

- **Board of Directors**
Engineering and Operations Committee

June 11, 2002 Board Meeting

9-4

Subject

Authorize entering into an agreement with Rodbat/WorldWide Joint Venture, LLC to provide security guard services for a three-year period not to exceed \$19.5 million

Description

As a result of heightened security recommendations from federal and state law enforcement agencies following the events of September 11, 2001, additional security guards and patrols were added strategically throughout the service area. With heightened security measures in place, post September 11, staff estimated a three-year security guard services contract could exceed \$22 million.

The current contract with U.S. Guards, Inc. will expire at the end of June 2002. In January 2002, staff issued a Request for Proposal (RFP) to provide security guard services for all Metropolitan facilities. Control Risks Group assisted staff in evaluating and interviewing potential security guard services providers in March 2002, and performed due diligence services on short-listed candidates that was completed in April 2002. In April 2002, an assessment was completed by Control Risks Group to review the level of security guards necessary at each location. An evaluation of existing and planned physical security measures was also conducted.

Rodbat/WorldWide Joint Venture, LLC was recently selected to perform future security guard services at Metropolitan for a period of three years at a cost not to exceed \$19.5 million. They were deemed the most qualified security firm based on their superior performance pertaining to "due diligence" criteria and evaluation. Metropolitan's security consultant, Control Risks Group, conducted the due diligence investigation.

Progressively, as physical security measures are put in place, there will be a decrease in needed security guard services at Metropolitan. These security system improvements were detailed in Board Letter 9-3, dated February 12, 2002. It is estimated that the recommended security guard services cost can be reduced by 20 to 30 percent over the life of the contract by implementing the physical security measures.

The security personnel ensure the protection of Metropolitan's assets and maintain a safe working environment for employees. Metropolitan's leadership in its security response to our national emergency is being recognized and validated. Metropolitan's security staff is working in coordination with the Sheriff's Department Terrorist Early Warning Network, the FBI's Critical Infrastructure Protection Group, the LAPD Counter-Terrorism Task Force, the California Highway Patrol, the state Department of Water Resources, the state Department of Health Services, and various local and municipal agencies, including local police departments.

Policy

Metropolitan Water District Administrative Code § 8115 (a): Negotiated Contracts over \$250,000

California Environmental Quality Act (CEQA)

CEQA determination for Staff Recommendation:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as personnel-related actions (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA per Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

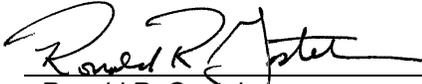
Staff Recommendation

Adopt the CEQA determination and authorize entering into an agreement with Rodbat/Worldwide Joint Venture, LLC to provide security guard services for a three-year period not to exceed \$19.5 million.

Fiscal Impact: Approximately \$5.1 million per year



Eddie A. Rigdon 5/28/2002
Date
for Jill T. Wicke
Manager, Water System Operations



Ronald R. Gastelum 5/28/2002
Date
Chief Executive Officer