdens with Metropolitan employees represents an unrealistic alternative to contract guards.

CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION

The proposed action is exempt from the provisions of the California Environmental Quality Act because it does not have the potential to cause a significant effect on the environment.

MBE / WBE

The Minority-Owned Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE) anticipated levels of participation (ALP) and actual participation levels are shown below:

	Combined MBE/WBE
ALP	20%
Actual	100%

CONTRACT SUMMARY

Contract Status:	New	Type of Selection:	RFP 340
Contract Form:		Firms Receiving RFP:	28
Contract Type:	A-Agreement	Proposals Submitted:	8
Evaluation Criteria:	Prior related experience; team qualifications; approach to supervision, training, problem solving and quality control; references; and completeness of proposal document.		

DETAILED REPORT

Metropolitan has facilities spread throughout its service area and has need for an outside contractor to provide security and protective services at several of its key facilities in Los Angeles, Orange, and Riverside counties. Inter-Con Security Systems, Inc. has been providing these services since October 1995. In July, Metropolitan issued a Request for Proposals (RFP 340) for providing security services. Notices were sent to approximately 77 vendors and announcement was made in *The Metropolitan News* and *The Small Business Exchange*.

Eighteen prospective respondents attended a mandatory pre-proposal conference and site inspection, and of those, eight submitted proposals. A panel comprised of District security staff, legal, and facilities staff carefully reviewed each of the proposals for several factors to assure selection of the best qualified firm to provide fixed-post and mobile-patrol guard services. Based upon this in-depth evaluation, a short list of three firms was identified, emphasizing proposal evaluation above pricing. Members of the review panel then conducted a follow-up interview during which areas of concern were clarified and proposal information validated. The panel ranked the top three respondents and background checks were made through CDB Infotek, and references contacted to further verify proposal information and proponent performance history. The panel evaluated the additional information then applied pre-determined weights to the points received for each element rated and determined that U.S. Guards, Inc. was the best qualified firm to provide the needed services at a competitive price.

SL/NPC/ms