



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

12/14/2010 Board Meeting

**8-5**

**Subject**

Authorize entering into an agreement with Securitas to provide security guard services for a maximum period of five years at a total cost not to exceed \$35 million

**Description**

This action awards a Metropolitan-wide contract for guard services for the calendar year beginning January 1, 2011 with options to renew for four additional years.

**Timing and Urgency**

Metropolitan's current five-year guard contract expires at the end of December 2010. In order to meet Metropolitan's obligations to protect its critical infrastructure as documented in its vulnerability assessment submitted to the Environmental Protection Agency (EPA) and to satisfy security requirements imposed by the Federal Energy Regulatory Commission, Department of Transportation, and Transportation Security Administration, Metropolitan utilizes a contractor to provide security guards 24 hours per day, 7 days per week, as well as to provide guard coverage for special events and infrastructure shutdowns.

**Background**

Metropolitan has experienced increased demands for security since 1998, when the President's Commission on Critical Infrastructure Protection identified water as a national priority for protection. Subsequently, in the aftermath of September 11, 2001, heightened security has been required of all critical infrastructure and, for the water sector, documented in mandatory vulnerability assessments submitted to EPA in 2003. Metropolitan's ability to ensure adequate protection of employees and facilities, and to adjust its protective posture to conform to Homeland Security Alert Conditions (e.g. Condition Yellow, Condition Orange, or Condition Red) relies on flexibility and specialization available only through contract guard services having access to security networks, on-call emergency staffing resources, and specialized capabilities that must be available on short notice throughout Metropolitan's service area and along the Colorado River Aqueduct. In order to provide this response capacity 24 hours per day, 7 days a week, and under adverse conditions, these security services should be independent of Metropolitan's workforce.

The security services needed primarily involve guard coverage responsible for operating sentry positions at all major attended facilities, providing roving security patrols of infrastructure and unattended facilities, and observing and reporting on any threats, intrusion attempts, and incidents of medical distress. In addition, Metropolitan staffs a 24-hour Security Watch Center using the guard service, which allows trained security staff to respond to intrusion and threat reports without diverting water treatment plant and system operators from their core operational responsibilities. The contract guard service provides Metropolitan maximum flexibility to close down guard posts in areas where they are no longer needed or to create new ones in conjunction with changing site conditions or threats. The guard service also provides up to 10 percent more staff within two hours of any emergency request, thereby assuring capacity to rapidly augment protection to meet emergency demands.

In April 2010, staff issued a best-value Request for Proposal No. 215804 for security guard service at all Metropolitan facilities for a five-year period. A five-year contract term was previously adopted in 2005 and is recommended again because past practice has indicated that this approach is more efficient and cost-effective. Metropolitan hosted a mandatory bidders' conference on April 21, resulting in participation by twenty-four firms, eight of which submitted responsive proposals. A qualified panel of Metropolitan security and business professionals then evaluated the proposals. Two firms significantly outscored all competitors, resulting in the panel's subsequent interview of both firms to make a final selection. After the interviews, the two firms submitted best and final offers. Based on the panel's scoring criteria, Securitas was identified as the most qualified respondent.

The panel recommends award of a one-year agreement renewable for four additional years, with the first year's cost not to exceed \$6.5 million and for each subsequent year to be negotiated, for a maximum payable total of \$35 million for the five-year term. The annual contract renewals will be at Metropolitan's sole option, and subject to negotiation based on business need. Metropolitan retains the right to cancel the contract at any time in any year.

## Policy

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

### California Environmental Quality Act (CEQA)

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CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities (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, which do not involve any commitment to any specific project which 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 the provisions of CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Adopt the CEQA determination and authorize entering into an agreement with Securitas to provide security services for a one-year contract renewable for four additional years, with the first year's cost not to exceed \$6.5 million and with each subsequent year to be negotiated, for a maximum payable total of \$35 million.

**Fiscal Impact:** Approximately \$7 million per year in operations and maintenance funds

**Business Analysis:** This option provides flexible guard coverage in a fiscally responsible manner to ensure adequate protection and stewardship of Metropolitan's infrastructure.

### Option #2

Do not award the guard contract and re-advertise in an attempt to increase the pool of responsive bidders and attain more favorable bids.

**Fiscal Impact:** None

**Business Analysis:** This option may or may not result in a lower bid.

**Staff Recommendation**

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Option #1

  
James F. Green  
Manager, Water System Operations

11/18/2010  
Date

  
Jeffrey Kightlinger  
General Manager

11/19/2010  
Date

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