



REQUEST FOR PROPOSAL
FOR
OPERATION OF THE COSTA MESA POLICE DEPARTMENT'S
TYPE I JAIL FACILITY



CITY OF COSTA MESA

Prepared by:

Police Department
Finance Department
CEO Office/Management Partners, Inc.
Orange County Sheriff-Coroner Department

Operation of Costa Mesa Police Departments Type I Jail Facility

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PROJECT CHRONOLOGY

CHRONOLOGY OF THE RFP FOR OPERATION OF THE COSTA MESA POLICE DEPARTMENT'S TYPE I JAIL FACILITY

- 3/9/11- Meet with [REDACTED] on the scope of work for the jail operations
- 3/9/11- Developed a RFI (Request of Information) for the Jail Operations
- 4/29/11- Research insurance information on jail facility
- 5/4/11- Developed the RFP and started the development of pricing information
- 5/6/11- Developed vendor list
- 5/9/11- *Released the first RFP (Reference Only)*
- 6/20/11- *Re-posted the #2 RFP for Jail Facility (Reference Only)*
- 8/11/11- *Notice of rejections for the previous RFP on the Jail Facility was sent out*
- 8/19/11- First meeting of the Contracting Committee Council Policy 100-6 (see the book on Operation of Jail Facility)
- 9/21/11- Sent out #3 RFP for Operation of the Costa Mesa Police Department's Type I Jail Facility (*RFP for which the Determination to Outsource was Made*)
- 10/6/11- Deadline for written questions
- 11/14/11- Meet with internal evaluators for instructions
- 11/23/11- Meet & greet outside evaluator
- 12/7/11- Sent out Reference Letters
- 12/13/11- Requested D&B's on proposers
- 12/20/11- Evaluation Team Meeting on proposal scores
- 1/9/12- Proposal Interviews
- 1/9/12- Evaluation Team Meeting on interview scores & discussion

RESEARCH MATERIAL

2010 – 2011 BUDGET

CITYOF COSTA MESA, CALIFORNIA

SUMMARY OF ADOPTED MAINTENANCE PROJECTS
FISCAL YEAR 2010-2011

| Facility | Requested Project Description | Cost |
|--|--|-------------------|
| City Hall | Interface Simplex Fire alarm system with PD and Communications | \$ 12,000 |
| | Rehab front ADA door | 4,000 |
| IT | Replace power distribution for UPS systems | 20,000 |
| Police Department | | |
| Jail | Replace failing Sally port roll up door | 12,000 |
| Fire Station #5 | Fumigate building | 8,000 |
| | Replace A/C unit and duct work | 29,000 |
| Fire Station #6 | Replace A/C unit | 9,000 |
| Del Mesa Park | Fumigate/repair termite damage in restroom building | 4,500 |
| Shiffer Park | Treat & repair termite damage in restroom building | 3,000 |
| | Replace failed doors | 3,000 |
| Wakeham Park | Fumigate and repair termite damage in restroom | 4,500 |
| | Paint roof trim & overhang | 2,500 |
| Wilson Park | Replace wood restroom doors w/steel | 7,000 |
| Various Locations | Parkway & median irrigation controller replacement (5) | 7,500 |
| | Replace deteriorated irrigation controller cabinets (5) | 5,000 |
| | Repair ADA approved playground equipment & surfaces | 25,000 |
| Total General Fund Adopted Maintenance Projects | | \$ 156,000 |
| NCC | Upgrade AC unit | \$ 28,000 |
| | Install ADA patron door access | 10,000 |
| DRC | Upgrade capacity of chlorine tank | 1,600 |
| | Install ADA patron door access | 10,000 |
| Senior Center | Install wrought iron fence and gates in exit alcove | 18,000 |
| Multi-purpose room | Upgrade movable wall system | 20,000 |
| | Upgrade multi purpose room floor and stage | 10,500 |
| Total CDBG Adopted Maintenance Projects | | \$ 98,100 |

CITY OF COSTA MESA, CALIFORNIA

POLICE DEPARTMENT

Property & Evidence - 10136

Maintains records; stores, preserves, and disposes of property and evidence consistent with legal guidelines.

Jail - 10137

Provides for the processing and detention of arrested persons in a manner required by State and Federal laws; coordinates court appearances and related activities of subpoenaed officers and arrested persons; and transports arrestees from the jail to court.

Equipment Maintenance - 10138

Coordinates the maintenance/servicing of police vehicles and pool cars with Fleet Services.

Recruitment – 10146

This program discontinued in FY 2010 – 2011.

POLICE FIELD OPERATIONS - 15300

Field Operations - 10111

Provides public safety services through patrol-related policing activity; coordinates community-oriented policing services; supervises the Police Reserve Program; provides public park security services through the Park Rangers Unit; manages the Department budget and financial planning; coordinates press information distribution to the local media; and provides business-related services to the public via the front desk.

Community Services – 10134

This program discontinued in FY 2010 – 2011.

Youth Crime Intervention - 10135

Provides services to local schools; provides security to intermediate and high schools through the School Resource Officer Unit; gang suppression; and coordinates outreach intervention opportunities through the Gang Detail.

Animal Control - 10139

Regulates, controls, and prevents rabies in the wild and domesticated animal population in the City; impounds stray or unlicensed animals; and enforces those laws and ordinances applying to animals within the City.

POLICE SUPPORT SERVICES - 15400

Helicopter Patrol - 10112

Provides helicopter patrol through participation in Airborne Law Enforcement (ABLE).

Traffic Safety - 10113

Enforces State and City traffic laws; provides follow-up investigation and prosecution of traffic-related criminal cases; and coordinates personnel to respond to and investigate traffic collisions.

CITY OF COSTA MESA, CALIFORNIA

POLICE DEPARTMENT

PRIOR YEAR'S ACCOMPLISHMENTS cont.

- Exceeded target objectives for robbery, crimes against persons, theft and juvenile case clearance.
- Expanded upon the Virtual Briefing for Patrol keeping the program up to date with links to information on local and regional crime patterns and analysis, wanted persons and vehicles, parolees and sex registrants. Established link between briefing room computer and audio-visual system and created link file for information access from any department computer.
- Increased emphasis on investigation of unsolved violent crime in the Cold Case Unit through creation of a single detective DNA due diligence administrator for FBI Violent Criminal Apprehension Program (ViCap) and O.C. TrackRS, a specialized Homicide & Sexual Assault Unit provided by the Orange County District Attorney.

GOALS

Focus on policing strategies that will reduce crime and fear of crime and improve quality of life. Emphasize accountability, problem-solving, and community involvement.

OBJECTIVES

- Provide in-house training to Records Bureau staff regarding the Public Records Act to ensure all inquiries are handled appropriately.
- Transcribe and make available all "priority" reports within 48 hours from dictation.
- Establish a mandatory monthly training regiment/system for the jail staff members. Training topics and associated materials will be established and distributed to jail staff members with approval and oversight from the Training Bureau.
- Improve the Crime Scene Investigation Unit's reporting practices when submitting DNA samples to the County Crime lab in order to keep in line with the OC Sheriff Department's new policies and procedures.
- Meet all State and legislative training mandates to 100% compliance.
- Maximize UASI training funds so that a majority of line level personnel receives Law Enforcement Response to Terrorism training to enhance officer safety and awareness.
- Continue to fully utilize the Santa Ana College training partnership contract to ensure refunds are maximized within 85% of contract limits.
- Committee participation for the countywide license plate reader system.
- Completion of the implementation process for the new TAGRS graffiti tracking system to include training for departmental personnel.
- Finalize the Identification of community stakeholders and contact persons for neighborhood watch groups and other entities within Costa Mesa.
- Facilitate ongoing training for police patrol personnel with the Gang and S.E.D. Units.
- Implementation of the Coplogic program (online report-writing system for citizens) and development of specific policies and guidelines for its use.
- Continue working towards the implementation of streaming video capabilities into patrol cars from the South Coast Plaza Video System.
- Continue administering the Target Area Deployment concept using collision data to target high-collision locations during peak traffic hours.
- Apply for \$300,000 in grant funds from the Office of Traffic Safety, for participation in the Selective Traffic Enforcement Program.
- Increase bicycle violation enforcement and education.
- Achieve the Detective Bureau's established case clearance rate objectives.

CITY OF COSTA MESA, CALIFORNIA

**POLICE DEPARTMENT
FOUR-YEAR PERSONNEL SUMMARY
BY DEPARTMENT/DIVISION/PROGRAM**

| | FY 07-08 Actual | FY 08-09 Actual | FY 09-10 Adopted | FY 10-11 Adopted |
|--|--------------------|--------------------|---------------------|---------------------|
| <u>Police Administration - 15100</u> | | | | |
| Police Chief | 1.00 | 1.00 | 1.00 | 1.00 |
| Police Lieutenant | - | 1.00 | 1.00 | 1.00 |
| Police Sergeant | 1.00 | 2.00 | 2.00 | 1.00 |
| Executive Secretary | 1.00 | 1.00 | 1.00 | 1.00 |
| Management Analyst | 1.00 | 1.00 | 1.00 | - |
| Office Specialist II | 1.00 | - | - | - |
| <i>Subtotal Administration - 50001</i> | 5.00 | 6.00 | 6.00 | 4.00 |
| Total Police Administration Full-time Positions | 5.00 | 6.00 | 6.00 | 4.00 |
| Total Police Admin Part-time Positions (in FTE's) | 0.50 | 1.25 | 1.25 | - |
| <u>Police Technical Services - 15200</u> | | | | |
| Police Administrative Svcs Commander | 1.00 | 1.00 | 1.00 | 1.00 |
| Administrative Secretary | 1.00 | 1.00 | 1.00 | 1.00 |
| Police Lieutenant | 1.00 | 1.00 | 1.00 | 1.00 |
| <i>Subtotal Administration - 50001</i> | 3.00 | 3.00 | 3.00 | 3.00 |
| Police Records Bureau Supervisor | 1.00 | 1.00 | 1.00 | 1.00 |
| Police Records Administrator | 1.00 | 1.00 | 1.00 | 1.00 |
| Police Records Bureau Shift Supervisor | 3.00 | 3.00 | 3.00 | 3.00 |
| Senior Police Records Technician | 18.00 | 18.00 | 18.00 | 16.00 |
| <i>Subtotal Records/Info Systems - 10131</i> | 23.00 | 23.00 | 23.00 | 21.00 |
| Crime Scene Investigator Supervisor | 1.00 | 1.00 | 1.00 | 1.00 |
| Crime Scene Specialist | 5.00 | 5.00 | 5.00 | 2.00 |
| <i>Subtotal Crime Scene Invest/Photos - 10132</i> | 6.00 | 6.00 | 6.00 | 3.00 |
| Police Training Administrator | 1.00 | 1.00 | 1.00 | - |
| Police Training Assistant | 1.00 | 1.00 | 1.00 | 1.00 |
| Range Master | 1.00 | 1.00 | 1.00 | 1.00 |
| Police Sergeant | - | - | 1.00 | 1.00 |
| Police Officer | 0.50 | 0.50 | 1.00 | 1.00 |
| Office Specialist II | - | 1.00 | 1.00 | - |
| <i>Subtotal Training - 10133</i> | 3.50 | 4.50 | 6.00 | 4.00 |
| Property Evidence Supervisor | 1.00 | 1.00 | 1.00 | 1.00 |
| Property Evidence Specialist | 1.00 | 1.00 | 1.00 | 1.00 |
| <i>Subtotal Property & Evidence - 10136</i> | 2.00 | 2.00 | 2.00 | 2.00 |
| Police Sergeant | 1.00 | 1.00 | 1.00 | 1.00 |
| Custody Officer | 11.00 | 11.00 | 11.00 | 11.00 |
| <i>Subtotal Jail - 10137</i> | 12.00 | 12.00 | 12.00 | 12.00 |
| Police Sergeant | 1.50 | 1.00 | - | - |
| Police Officer | 1.00 | 0.50 | - | - |
| <i>Subtotal Recruitment - 10146</i> | 2.50 | 1.50 | - | - |
| Total Police Technical Svcs Full-time Positions | 52.00 | 52.00 | 52.00 | 45.00 |
| Total Police Tech Svcs Part-time Positions (in FTE's) | 7.50 | 7.00 | 5.13 | 3.88 |

CITY OF COSTA MESA, CALIFORNIA

**POLICE DEPARTMENT
EXPENDITURE SUMMARY BY PROGRAM**

| | <u>FY 07-08</u> <u>Actual</u> | <u>FY 08-09</u> <u>Actual</u> | <u>FY 09-10</u> <u>Adopted</u> | <u>FY 10-11</u> <u>Adopted</u> | <u>Percent</u> <u>Change</u> |
|--|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|
| <i>POLICE ADMINISTRATION - 15100</i> | | | | | |
| <u>Police Administration - 50001</u> | | | | | |
| Salaries & Benefits | \$ 1,588,206 | \$ 2,112,777 | \$ 2,144,822 | \$ 1,656,882 | -23% |
| Maintenance & Operations | 445,550 | 406,137 | 422,196 | 467,284 | 11% |
| Fixed Assets | - | 99,557 | - | - | 0% |
| <i>Subtotal Administration</i> | \$ 2,033,756 | \$ 2,618,471 | \$ 2,567,018 | \$ 2,124,166 | -17% |
| <i>POLICE TECHNICAL SERVICES - 15200</i> | | | | | |
| <u>Administration - 50001</u> | | | | | |
| Salaries & Benefits | \$ 526,328 | \$ 555,451 | \$ 543,494 | \$ 576,390 | 6% |
| Maintenance & Operations | 97,957 | 124,929 | 124,821 | 120,598 | -3% |
| Fixed Assets | - | - | - | - | 0% |
| <i>Subtotal Administration</i> | \$ 624,286 | \$ 680,381 | \$ 668,315 | \$ 696,988 | 4% |
| <u>Records/Information Systems - 10131</u> | | | | | |
| Salaries & Benefits | \$ 1,816,803 | \$ 1,923,527 | \$ 1,959,199 | \$ 1,956,467 | 0% |
| Maintenance & Operations | 154,413 | 157,082 | 189,799 | 182,799 | -4% |
| Fixed Assets | - | - | - | - | 0% |
| <i>Subtotal Records/Info Systems</i> | \$ 1,971,216 | \$ 2,080,609 | \$ 2,148,998 | \$ 2,139,266 | 0% |
| <u>Crime Scene Investigation/Photos - 10132</u> | | | | | |
| Salaries & Benefits | \$ 704,521 | \$ 668,795 | \$ 598,593 | \$ 403,010 | -33% |
| Maintenance & Operations | 88,233 | 67,441 | 92,025 | 72,615 | -21% |
| Fixed Assets | - | - | - | - | 0% |
| <i>Subtotal Crime Scene Inv/Photos</i> | \$ 792,754 | \$ 736,236 | \$ 690,618 | \$ 475,625 | -31% |
| <u>Training - 10133</u> | | | | | |
| Salaries & Benefits | \$ 508,896 | \$ 557,445 | \$ 867,302 | \$ 665,516 | -23% |
| Maintenance & Operations | 106,105 | 96,918 | 148,690 | 132,478 | -11% |
| Fixed Assets | - | - | - | - | 0% |
| <i>Subtotal Training</i> | \$ 615,001 | \$ 654,363 | \$ 1,015,992 | \$ 797,994 | -21% |
| <u>Property & Evidence - 10136</u> | | | | | |
| Salaries & Benefits | \$ 279,493 | \$ 307,461 | \$ 329,491 | \$ 297,980 | -10% |
| Maintenance & Operations | 65,512 | 55,807 | 74,211 | 65,074 | -12% |
| Fixed Assets | - | - | - | 12,000 | 0% |
| <i>Subtotal Property & Evidence</i> | \$ 345,005 | \$ 363,268 | \$ 403,702 | \$ 375,054 | -7% |
| <u>Jail - 10137</u> | | | | | |
| Salaries & Benefits | \$ 1,178,797 | \$ 1,226,276 | \$ 1,279,800 | \$ 1,324,233 | 3% |
| Maintenance & Operations | 51,603 | 49,006 | 55,227 | 50,600 | -8% |
| Fixed Assets | - | - | - | - | 0% |
| <i>Subtotal Jail</i> | \$ 1,230,401 | \$ 1,275,282 | \$ 1,335,027 | \$ 1,374,833 | 3% |

The Thomas A. Roe Institute for Economic Policy Studies

May 24, 1988

A GUIDE TO PRISON PRIVATIZATION

INTRODUCTION

America has been getting tougher on lawbreakers. This is something that the public long has been demanding. The problem it creates, however, is a shortage of prison capacity to hold the increased numbers of convicted criminals. This has led to: prison overcrowding, sometimes prompting court actions against penal systems; rapidly rising operational outlays; and taxpayer resistance to the cost of new prisons.

A partial answer to the problems of prison overcrowding and high costs may be the "privatization" of prisons. By using the private sector to build or manage prisons, many states believe that they can reduce costs. So far, most state correction agencies have used the private sector only to manage minimum-secure or non-secure "community" correction centers, such as juvenile institutions and halfway houses. Currently over half the states have passed legislation to allow for this form of prison privatization. Nine states may be going beyond this; they have passed laws enabling private companies to operate adult "confinement" state prisons.¹ Other states, including Indiana, Kentucky, and Minnesota, considering similar legislation.

Court-Ordered Relief. Costs and overcrowding problems are the driving force behind the privatization phenomenon. As a national average, it costs roughly \$20,000 per year to keep an inmate in prison. There are approximately 650,000 inmates in state and local prisons, double the number five years ago. This costs taxpayers an estimated \$18 billion each year. More than two-thirds of the states are facing serious overcrowding problems, and many are operating at least 50 percent over capacity. Some 41 states, including California, Connecticut, Massachusetts, and Texas are under court order to relieve the overcrowding.² If they do not do so, many convicts who have not served full sentences will have to be released.

1 Colorado, Florida, Maine, Massachusetts, Montana, New Mexico, Texas, and Utah. *Report by the President's Commission on Privatization*, March 1988, Chapter 8, p. 21.

2 *Ibid.*

Cost comparisons between private and government operation of prisons show frequent cost-savings under private management. While the national average cost to hold a prisoner in a government-run prison is \$40 per inmate a day, many privately run prisons charge the government significantly lower fees. U.S. Corrections Corporation, which operates the Marion Adjustment Center in St. Mary, Kentucky, charges Kentucky a daily fee of \$25 per inmate. In 1986, this private firm saved Kentucky an estimated \$400,000. Similarly, Corrections Corporation of America (CCA) charged Bay County in Florida \$29.81 per diem per inmate to operate the Bay County Jail. Before privatization of the facility, the daily cost was \$38 per inmate. In 1985, CCA's first year to operate the jail, the corporation saved the county approximately \$700,000.³

Yet while prison privatization solves some problems, it raises serious issues. Among them:

- 1) Is the public ready to accept the private sector providing a service traditionally performed by the government?
- 2) Can the government maintain adequate supervision through careful monitoring and evaluation?
- 3) Should private security guards be given the right to use deadly weapons?
- 4) In the case of complaints by inmates or prison employees, is the government or the private contractor liable?

States and localities considering prison privatization thus need to review all aspects of the concept as they examine the privatization option. There is a wealth of experience and expertise upon which they can draw. This information suggests that privatization can solve an important part of the prison problem.

FORMS OF PRIVATIZATION

Prison privatization means the transfer of prison functions from the government sector to the private sector. This can take various forms in the case of prisons. Among them:

Contracting out services

This is the most common form of prison privatization. Currently, 39 states hire private firms to provide such services as medical and mental health treatment, drug treatment, education, staff training, and vocational training and counseling.⁴

3 National Criminal Justice Association *Private Sector Involvement in Financing and Managing Correctional Facilities*, April 1987, pp. 10 and 17.

4 Report of the Massachusetts Legislative Research Council, *Prisons for Profit*, July 31, 1986.

Ownership and operation of prisons

To date, private operation of correction centers has been limited to "non-secure" and minimum-security facilities, such as halfway houses, juvenile homes, detention centers, and holding prisons for illegal aliens. Some 28 states allow private firms to operate such facilities. Several states are interested in extending private operation to secure or "confinement" adult prisons. One such facility already in operation is a minimum-security prison in St. Mary, Kentucky, now owned and operated by U.S. Corrections Corporation, a private company headquartered in Louisville. The firm has existed since 1986, and is the first private company to own and operate an adult state prison. U.S. Corrections Corporation receives \$25.35 per diem per inmate for running the Kentucky state prison. A recent survey by the National Institute of Corrections predicts that, by 1990, about a dozen secure prisons will be operated by private management.⁵

Contracting out prison labor

By putting prisoners to work and paying them competitive wages, many private companies are reducing prison costs for the government by withholding earnings for taxes, room and board, family support, and victim's compensation. Such employment also gives prisoners the skills and work experience that will prepare them for the job market when they are released.

Private business has become increasingly interested in prison labor during the past decade. Prompted by state and federal measures lifting restrictions to private sector use of prison labor, some eleven states contract out the work of an estimated 1,000 convicts. Over twenty firms, ranging from small businesses to multinational corporations, provide jobs for inmates. For instance, Best Western International, Inc, a major hotel chain, employs over thirty Arizona prison workers to operate the hotel's telephone reservation system. Since the Best Western program began in 1981, inmates have paid \$182,000 in taxes, contributed over \$187,000 to the state for room and board, and paid at least \$112,000 in family support. Similarly, Trans World Airlines, Inc. hires young offenders from the Ventura Center Training School in California to handle over-the-phone flight reservations. The inmates have paid a total of \$13,000 in taxes, \$15,000 for room and board, and \$11,000 to victims for restitution.

In most cases, the state correctional system provides the working facility for the private firm. The firm manages and trains the inmates and releases their earnings to the care of the state. The wage rates, in most instances, are negotiated between the state agency and the private firm.

Florida is Leader. Florida in 1981 became the first state to contract out the entire state prison industry to private management. Prison Rehabilitative Industries & Diversified Enterprises Inc. (PRIDE), a firm based in Clearwater, Florida, now manages all 53 Florida prison work programs as a for-profit operation. PRIDE made a \$4 million profit last year. Many states considering privatization of prison industries are studying the PRIDE

⁵ Judy S. Grant and Diane Carol Bast, *A Heartland Policy Study*, The Heartland Institute, No. 15, May 4, 1987.

operation. PRIDE employs only inmates who want to work. As such, work is viewed as an opportunity rather than a punishment. PRIDE pays 60 percent of the workers' wages directly to the state government to defray the costs of imprisonment. PRIDE products, which range from optical and dental items to modular office systems, are sold to the local and state government agencies.

Construction and lease/purchasing

Many states see private construction as a promising solution to the prison overcrowding crisis. States normally finance construction by cash appropriations (a "pay-as-you-go" approach) or by issuing general-obligation bonds. The former puts the whole financial burden of construction on the state's annual budget. Bonds create problems by requiring voter approval and are restricted by debt limitations. An alternative is private financing through lease contracts or lease-purchasing agreements. It does not place the cost on the annual budget and does not require voter approval. Under a lease/purchase agreement, a private firm agrees to build a prison if the state signs a long-term lease for the prison. Early payments of rent by the state help the private firm fund the construction. When the government completes the payment obligations, the debt and finance charges, it takes title to the facility. The private firm benefits from tax advantages and cash flow from the lease payments. The state government often benefits from quicker construction because voter approval is not required and debt limit constraints do not apply. Lease/purchasing for state prisons must be approved by the state legislature. Legislation permitting construction by lease/purchase agreements has passed in 14 states.⁶

PRIVATIZATION AT THE STATE LEVEL

To date, most prison privatization has been by states and local governments, with the federal government doing relatively little beyond using private firms to house illegal aliens and sponsor pilot programs. The greatest strides in state prison privatization have been in operating "secondary housing facilities" (detention centers for illegal aliens, juvenile offenders, and mental patients) and in contracting out services for prisons. A number of states are exploring whether private firms can operate "primary" security correctional facilities for adults. Colorado, Florida, Maine, Massachusetts, Montana, New Mexico, Tennessee, Texas, and Utah already have passed enabling legislation to privatize the operation of prisons. States considering legislation are Indiana, Kentucky, and Minnesota.

Corrections Corporation of America (CCA), based in Nashville, Tennessee, and founded in 1983, is the largest private corrections organization in the country. A spinoff of Hospital Corporation of America, CCA designs, constructs, finances, and manages both secure and non-secure facilities. In addition to operating two juvenile centers and a county prison in Hamilton County, Tennessee, CCA also contracts with Florida, New Mexico, and Texas.

In 1985, CCA proposed to operate the entire Tennessee state correctional system for 99 years. Governor Lamar Alexander supported the idea. It was blocked, however, by

⁶ Joan Mullen, "Corrections and the Private Sector," *Research in Brief*, National Institute of Justice, U.S. Department of Justice, March 1985.

lobbying by some state officials and groups like the American Civil Liberties Union. Nevertheless, CCA continues to be the nation's leading innovator of private prison operations and is expanding its marketing activities in Iowa, New York, North Carolina, South Carolina, and Texas.

Also located in Tennessee is Pricor Corporation, a competitor of CCA. Pricor operates a juvenile detention center in Johnson City, Tennessee, a 144-bed prison in Alabama, and a county jail in Maine.

Texas Saves 10 Percent. Severe prison overcrowding problems in Texas prompted legislation last year authorizing privatization of minimum and medium-security prisons. Texas already has signed a contract with Becon-Wackenhut Inc. of Florida for the construction and private operation of two 500-bed minimum-secure facilities. Wackenhut will charge the state a per diem fee of \$34.79 per inmate, more than a 10 percent saving from what the operation would cost Texas. In addition, Texas is close to agreement with CCA for the construction of two 500-bed pre-parole facilities in the cities of Venus and Cleveland.

New Mexico is the most recent state to have passed prison privatization legislation. This February, Governor Garrey Carruthers signed a bill permitting the state Corrections Department to contract out for private construction, renovation, and management of prisons. The state's first major contract is a lease agreement with a private firm to build and operate a women's prison.

In Florida, the Jack and Ruth Eckerd Foundation, an endowment of the Eckerd drug store chain, has managed and operated the secure Okeechoobee School for Boys since 1982. In addition, PRIDE, Inc. manages the state's prison industry or work program and CCA operates the Bay County Jail as a for-profit, 175-bed work camp. Another for-profit firm operates a 171-bed state prison, the Beckham Hall Community Correctional Center, with an unsupervised work release program.

In Kentucky, the Marion Adjustment Center, a pre-release, minimum-security 200-bed, is the U.S.'s only secure adult state prison owned and operated by a private firm, the U.S. Corrections Corporation.

In Minnesota, the non-profit Volunteers of America manages and operates the Roseville Detention Center, a county jail for women.

Union Pressure. In Pennsylvania, Buckingham Security Ltd. manages and operates the medium-secure Butler County jail. Buckingham Security proposed in 1985 to design, construct, and operate a 720-bed penitentiary in Beaver County near Pittsburgh. The company intended the facility to house special protective custody prisoners from prisons outside the state. Many states, including Connecticut, Indiana, Maryland, New Jersey, and West Virginia, as well as the District of Columbia, responded with letters of intent to send prisoners to the facility. The project was scrapped, however, when the Pennsylvania legislature refused to approve it. In 1986, the American Federation of State, County, and Municipal Employees (AFSCME), a union that represents many state prison employees, successfully lobbied the Pennsylvania legislature for a moratorium on all future prison

privatization projects. The moratorium expired recently, but projects such as the Buckingham Security plan have been delayed.

Prison Management by National Corporations

Recent developments in corporate prison management could advance prison privatization significantly. An example is General Electric Government Services, a subsidiary of General Electric Company, which took over RCA Service Company two years ago. General Electric Government Services now runs the Weaversville Intensive Treatment Unit, a juvenile institution in Pennsylvania established by RCA Service Company in 1975. Responding to Pennsylvania's urgent request for a high-security juvenile facility, RCA converted an empty state-owned building into a correction center in just ten days and positioned its staff to run the operation. In addition to the Weaversville center, General Electric Government Services runs the Evaluation and Treatment Center in Rhode Island and the Bensalem Youth Development Center in Pennsylvania.

Another significant development is the growth of joint venture agreements between local firms and national corporations. Example: A \$40 million medium-security prison in Colorado is being built as a joint venture between American Correctional Systems, Inc. (design and management), the huge Bechtel Group, Inc. (construction), South Korea's Daewoo International Corporation (finance), and the international finance company Shearson Lehman Brothers, Inc. (underwriting). Under another arrangement, Corrections Development Corporation will design, construct, finance, and lease a prison facility in Missouri on a 30-year lease/purchase basis; Kidder Peabody & Company, Inc. will underwrite the project.

PRIVATIZATION AT THE FEDERAL LEVEL

Compared with state and local activity, prison privatization at the federal level is moving very slowly. Yet it was the federal government that triggered the recent spate of prison privatization when it began to contract out for the imprisonment of illegal aliens in the early 1980s. At that time, the federal government also made inmate labor available to private firms, primarily to test the feasibility of private prison work programs. Currently, the main areas of federal prison privatization include holding illegal aliens awaiting deportation, operating halfway houses, providing medical, food, and educational services, and managing minimum-security facilities. The major private correction centers for federal offenders include:

◆ ◆ Hidden Valley Ranch, in California, which confines approximately 60 juveniles for the Bureau of Prisons (BOP).

◆ ◆ Behavioral Systems Southwest, also in California, which retains minimum-security illegal aliens for the Immigration and Naturalization Service (INS).

7 Philip E. Fixler, Jr., "Private Sector Rehabilitates Prisons," *Fiscal Watchdog*, No. 128, June 1987.

◆ ◆ Corrections Corporation of America in Tennessee, which operates a minimum-security detention center for the INS in Houston, Texas.

◆ ◆ Wackenhut Services, Inc. of Florida, which has a contract with the INS to construct a minimum-security facility in Colorado for 167 inmates. The company also has contracts with the U.S. Marshals Service, the Bureau of Prisons, and the Department of Labor to operate a job-corps center for 600 violators.

Within the last year, the federal Bureau of Prisons has proposed contracting with a private firm for a new 500-bed minimum-secure facility for illegal aliens. In addition, the Bureau has considered contracting for facilities to house "special-needs" prisoners, such as juveniles, women, protective custody cases, and for prisoners needing medical services. However, the Bureau of Prisons has been hesitant to contract out the more "mainstream" prisoners such as those imprisoned in the Federal Correctional Institutions and the U.S. Penitentiary System.

Federal Actions Promoting Privatization

Since the early 1980s, the federal government has considered legislation to stimulate prison privatization. To encourage contracting out prison labor, for instance, Congress in 1984 revised regulations making interstate markets more accessible. By authorizing twenty states to trade goods across state lines, the Prison Industries Enhancement Program under the Justice Assistance Act of 1984⁸ expanded and diversified the market of products manufactured by prison industries. Under the Act, manufacturers must consult with the appropriate labor unions before a sale can be agreed to. Unions must be assured that employed workers will not lose their jobs due to increased competition in the workforce.

◆ ◆ In 1984, Senator Alfonse D'Amato, the New York Republican, sponsored legislation to provide tax incentives to private businesses that constructed prison facilities on a lease/purchase basis. This legislation died in committee.

◆ ◆ In 1985, the National Institute of Justice (the research branch of the Justice Department) held a three-day conference to evaluate the advantages and disadvantages of prison privatization. NIJ also has commissioned studies on the growth of prison privatization at state and local levels. Also in 1985, the House and Senate Judiciary Committees held hearings on prison privatization.

◆ ◆ This March, the President's Commission on Privatization recommended that the Immigration and Naturalization Service continue to contract out detention facilities and that the Bureau of Prisons commission a study on the feasibility of contracting out a federal correctional institution or a U.S. penitentiary. The Commission also recommended that the INS and the BOP use lease-purchase agreements for prison construction, and it recommended that the Justice Department continue as an advisor on prison privatization for states and local government.⁹

8 P.L. 98-473, Sec. 819.

9 *Report on the President's Commission on Privatization, op. cit.*, Chapter 8.

The Reagan Administration's fiscal 1989 budget proposes two pilot projects. One would focus on federal prison industries, the other on private operation of federal minimum security prisons.¹⁰

KEY QUESTIONS AND CONTROVERSIES

Prison privatization raises a number of complex questions. They must be answered by any jurisdiction considering privatization.¹¹

Question #1. Does Privatization Mean Government Abrogates Its Responsibility?

Should the private sector be responsible for a function traditionally performed by the government sector? Or is it possible for the government to delegate certain areas of responsibility to the private sector while continuing to maintain full authority?

Experience shows that prison privatization does not mean that the government relinquishes its responsibility. The government still would select the inmates to be placed in private prisons, choose the type of facility to be contracted out, oversee the contractor's disciplinary practices and, most important, evaluate the contractor's performance.

Question #2. Is "Creaming" a Problem?

Does privatization mean the private sector will take the more "favorable" prisoners leaving more difficult inmates for the government?

This is unlikely. Most states retain the right to place inmates in privately run prisons.¹²

Question #3. Does Profit Conflict with Good Practice?

Can the economic objectives of running a prison be met without conflicting with the operational objectives? Critics of privatization claim that contractors will cut corners at the expense of the prisoner's welfare.

The contracting process significantly reduces such dangers. Contractors must abide by state laws, regulations, and policies and are held accountable for fulfilling these obligations. If the state is dissatisfied, it can refuse to renew the contract. Some states, such as New Mexico and Tennessee, also include termination clauses within contracts in the event a contractor provides inadequate service. In addition, contractors are watched very closely by the courts, the press, civil-rights groups, and prison-reform groups. Such close scrutiny forces the contractor to maintain adequate standards.

10 Executive Office of the President, Office of Management and Budget, *Budget of the United States Government*, FY 1989, pp. 1-12, 2b-23, 5-156.

11 Mullen, *op. cit.*, p. 5.

12 For a discussion of random placing, see Massachusetts Legislative Research Council, *Prisons for Profit*, July 1986, p. 101.

Question #4. Are Current Prison Employees Threatened by Privatization?

The public employee unions representing public sector prison workers, such as the American Federation of State, County, and Municipal Employees (AFSCME), fear that extensive privatization will reduce salary and fringe benefits for prison workers.

Private contracting poses much less of a threat than the unions claim. In common with most contracting practices at the state and local levels, state employees usually receive first refusal for jobs with the private contractor. And because the correctional system is highly labor-intensive, prison operation requires a large work force. Studies also suggest that wage rates in privately run prisons are the same or are higher than in government-run prisons.

Question #5. Are Private Prison Guards Permitted to Strike?

Critics argue that while public guards cannot strike, private guards can strike under the protection of the National Labor Relations Act. However, many contracts can contain provisions denying these private employees the right to strike.

In cases where no such provision exists, private guards nevertheless are likely to be discouraged from striking. Correction agencies can threaten to terminate a contract, which would mean the loss of their jobs. In any event, should a strike occur, authorities could call in the National Guard or state police, as they would to quell a severe disruption in a state-run prison.

Question #6. Will Service Quality and Flexibility be Maintained?

Some policy makers maintain that the quality of management in private prisons will tend to be high at first, because of competition and the desire to win contracts. However, they question the private sector's ability to sustain high-quality standards. They reason that, with the contract securely in their hands, private managers in the long-run are unlikely to maintain high standards. Moreover, they claim, once a long-term contract is signed, government loses its flexibility — in practice it is not able to use or discard private services as needs change.

Contracting standards, however, are likely to improve over time as more firms enter the market and competition increases. Periodic rebidding, as the National Institute of Justice recommends, will create incentives for firms to improve constantly the quality and cost-efficiency of their performance. Studies on the contracting out of other federal and municipal services show significant cost savings over the long term. Between 1981 and 1984, for example, municipal janitorial services contracting with the Department of Housing and Urban Development showed cost savings of 73 percent. Similarly, municipal overlay construction showed a 96 percent cost saving.¹³ Frequent government review of contracts and careful monitoring of performance will ensure long-range efficiency.

¹³ Stephen Moore, "How to Privatize Federal Services by Contracting Out," Heritage Foundation *Backgrounder* No. 494, March 13, 1986.

Question #7. Can Public and Private Costs be Compared?

Given the difficulties inherent in measuring the true "cost" of a prison inmate, can government really be sure it saves with privatization?

Comparing costs in the private and public sectors admittedly is not easy. Accounting procedures differ and quality is difficult to compare. Routine monitoring of private contractors may be a hidden cost of privatization, just as taxes paid by the contractor may be a hidden additional benefit.

Despite accounting difficulties, the evidence to date shows strong cost advantages of private operation over government operation due to such factors as the absence of civil service regulation, lower private-sector pension and benefit costs, and improved productivity. But to measure these savings accurately, agencies need to review their accounting procedures. Many states and counties are doing this, just as cities have done so to gauge the savings of contracting out municipal services. At the federal level, the President's Commission on Privatization recommends that the Bureau of Prisons and the Immigration and Naturalization Service conduct cost-analysis studies, using the same standards for measuring annual expenditures that are used by contractors.¹⁴

Question #8. How Can Liability Concerns be Resolved?

Who is legally responsible for the violation of a prisoner's rights? Who is liable if a private prison employee is injured? If a prisoner escapes and injures a private citizen, is the state or the private operator held accountable? And assuming the government is liable, will liability costs to the government be higher or lower with private prison operation?

Such questions are important in the debate on prison privatization. Yet the matter of liability has not slowed privatization significantly. Critics and proponents of privatization agree that while the contractor has accepted responsibility to operate or manage a prison facility, government still retains overall authority and liability. In fact, the Civil Rights Act specifies that while the private sector may manage "places of confinement," the government is to have ultimate custody over prisoners. A contract, of course, can contain indemnification clauses absolving the agency from certain legal damages. In many cases, the contractor is required to carry large insurance policies for the government agency's protection.¹⁵

The 1988 Report by the President's Commission on Privatization notes that the liability issue depends very much on the nature of state tort laws and specific provisions within the contract. According to the report, the American Bar Association, with support from the National Institute of Justice, is completing a model prison contract to deal with liability and other issues.¹⁶

14 *Report on the President's Commission on Privatization, op. cit.*, p. 26.

15 Charles H. Logan, "Propriety of Proprietary Prisons," *Federal Probation* September 1987, p. 9.

16 *Report by the President's Commission on Privatization, op. cit.*, p. 24.

Question #9. What About the Use of Force?

Should private security guards carry guns? When is the use of deadly force by a private guard justified? Should guards use force only for self-protection, or under the same conditions as state officials? What about emergency situations, such as a prison escape?

While these are understandable concerns, most states have resolved the issue by defining in statute the right of private officials to use reasonable force. Lawmakers believe it is necessary that contractors have the same standards for establishing security as correction agencies, and that inmates view private prison officials as holding the same authority as government officials. Massachusetts, for instance, allows private guards to use deadly force with discretion. However, the state Commissioner of Corrections enforces regulations to ensure security and order. Similarly, New Mexico allows prison contractors to designate "peace officers," who are armed within the prison facility, outside the facility when transporting inmates, and may use deadly force in the event of an escape.

Nevertheless, the right to use force, especially deadly force, is seen as a last resort. Private guards normally are unarmed. In some privately operated prisons, such as the Bay County Jail in Florida, most guards are licensed to carry guns but only do so if there is a crisis, such as an attempted escape. Moreover, if an escape is successful, private prison officials normally would rely on the police force to apprehend the prisoner.¹⁷

CONCLUSION

Privatization is a practical and innovative solution to the problems of overcrowding and high costs facing the U.S. prison system. Many states are recognizing this, contracting out services, contracting out inmates' labor to private firms, and seeking private financing for prison construction. An increasing number of states are contracting out the entire operation of prison facilities. The federal government has been less active, limiting itself to contracting out facilities holding illegal aliens and juvenile offenders.

Many jurisdictions are unsure of prison privatization, fearing a loss in service, problems with liability, and threats to the jobs of prison personnel. As more and more jurisdictions experiment successfully with privatization, however, their experience should demonstrate privatization's value.

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¹⁷ *Special Report*, National Criminal Justice Association, April 1987, p. 8.

APPENDIX

GROUPS ADDRESSING PRISON PRIVATIZATION

I. Generally for Privatization

American Correctional Association: (301) 699-7600

One of the largest and oldest criminal justice associations, ACA represents approximately 17,000 correctional administrators, wardens, parole board members, probation officers, and other professional prison workers. The organization's purpose is to improve correctional standards and to develop adequate physical facilities. ACA supports the privatization of prisons and has conducted studies on the issue, such as an evaluation in 1985 of the Okeechobee School for Boys. In addition, ACA has made recommendations for laws, regulations, and policies to improve operational standards.

National Governors' Association: (202) 624-5300

NGA supports the development of prison privatization on the state level. NGA recommends states move cautiously and that contracts clearly specify the role and responsibilities of the government.

II. Generally Critical of Privatization

American Bar Association: (202) 331-2200

In 1986, the ABA House of Delegates passed a resolution recommending that jurisdictions not authorize privatization of prisons "until the complex constitutional, statutory, and contractual issues are satisfactorily developed and resolved."¹⁸

American Civil Liberties Union: (202) 544-1681

Officials of the ACLU argue that turning prisons over to the private sector means the government is shirking its responsibility. The ACLU is particularly concerned with questions of accountability and liability.

18 Ira P. Robbins, "Privatization of Corrections: Defining the Issues," *Judicature Magazine*, April-May 1986, p. 326.

American Federation of State, County, and Municipal Employees: (202) 452-4800

AFSCME represents approximately 50,000 correctional workers and has been a leading force in the fight against prison privatization. In 1985, AFSCME withdrew from the American Corrections Association, and in 1986 AFSCME led the fight in the Pennsylvania legislature for a moratorium on privatizing prisons. Like other public workers unions, AFSCME is concerned primarily with protecting the jobs of government workers.

National Association of Criminal Justice Planners: (202) 347-0501

The NACJP represents coordinators of urban prison systems in approximately 75 major urban areas. Officials of NACJP believe the responsibility for incarceration belongs to the state and should not be turned over to the private sector.

National Sheriffs' Association: (703) 836-7827

The NSA has adopted a resolution opposing the privatization of prisons. However, not all chapters of the association endorse this position. In 1983, the Texas Sheriffs' Association actively supported the Texas bill to allow county sheriffs to contract for minimum-security facilities.¹⁹

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¹⁹ Kevin Krajick, "Prisons for Profit: The Private Alternative," *State Legislature*, April 1984, p. 12.

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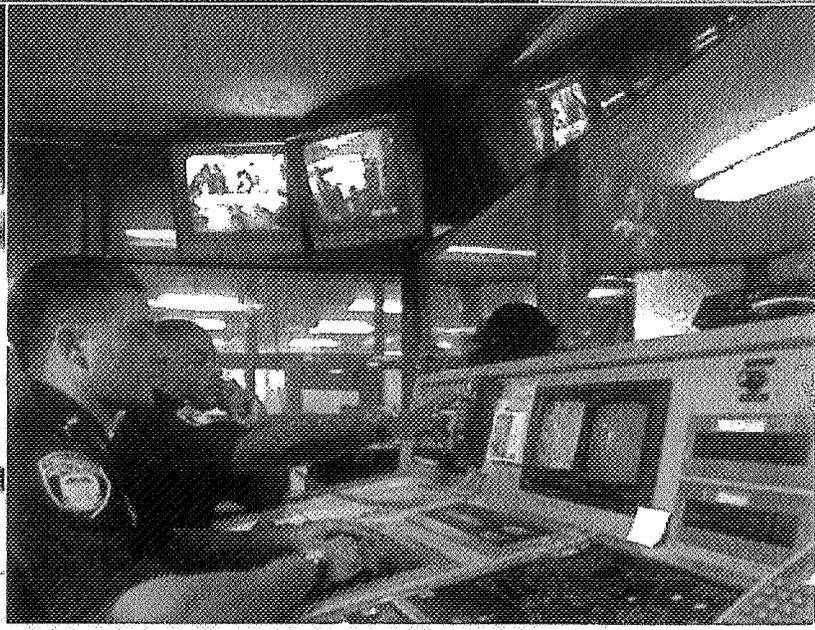
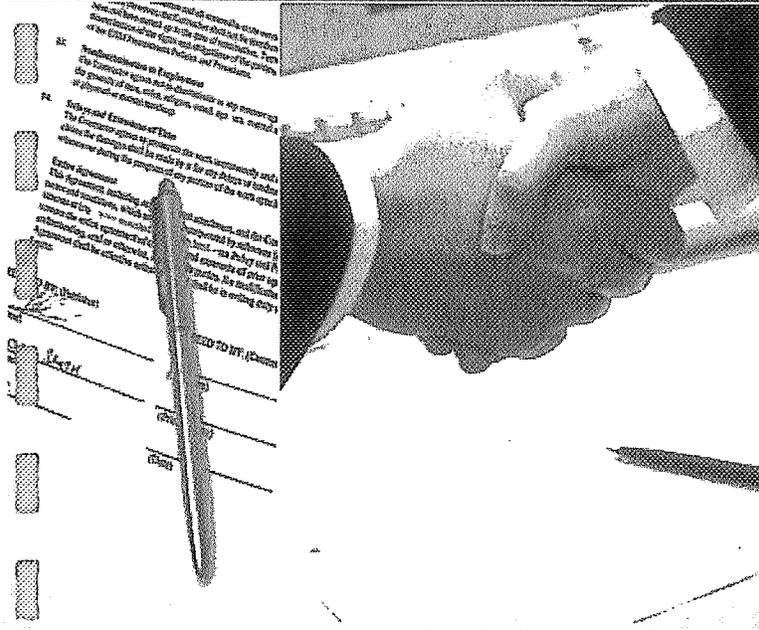
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Contracting Prison Operations: A Plan to Improve Performance

Contracting Prison Operations: A Plan to Improve Performance

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Contracting Prison Operations: A Plan to Improve Performance

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Contracting Prison Operations: A Plan to Improve Performance

EXECUTIVE SUMMARY

As public demand grows for increased performance, contractually managed prisons and related operations around the world are efficiently and effectively addressing the needs of government for professional correctional services. This summary provides an overview of the factors described in the full report that should be weighed when a governmental entity considers privatizing a prison or major prison function. In the U.S., some 34 states and the federal government are contracting for correctional services with private companies.¹ In addition, the United Kingdom has an official policy which states that all new prisons will be commissioned from the private sector. Australia, Canada (Province of Ontario), New Zealand, South Africa, Germany, France, Japan, Israel, Brazil, and Netherlands are among the other countries that have, in recent years, chosen to open or have made plans to open new private prisons in the not too distant future.²

Public Policy Issues

Performance Oriented Government

The goal of performance oriented government is to spend ever scarce resources on the products and services that will provide the best quality in the most cost effective manner.³ Whether the product or service is providing health care or food service in various institutional settings, or prison construction and management in general, some elected officials are attempting to balance government budgets without cutting services or raising taxes through the use of the techniques described in this report.

Contracting for Prisons—A Viable Strategy

Contractually managed prisons across the country have saved government time and costs between 5-20 percent per year for a project over the life of 4-10 year contracts through their construction and operation.⁴ Such savings are obtained through careful contracting, consistent monitoring, and a willingness of government to work with private corporations as a true partner. Working with a private partner:

- Enables the government to contract for specific services and outcomes. Government pays the private corporation when the outcomes are met and can assess penalties for not operating in a manner consistent with the contract.
- Creates an atmosphere of healthy competition

between the private and public sector. Public employees are now competing not only based on skill and ability, but also based on how cost effective they can become. The private sector is also challenged to demonstrate "best value."

Initial Issues to Consider

The most important issues include the implementation of systems that increase in accountability and a focus on quality, cost savings, and outcomes. Other issues include the following:

Legal Issues

There are rules in all jurisdictions which determine whether a governmental agency can contract with a private company for government services. The first step in working toward a formal partnership with a private company is to ensure the country, province, state, or local government has the legal right to incarcerate prisoners in a contractually managed prison. In addition, labor contracts may need to be addressed.

Develop Enabling Legislation

Many states and provinces have developed specific enabling legislation in order to guide development and use of private prisons built and managed within their sphere of control. In most cases, the legislation is designed in partnership with those who have a stake in the development of the correctional facility (e.g., state and local governmental leaders, as well as community and business leaders). In some cases, such as in Ohio, legislation was written after the contractually managed prison was constructed to improve understanding of the how state and local governments should function with the prison managers (i.e., state or local governmental partners would have oversight and monitoring responsibilities.)⁵

Transfer of Risk

Something that is very important to the success of a Public-Private Partnership (PPP) is limiting exposure to the government agency through a transfer of risk. This can probably best be accomplished by consulting an insurance broker from the province, state, or local area. The broker needs knowledge of insurance availability for the project and location. It is important to learn, based on actual experience, what liability limits in the geographic region exist and are possible to procure.

Contracting Prison Operations: A Plan to Improve Performance

Risk Control

Inherent risks that cannot be transferred must be understood and evaluated. These risks include political risk (i.e., stability), and economic risk such as high inflation. Another way to improve performance and limit problem potential is the use of established and recognized performance standards and outcome based measures. (See the MTC Institute publication *Measuring Success: Improving the Effectiveness of Correctional Facilities* at <http://www.mtcinstitute.com/publications/MeasuringSuccess.pdf>.)

Financial Considerations

Cost control demands tend to be the issue that likely prompts elected officials to consider a PPP. In the United States (U.S.), elected bodies have generally imposed some threshold of savings that must be attained in order to justify the solicitation and contracting for service. In some cases, such as Michigan and Ohio, the cost savings have been set at a minimum of five percent. It should be noted that when dealing with multi-million dollar contracts, even one percent represents huge potential savings.

The common approach to PPP in the United Kingdom (UK) is the willingness to let the private sector finance the capital debt and for the contract to be between 25-30 years. The process for addressing the demand for beds follows more of a design, finance, build, and operate (DFBO) process whereby funding is provided by the government. These operational contracts are generally 10 years in length.

Cheaper Is Not Always Better

Correctional Contracting for services need to adopt "best-value" selection criteria. "Best-value" is rooted in the simple concept of value—selecting firms to provide services or projects based on qualifications and technical merits, not just on lowest cost—as long as the price is the true value of what is promised. Contracts must include performance measures and build in the level of quality, cost savings, and outcomes expected. Governments are becoming better shoppers, and realize that the best value is not always the cheapest. The more complex the privatization process is, the more important it is to have a best-value selection criterion.

The Bottom Line

A comprehensive review of the research literature regarding contractually managed prisons by the Reason Foundation examined 28 research reports that

compared cost data for private prisons to government-operated facilities. Of those studies, 22 (79 percent) found significant budget savings, conservatively estimated to be between 5 and 15 percent, due to privatization.⁶

Road Blocks Which Impede Progress

Political Considerations

In general, public officials have a genuine commitment to public service. They have a desire to serve the public interest by providing solutions to problems faced by government. Oftentimes, changing the status quo can be an uphill challenge, with some elected officials and government managers invested in how things have always been done. As is the case in choosing any service or product, it is important to obtain information from companies operating prisons to become an informed consumer.

Organized Groups

There are ad hoc and organized groups in every state or province who will lobby diligently and consistently against contracting any government service or function, and prison construction and operation is certainly not exempt from such objections.

Practitioner Considerations

Communication Is Critical to Successful Public-Private Partnership

PPPs communication is generally driven by public policy and politics. In developing a strategy, "everyone" should be involved, including experts in policy, finance, process, construction, and operations; and most importantly, both public and private partners.⁷ In addition, stakeholders from all sides of the issue should have the opportunity to discuss their fundamental beliefs (i.e., opinions and emotions of the voters).

Standards for Incarceration

Guiding principles, goals, and standards have been written by correctional leaders in the U.S. as well as in other countries. Managers subscribe to these guidelines in order to run safe, secure, and professional institutions.

The Contractual Partnership

Once the decision to engage in a PPP has been made, a solicitation for services is the best way to determine

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whether this type of PPP will be beneficial for the state or province. The solicitation must be specific and must tell all prospective bidders the entire ramification of work desired, the length of the contract, and what part the government will play in this partnership.

Statement of Work

The most important part of a Request for Proposal (RFP) is the statement of work. The state or province must ask for the services it needs in as detailed a manner as possible. This includes having the state or province specify the outcomes expected from the prospective bidders, as well as defining how outcomes will be measured and how managers would be incented to ensure there are no failures or omissions.

The Contract

In some instances, a contract is already included in the RFP, and the bidders must accept it as part of their bid. In other cases, the RFP is incorporated by reference and becomes the essential part contract. Both approaches, described in further detail later in the report

have issues, which must be addressed by all parties before and after a contract is signed.

Monitoring

Monitoring is the backbone of a PPP contract. Instances where contracts don't meet performance expectations can often be attributed to little or ineffective monitoring.

Conclusion

One of the best ways to improve efficiency, save money, and increase the value of services purchased is through competition within government. Savings attributed to this competition have been documented and are worth consideration by governmental officials who are interested in maximizing the use of scarce resources, improving the quality of service, and establishing a competitive environment which is accountable and dedicated to continuous improvement.



Contracting Prison Operations: A Plan to Improve Performance

INTRODUCTION

Around the world, contractually managed prisons and related operations are efficiently and effectively addressing the needs of government for professional correctional services. In the U.S., some 34 states and the federal government are contracting for correctional services with private companies.¹ Furthermore, the United Kingdom has an official policy that all new prisons would be commissioned from the private sector. In addition, Australia, Canada (Province of Ontario), New Zealand, South Africa, Germany, France, Japan, Israel, Brazil, and Netherlands, to name a few, have all opened in recent years or will open new private prisons in the not too distant future.²

This publication provides information about the factors that should be weighed when a governmental agency considers privatizing a prison or major prison function. Instituting a competitive government program elevates certain impediments that must be addressed, but delivers the ability to spend ever scarce resources on products and services which provide the best value in the most cost effective manner.

Successful outcomes have resulted in more and more government leaders raising expectations for corrections and using new approaches. Whether the product or service is providing health care, substance abuse treatment, or food service in various institutional settings, or prison construction and management, many government leaders are headed in the competitive direction for the reasons set forth in this policy study.

money. PPPs enable government to contract for specific services (e.g., prison operations, health care, education, substance abuse treatment, food service, and maintenance) and specific outcomes. In these partnerships, government typically derives higher levels of performance, by requiring established outcomes be met.

Terminology such as “public-private partnerships” “outsourcing”, “privatization” or “competitive sourcing” are occasionally used to describe private company involvement in the provision of services for government. A competitive environment is the best option to ensure perpetual performance improvements as well as efficiency, programming, and outcome oriented operation of correctional facilities. This approach will likely provide even greater transparency and accountability, bringing about holistic change to the culture of corrections management.

In every state or province there are groups, both ad hoc and organized, which are typically supported by unions, who will lobby diligently and consistently against contracting facility management or operations, service or function to anyone other than a government employee. They may even promote the notion that profits are not allowable on government contracts. Changes in the direction of government to establish a cost competitive and performance-based approach take strong and purposeful leaders with a willingness to communicate this to the public.

Finally, this report provides a contract oriented checklist and information on successful cost models to help

In the absence of competition, the corrections systems feel only limited pressure to make changes.

Some elected officials are looking for alternatives to ‘business as usual’ and understand that PPPs can be a tool to help address the complex issues. They seek out information, the kind provided in this report, when they find that services provided by government workers are so costly and ineffective that other ways of doing business must be explored in order to stretch the budget or to complete the projects they have promised their constituents.

PPPs create competition between the private and public sector, resulting in a performance oriented atmosphere. In a competitive environment, all staff understand they need to find ways to improve performance and save

elected officials and governments with the strategies, research, and details of how to implement a successful PPP to arrive at a more efficient and effective prison or prison function.

PUBLIC POLICY ISSUES

Performance Oriented Government

Performance oriented government is the concerted effort on the part of responsible government managers to spend their ever scarce resources on products and services which provide the best quality in the most cost effective manner.³ Whether the product or

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service is providing health care or food service in various institutional settings, or prison construction and management, some elected officials are attempting to balance government budgets without cutting services or raising taxes through the use of the techniques described in this report.

Medicaid, education, welfare and prisons continually vie for the lion's share of budgets in many states. In most instances, costs of government services are increasing faster than the revenues. The budgets for most state correctional agencies either rival or surpass all other human service agencies. As an example, in the Michigan 2004-5 budget, the Department of Corrections spent more than \$1.7 billion from the state's general fund, or more than 20 percent of the state's general fund revenues, to incarcerate 49,000 prisoners and pay 19,000 employees.⁸ Each dollar spent on prison management is one dollar less for K-12 education, higher education, medical treatment, or child welfare.

Kevin Flynn, in the *Rocky Mountain News* on October 19, 2005, reported that, "Colorado's prison population has more than doubled in 10 years....Twenty years ago, running the state prison system took 2.8 percent of the state general fund. This year, it's taking 8.6 percent of that pie."⁹

The dilemma of how to spend tax dollars most effectively was the impetus in Arizona several years ago behind the establishment of the Governor's Office of Excellence in Government. A competitive government environment is a management tool which enables the state agencies to better meet the needs of their customers by lowering costs, improving service, and ultimately re-focusing the state on those few services that only the government can provide.¹⁰

Competition in government has been cited by Geoffrey Segal, Director of Government Reform, Reason Foundation,¹¹ and David Osborne as one of the ways to save money and increase value of the product or service purchased.¹² James Blumstein and Mark Cohen also posit that competition in government caused by the mere presence of private prisons in a state will eventually generate cost savings in the public prisons as public managers emulate the conservative fiscal processes adopted by the private corporation.¹³

In a February 2005 report entitled *Priority Colorado*, the Reason Foundation and the Independence Institute

think tank urged the state of Colorado to increase contracting with private companies as a cost saving measure. "As a rule of thumb, competition can typically lower costs 15-30 percent while maintaining or improving service levels—and that is key to the challenges Colorado faces," the report said.¹⁴

Decisions need to be made based on the facts and the value of competition on all aspects of government. When the government competes, efficiencies are found and programs and costs improve. While many have done so already, why then haven't more government leaders jumped on the performance driven PPP bandwagon? What are some of the pitfalls a state will face when the decision to privatize has been placed on the legislative agenda, and what can a state do to find the most cost effective path in building and operating prisons? These questions and others are addressed in this policy study.

Contracting for Prisons—A Viable Strategy

Contractually managed prisons save money—both the building and the operation of prisons across the country have saved government time and between 5-20 percent per year for the project over the life of 4-10 year contracts.⁴ A report from the Allegheny Institute found that Delaware County in Pennsylvania had a total savings from private construction, private management, and debt service of \$64 million over seven years.¹⁵ Such savings require careful contracting, consistent monitoring, and a willingness of government to work with private corporations as a true partner. Working with a private partner:

- Enables the government to contract for specific services and outcomes. Government pays the private corporation when the outcomes are met and can assess penalties for not operating in a manner consistent with the contract.
- Creates an atmosphere of healthy competition between the private and public sector. Public employees are now competing not only based on skill and ability, but also based on how cost effective they can become. The private sector is also challenged to demonstrate "best value."

Initial Issues to Consider

Legal Issues

Whether you call PPP "outsourcing", "privatization" or "competitive sourcing", there are rules in all jurisdictions which determine whether a governmental

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agency can contract with a private company. The first step in working toward a formal partnership with a private company is to ensure the country, province, state, or local government has the legal right to incarcerate prisoners in a contractually managed prison. In addition, labor contracts may need to be addressed.

The government has the sole responsibility to determine whether an individual has violated a law, and if so what the penalty should be. However, there has been no intrinsic legal requirement, at least in the American Constitution, which states that penalties such as prison terms must be served in a public jail or prison, and not in a contractually operated prison.

A review of U.S. state statutes reveals that some states have permissive language concerning PPPs, some states have explicit reservations concerning such partnerships, and in many states there is no legislation either enabling or prohibiting such action. In some instances, the chief legal authority in the governmental entity (e.g., Attorney General) can be called upon to issue a legal opinion regarding PPPs.

A study completed by the Fraternal Order of Police showed no legislation either enabling privatization or forbidding it in Australia, Netherlands Antilles, New Zealand, Scotland, and South Africa.¹⁶ England, where public-private prison projects exist, and Israel, who just recently awarded a contractually operated prison project, have legislation which permits such contracts.¹⁷

While governmental entities have enacted some restrictions on PPPs for incarceration, such as forbidding the private corporation from releasing or pardoning an inmate, only some heavily unionized states even entertain legislation that would prohibit PPP altogether. Most elected officials are open to PPPs as an opportunity to improve the efficiency of government and more effectively direct the flow of tax revenues.

Development of Enabling Legislation

Many states and provinces have developed specific enabling legislation in order to guide development and use of contract prisons built and managed within their sphere of control. In most cases, the legislation is designed in partnership with those who have a stake in the development of the correctional facility (e.g., state and local governmental leaders, as well as community and business leaders). In some cases, such as in Ohio, legislation was written after the contrac-

tually managed prison was constructed to improve understanding of the how state and local governments should function with the prison managers (i.e., state or local governmental partners would have oversight and monitoring responsibilities).⁵

Legislation can clarify a number of important elements of prison operations and guide the effective implementation of contracting for success. The most critical elements would include but not be limited to such components as:

- Establish agency responsibilities;
- provide solicitation guidance (i.e., best value) and methods for the selection of contract partners, including the prioritization of selection factors;
- direct the use of professional standards and outcomes with reporting and accreditation requirements;
- determine an evaluation process and the factors that determine success;
- determine, in partnership with stakeholders, a cost savings model and thresholds;
- provide direction on the monitoring of all prisons;
- provide liability protection thresholds;
- guide facility acquisition guidelines; and
- set parameters of the financial terms and length of contract.

The State of Oklahoma has a thorough enabling statute which not only includes requirements for the state contracting with private corporations, but also requirements for private corporations who build prisons in Oklahoma for non-Oklahoma inmates. The Oklahoma Department of Corrections (DOC) Web site has extensive information not only on legislation but also on cost comparisons which show that the prisons operated by private corporations operate more economically than do public facilities.¹⁸ The Oklahoma cost model is also cited as providing an "...exemplary analysis of overhead costs..."¹⁹

Transfer of Risk

Something that is very important to the success of a PPP is limiting exposure to the government agency through a transfer of risk. This can probably best be accomplished by consulting an insurance broker from

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the province, state, or local area. The broker needs a knowledge of insurance availability for the project and location. It is important to learn, based on actual experience, what liability limits exist in the geographic region and are possible to procure.

Another critical element of a successful initiative is a method to assure performance of one or more of the partners and their subcontractors. This usually takes the form of a Performance Bond. In some international communities, governments may wish to allow an irrevocable letter of credit from a bank for such protection. However, a letter of credit "typically does not guarantee sufficient funds to complete the project; administer contract completion; or assure that rightful claims by subcontractors, suppliers and laborers will be paid."²⁰ Often a Performance Bond of up to 25 percent of the annual contract value will provide adequate protection without the extra costs of a greater percentage, excluding construction contracts where a 100 percent bond is typically desired.

Risk Control

Inherent risks that cannot be transferred must be understood and evaluated. These risks include political risk (i.e., stability), and economic risk such as high inflation. In some locations (e.g., Arizona), departments of corrections have contractually insulated themselves from liability exposure for most issues excluding those

are also sharing medical costs above a set threshold or accepting costs above a preset threshold. This effectively addresses the risk associated with catastrophic health problems. An entity can also mitigate medical risk through the use of professional standards such as those employed by the National Commission on Correctional Healthcare (NCCHC at <http://www.ncchc.org/>) or the Joint Commission on Accreditation of Health Care Organizations (JCAHO at <http://www.jcaho.org/>). It is important to review for inclusion the standards of care and medical protocols and the development of a specific formulary for physicians to use when writing prescriptions for pharmaceuticals.

In the final analysis, it is inevitable that there will be those items that can not be completely controlled. Partners must be aware and evaluate these, planning accordingly to address them.

Financial Considerations

Cost control demands tend to be the issue that likely prompts elected officials to consider a PPP. In a recent book entitled *Measuring Prison Performance: Privatization and Accountability*, discusses fundamental issues related to cost comparisons asking, "How many taxpayer dollars are currently spent?" and "How many taxpayer dollars would be devoted when the services are provided through a contract?" "If an alternative scenario appears to be less expensive than the status

"Best Value" means a value determined by objective criteria that may include, but is not limited to, experience, functions, features, life cycle costs, price, and other criteria deemed appropriate by the agency.²³

where a court finds fault with agency policy. Another way to improve performance and limit problem potential is the use of performance standards. The MTC Institute published a report²¹ that provides a roadmap for establishing a formal structure of accountability through firmly recognized outcomes. The American Correctional Association (ACA) and the Association of State Correctional Administrators (ASCA) have also been developing performance/outcome standards. All should be reviewed for applicability and inclusion.

Several other risk control strategies are dependent on the jurisdiction and legal requirements. Properly developed contracts generally include indemnity and hold-harmless clauses. Some government agencies

quo (and of acceptable quality), the money saved could be returned to citizens for other uses."²²

The common approach to PPP in the United Kingdom (UK) is the willingness to let the private sector finance the capital debt and for the contract to be between 25-30 years. Their process for addressing the demand for beds typically have followed a design, finance, build, and operate (DFBO) process whereby funding is provided by the state. These operational contracts are generally 10 years in length.

A benefit of a private finance initiative in the UK is the due diligence on the contract by a second or third

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party (e.g., the banks and the construction partner). This allows for greater protection of the funding stream which will always protect the debt payment from performance failures. The initiative can then be backed up by parent company guarantees that are often based on 150 to 250 percent of the annual operating revenues.

What is also common in the UK market is that each member of the consortium is likely to be an equal equity partner with the combined partnership assuming 10 percent of the debt. This provides a return on the project to all partners and also allows the debt potentially to be sold for up to 3-4 times its original value. However, this approach may escalate the costs associated with these arrangements.

Given the savings that are required, studies of PFI projects in the UK would suggest that the private sector can deliver savings to government in the region of 50 percent of over the life of the DFBO project. This includes construction, operations, and an improved delivery time of projects.

In the U.S., elected bodies have generally imposed some threshold of savings that must be attained in order to justify the solicitation and contracting for service. In some cases, such as Michigan and Ohio, the cost savings is set at a minimum of 5 percent. It should be noted that when dealing with multi-million dollar contracts, even one percent represents huge potential savings. In the U.S. federal system, "A contract award is made to the responsible bidder whose bid, conforming to the Invitation For Bids, represents the best value to the Bureau of Prisons, considering only price and price-related factors specified in the Invitation for Bids."²⁴

The decision to enter into a public-private venture to build and manage or just manage a prison should be based on the "best value."

Cheaper Is Not Always Better

Correctional contracting for services needs to catch up with best practices of privatization of other services nationwide by adopting "best-value" selection criteria. "Best-value" is rooted in the simple concept of value—selecting firms to provide services or projects based on qualifications and technical merits, not just on lowest cost—as long as the price is the true value of what is promised. Governments are becoming better shoppers, and realize that the best value is not always

the cheapest. Simply selecting the cheapest alternative assumes all other things are equal, which they rarely are. The more complex the contracting process is, the more important it is to have a best-value selection criterion.

When the goal of contracting is a mix of cost savings and other objectives, best-value procurements still allow all factors to be weighed appropriately when making the decision. Policy-makers now recognize that with contracting they are often buying something different from the services traditionally provided in-house. Best-value selection allows these differences to be properly weighed in context of desired outcomes.²⁵

The simple computation of taking the per diem per prisoner cost of running a public prison; subtracting 5-7 percent (whatever is required by state or provincial law) and telling the contractor, "This is the per diem we will pay", underestimates the indirect or unavoidable costs. These costs include such items as administrative costs, salaries of governmental employees who monitor the contract, those who determine classification and time computations, and those who hear prisoner disciplinary cases as well as costs associated with debt service, land, buildings, and construction.

Examples of costs analyses from the Federal Bureau of Prisons (e.g., Taft Correctional Institution) and others organizations can be found in Appendix A. It can be observed that the governmental entities have calculated cost comparisons using both direct and indirect costs to truly compare private and public prison costs. It has been recommended that "...Both agency and commercial source cost analysis shall be based on the same scope of work and the same level of performance. A precise work statement with standards that can be monitored shall be required."²⁶

Except in a few specific instances where identical prisons were designated as publicly run and contracted for comparison sake, it is a rare case where public prison facilities and systems don't undergo changes in operations, classification of prisoners incarcerated, and program offerings, many in the same fiscal year. Any change in the aforementioned façade of the prison will change the per diem cost per prisoner in the public prison and this is rarely calculated even at the end of the fiscal year. Meanwhile, contractually managed prisons are required to provide cell space at a fixed price for the term of the contract for customer specified classification of prisoners and also to provide

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programming even if the cost of such programming increases, unless there are mechanisms for cost adjustments.

In some instances, such as in Hawaii, the state has determined that it would be in the state's best interest to provide the land where the new facility would be built. In an August 16, 2006 article in *The Garden Isle*, Lt. Governor James "Duke" Aiona called for PPPs to provide traditional facilities to drug and alcohol offenders. Included in the Lt. Governor's message regarding the importance of treatment and rehabilitation was the idea that the state could provide land for such facilities to be developed by private providers. The Association of Private Correctional and Treatment Organizations (APCTO) responded acknowledging the fact that high land cost in the island state does limit private development and suggesting to the Lt. Governor that APCTO members would be willing to explore a program such as the one he described.

Finally, detractors from PPPs rarely discuss indirect benefits to the community and additional revenue that a PPP brings to a state or province (e.g. property and corporate taxes). The indirect benefits include the economic spin off from the purchasing policies to buy locally; contribute to the local charities, schools, and sports associations; and general goodwill. In states where private businesses are taxed on the value of their property, this is a benefit that a public prison will never give back to the state. In Michigan, the GEO Corporation operating the Michigan Youth Correctional Facility paid more than \$1 million in total property taxes each year of their contract to state and local governments.⁸ These benefits to the state are typically never acknowledged by the anti-privatization lobbies.

The Bottom Line

A comprehensive review of the privatization literature by the Reason Foundation examined 28 research reports that compared cost data for contractually managed prisons to government-operated facilities. Of those studies, 22 (79 percent) found significant budget savings, conservatively estimated to be between 5 and 15 percent, due to privatization.²⁷

Governmental agencies often maintain prison programs because the public is used to seeing and funding what has been and opposed to "what could be." It is typically through the private sector that governments can try innovative programs and can assess the outcomes. Research and design that come from the

private sector can be implemented quickly in a PPP and evaluated as delivered. The best of programs can be assimilated into the public sector by emulating what the private sector has developed.

ROAD BLOCKS WHICH IMPEDE PROGRESS

Political Considerations

In general, people who run for and are elected to public office are those who have a sincere commitment to public service. They seek to serve the public interest by providing solutions to problems faced by government. Often, changing the status quo is an uphill challenge, with some elected officials and government managers invested in how things have always been done.

Public-Private Partnerships has tended to be a controversial method of doing business. However, over the years the operation of hospitals and schools, as well as with other services (e.g., janitorial services in public buildings, courier services, garbage pickup and Just in Time ordering and delivery of office supplies as opposed to state warehousing), officials have come to understand that only a few services have to be performed by government, enabling the redirection of millions of dollars of taxpayer provided resources. What began as a controversial move in state government is now accepted as good fiscal practice.

It is important to obtain information from companies operating prisons to become an informed consumer. The good news is that there are experts from the business community and successful operators of contract prisons who are willing to provide testimony and to assist elected officials in making informed decisions. This information is usually sought out after officials find that services provided by government workers are so costly and ineffective that other ways of doing business must be explored in order to stretch the budget or to complete the projects they have promised their constituents.

Legislators must also be aware that some government employees, who are fearful of change, may openly seek to dissuade legislators of this option or may work to undermine efforts to seek cost effective PPPs.

With performance standards and outcomes as the guide, elected officials who want a performance-oriented government will listen objectively and seek

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creative ways in which to accomplish the greatest good for the greatest number of constituents in the most economical manner. In the past 20 years, many PPPs have resulted in the construction and operation of contractually managed prisons, saving millions in tax dollars.

Organized Groups

In every state or province there are groups, both ad hoc and organized, who will lobby diligently and consistently against the contracting of any government service or function. This is particularly true when the government function is the construction or operation of prisons.

Whether their agenda is protection of benefits and jobs, a long held belief that a private company can not constitutionally perform certain government functions, or the fear that shareholder interests will trump the interest of the state, these groups will rally against contracting services and will publicize any fault or failure of the private corporation, but not those occurring in the publicly operated prisons.

In an opinion published March 12, 2006 in the Inland Valley Daily Bulletin (Ontario, CA), Renford Reese, Ph.D., associate professor in the Political Science Department at Cal Poly Pomona University, related "The California Correctional Peace Officers Association is self-interested. The CCPOA is the primary engineer behind California's hyper-punitive corrections policies. No other entity is responsible for constructing so many tough-on-crime policies. In fairness to the CCPOA, it is in their interest to advocate incarceration over drug treatment programs and punishment over rehabilitation. From their perspective, it makes sense to advocate for policies that maintain high recidivism rates rather than reducing them. They preserve their jobs and maintain an important function in society by incarcerating individuals. From a big-picture perspective, however, society is not benefiting from their selfish motives."²⁸

In Arizona for instance, the median wage for Corrections Officers is \$34,000 per year.²⁹ Arizona is a non-unionized state. Median wages for Corrections Officers in Michigan and Minnesota, both unionized states, are \$37,200 and \$37,800 respectively.³⁰ However, the biggest jump in union supported wage increases for corrections officers can be found in California. In 2006, a top-scale rank-and-file correctional officer in California currently is paid an annual base salary of

\$71,496, which includes pension coverage, according to the DPA. Health benefits and physical fitness, education and seniority incentives can add \$16,000 to the overall officer compensation package.³¹

In dollars and cents, the spread between unionized wages and non-unionized wages may begin to explain some of the fiscal problems of California and Michigan.

Union contracts, with their tight delineation of job specifications and requirements of "bid positions" and "bid days off," have circumscribed prison managers from utilizing the workforce in the most cost effective ways. Finally, defined benefit pensions along with accelerating health care costs are sending state governments further into debt.

Other groups who typically bring pressure on state governments to refrain from any contracting efforts include anti-privatization organizations, community justice initiatives, and victim rights groups and citizens advisory committees.

PRACTITIONER CONSIDERATIONS

Communication Is Critical to Successful PPP

The communications strategy for a PPP tends to be driven by public policy and politics. In developing the strategy, "everyone" should be involved, including experts in policy, finance, process, construction, and operations; and most importantly, both public and private partners.⁷ Stakeholders from all sides of the issue should have the opportunity to discuss their fundamental beliefs (i.e., opinions and emotions of the voters).

It is also clear that a communications plan should take into account several vital components. The time horizon on good public policy is generally longer than the time horizon of the politician promoting it. As a consequence, incremental steps should be developed that lead to the outcome desired. The benefits of such public policy also need to be laid out so as to counter the more vocal stakeholder groups who may oppose the project. Finally, the plan should identify the risks of the public policy and lay the groundwork of risk transfer to the entity best able to manage it.

In addition, it is vital that third party support and validation be located. This requires many meetings

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and vetting of the public policy initiative. Ultimately, securing supportive quotes from the local Mayor, Commissioner, Chief of Police or other official is very important in the early stages and with long-term relationships that will sustain the project through the tough times.

The strategy then should address the benefits to the taxpayer of government partnering with the private sector. It is important that the strategy take into account the need to be working with members of the media to present the positives of the good public policy plan before the opponents get their negative messaging out.

Overall, constant communication with stakeholders and media representatives keeps all involved abreast of developments and diffuses efforts at negative portrayals of the policy initiative. Using notable public figures to speak up for the policy gives it credibility and substance, as well as local commitment which is critical to short and long-term success.

Standards for Incarceration

Correctional leaders in the U.S., as well as in other countries, have written guiding principles, goals, and standards to which managers have subscribed in order to run safe, secure, and professional institutions. The American Correctional Association has published written standards and has accredited institutions which have fulfilled these standards.

In 2004, new standards were formulated for Australian correctional facilities and community corrections. Unlike public prisons, where adhering to professional standards is not a requirement for remaining open and functioning, private contracts for institutional management usually contain requirements that the contractually operated prison receive accreditation from either the International Organization of Standards (ISO) or the relevant standard bearer (e.g., ACA, NCCHC, JCAHO, and Correctional Education Association) within two to three years of the initiation of the contract.

All correctional facilities and assigned staff, public or private, should be accountable to a standard set of performance measures. This policy will enable the identification of successful facilities and systems. If the entity uses performance-based budgets, they can provide incentives for positive results and fiscal sanctions for poor performance, including replacement of

the warden and organizational entity who fail to meet specified outcomes. Unfortunately, unions do not desire and usually lobby against performance-based operations.

The Contractual Partnership

Once the governmental entity has determined to engage in a PPP, a solicitation for contracted services is the best way to determine whether this type of arrangement will be beneficial for the state or province. The solicitation must be specific and must tell all prospective bidders the entire ramification of work desired, the length of the contract, and what part the government will play in this partnership.

INDICATORS OF A SUCCESSFUL CORRECTIONAL FACILITY

The MTC Institute published a report entitled *Measuring Success: Improving the Effectiveness of Correctional Facilities*.²¹ The report provides a roadmap for establishing a formal structure of accountability through firmly recognized outcomes. The foundation of a successful prison is described through four dimensions:

FOREMOST, a successful prison will keep each staff and offender out of danger, while ensuring that risk of escape is eliminated. Staff must install and maintain safeguard measures to eliminate contraband that would detract from the safety and security objectives.

SECOND, the environment must provide a quality of life which meets the medical, dental, mental health, shelter, nutritional, and clothing needs of the inmates.

THIRD, in support of the purpose of the prison, the facility and staff must provide programs that work and move the inmates to a point where they can successfully reenter society upon release and stay employed.

FINALLY, management must provide a stable, trained staff. Prison management oversight must ensure that facilities, based on a set of rules, are operated fairly. Prison administrators must also be accountable for monitoring the efficiency and effectiveness of operations to ensure that tax dollars are spent wisely.

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Solicitations, or forms of solicitations, are called by different names and require different responses.

The Expression of Interest (EOI) has been used by such entities as the government of Australia as an advertisement for possible services needed or to create a short-list for an Invitation to Bid. Firms who respond to an EOI typically must submit company information and previous experience (service description, size and type of contracts previously completed with governmental agencies) to a procurement officer. The EOI does not constitute a solicitation, but rather a method of finding out the available companies who provide such a service if and when the service is needed.

The Invitation to Tender (IT) identifies a particular project to be completed, generally by a private firm, and the government calls for tenders, or sealed bids which name the price to do the job.³⁰ After the deadline, the government opens all the tenders. In the U.S., this process is often called an *Invitation to Bid (ITB)*. In some cases, the IT or ITB processes have been used for a very specific service which cannot be changed or altered; and because the selection is based on who provides the lowest cost, this method is also not recommended for prison management selection.

The Request for Proposal (RFP) asks for bids on a specific project. The RFP not only asks for a price to do the work, but usually asks for: basic corporate information, financial information, and corporate history. Requests for Proposals can include design, build, operation, and financing for a new prison. An RFP which includes prison management, generally includes an extensive Statement of Work which requires the company to provide an overall rationale for the company's submission, name, and how the requested work (i.e., staffing, operational policies, performance guarantees, details on all departments, food, medicine, education, outcomes, insurance benefits, etc.) would be performed as well as comparable work in other states or provinces.

As PPPs have evolved in corrections, Statements of Work have become more complex, especially as governmental agencies understand that they need to articulate the services desired, which in some cases includes process standards and performance-based measures. This type of offering allows the manage-

ment company to put forth their operational management style and to tell the government agency, in some cases through oral presentations, exactly how they would accomplish the project in the most cost effective manner.

In many cases, the RFP for prison management also incorporates a Design/Build component in the solicitation. Innovative designs for prisons use of the latest technology to provide for staff and offender safety and security, as well as reduce required staffing and attendant long-term costs. Some government entities have taken advantage of the financing developed by private firms for prison projects, by acquiring an equity interest in the prison through a portion of the daily per diem payments. This leads to government ownership at a specified point in time and avoids the huge one-time, multi-million dollar impacts on the budget, typically required to build a publicly funded correctional facility.

Statement of Work

The statement of work is the most important part of the RFP. The state or province must ask for the services it needs in the most explicit manner. If it is essential that this prison follow all agency regulations and policies, this must be clear from the beginning. The state or province must specify the outcomes expected from the private company and the RFP must define how outcomes will be measured and what will be the penalty for failures or omissions. The U.S. Federal Bureau of Prisons successfully uses financial incentives to encourage the contractor operating the Taft prison to perform at levels which exceeded desired outcomes.⁴ The prospective bidders must be made aware of the type of monitoring the government will be providing and whether the bid must include the cost of such monitoring.

All correctional facilities within an agency should use a standard set of criteria to spell out performance expectations which should allow measurement across the system. Through such an approach a governmental entity can determine which facilities perform well in safety, security, offender quality of life issues, reentry preparation, and management. It would then be possible to identify those facilities or programs that provide the best value and successful correctional programs.

If there are laws which impact staffing a prison, such as the prohibition of hiring ex-offenders, these should

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be noted in the RFP. Additionally, the fact that the private corporation may not administer the prisoner disciplinary process or compute release dates, should be clearly stated so that the corporation can prepare its submission with these items in mind. In short, all information that is relevant to the operation of this prison must be given to prospective bidders.

Over the years, states and provinces have also found it important to clearly outline what the government will consider successes, how outcomes will be measured, and what deliverables are expected. It should be no secret what success must look like in this PPP. Agreements can provide incentives for exceptional work, but should specify accomplishments such as certain numbers of inmates obtaining an educational certificate (e.g., GED or similar educationally-based program, vocational training certificate, or completion of a substance abuse program). In future cases, one of the measurements of success should be the reduction of recidivism among the inmates who are released.

Additionally, there will always be a public concern for insulating the state or province. Indemnification of the entity by the successful bidder reduces the potential financial exposure to liability. There can also be set forth in the contract a response to mistakes that are made, in the form of penalties or table of liquidated damages. These items should be included in the RFP so that the prospective bidders are put on notice of the costs for mistakes up to and including the cancellation of the contract, which should also be used in publicly operated prisons.³²

The Contract

In some RFPs, a contract is already included which the bidders must accept as part of their bid. In other situations, the RFP is merely attached to the submission and this becomes the contract. The problem with including a contract in the RFP is that this is a document which has not been negotiated between two parties but is unilaterally thrust upon the bidder. A concern with attaching the RFP to the submission is that there can often be differing opinions on how a particular situation is to be administered throughout the life of the contract with no definitive answer.

It is strongly suggested that once the governmental entity selects a bidder, the RFP and the best and final bid proposal be combined into one comprehensive document which will become the contract between

the parties. This document contains the requirements of the government as well how the private contractor will provide for these requirements, and is then signed by each partner as understood and agreed upon by both parties.

This is particularly true if the contract is going to specify performance objectives and required outcomes. There can be no room for misinterpretation if the governmental entity desires particular outcomes and objectives.

Monitoring

If the contract is the heart of the PPP, then monitoring is what gives life to the contract. One of the most important reasons why contracts don't perform as well as expected is that there was little or ineffective monitoring. Ineffective monitoring can lead to disagreement on quality of performance between the partners and ongoing issues requiring resolution which can damage relationships and detract from contract performance. In addition, acting as if the monitor is running the institution or "over monitoring" can also lead to problems within the partnership.

David Bachman gives a succinct definition of contract monitoring:

A comprehensive concept of monitoring as is envisioned in this presentation is much more complex than simply "inspecting" the facility for deficiencies. A great deal of emphasis must be devoted to determining the monitoring standards; developing the monitoring documents; selecting and training monitors; and developing a plan for carrying out the monitoring function. All of these activities must be coordinated with and included as a part of the overall management of the privatization process.³³

The monitoring process cannot be an afterthought. The process, and hopefully the monitor, will be included in the preparation of the RFP, the bid, submission, and the selection process. If this cannot be arranged, the monitor should be an integral part of the construction of the contract so that he/she fully understands what the government expects and what the contractor is willing to deliver. This is the reason why the Statement of Work must be as specific as possible so that all parties are aware of the standards by which the contractor will be measured.

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Performance standards and outcomes must be realistic and attainable. What can reasonably be expected from the vendor based upon the nature, scope, and financial constraints of the contract? If expectations are established which cannot realistically be attained, then the monitor is faced with the question of which parts of the contract the vendor is really expected to accomplish.³³

Depending on the mission and goals established by the governmental entity, standards and monitoring activity should be included in procurement documents and evolve from these guiding documents. They should follow a regular observation protocol and be reported to agency management.³³

If the goal of the governmental agency is to seek innovative ways of managing, programming or lessening recidivism rates, then the vendor should be incentivized to be innovative and may even be measured by different expectations than exist for public prisons. The governmental agency can prescribe certain performance outcome measures which are spelled out in the agreement and the monitor will then validate whether these outcomes and process standards have been achieved.

It is recommended that a monitor(s) be based on site full-time. This way, the monitor can inspect the facility at all times, talk with staff and prisoners and be ready to intercept problems before they become contract violations. A trained corrections veteran (i.e., monitor) can interact with prison managers to make certain everyone understands the standards and how they are to be accomplished. The monitor becomes an essential part of the management team and attends key staff meetings.

Most contract prisons have full-time daily state monitors on site. Of the 91 contracts studied by Abt Associates for the U.S. Department of Justice, all contracts had monitors assigned with 52 percent mandating daily monitoring and 23 percent mandating regular monthly visits. The remaining 25 percent of contracts specified quarterly visits or other forms of monitoring.³⁴ Monitors are in a great place to observe innovative approaches and business techniques which can greatly benefit other state or federally operated prisons.

The monitor should evaluate every section of the contract by doing periodic reviews on a routine basis and reporting his/her findings to the agency head. The contractor should understand that the monitor will verbally and immediately report any deficiencies affecting the health, life, or safety of staff or inmates.³³ This is particularly important so as to shield the government from vicarious liability in any civil suit brought against the contractor by prisoners or their own staff.

It is important to anticipate that challenges will arise in administering a prison management contract which cannot be easily remedied through a discussion between monitor and contract manager. Although all contracts contain cancellation clauses, such drastic measures are not advised for day-to-day mishaps. For this reason, it is advised that intermediate sanctions such as withholding some of the monthly payment or use of a table of liquidated damages be included in the RFP and in the contract. Withholding monies for failures on the part of the operator is an effective way of managing the contract without constant threats of cancellation. Those states which have used this method report it to be successful in getting the vendor's attention and resolving problems early.

CONCLUSION

The Arizona Competitive Government Handbook summarizes the benefits of considering PPPs.

The focus of the program is NOT solely the outsourcing of services; rather, the emphasis is on more efficient operations, whether provided by the state or by a private vendor.¹⁰

This handbook notes six benefits of competitive government which any governmental entity should consider when determining how best to allocate scarce resources:

- A competitive environment,
- Increased flexibility,
- Cost savings,
- Improved service quality,
- Increased efficiency and innovation, and
- Optimization of government.

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Studies cited in this monograph have demonstrated that the existence of PPPs in prison building and management have stimulated public prison managers to find more economical ways in which to do business. The presence of contractually operated prisons in a state with a performance-based contract and monitor supported arrangement is thus a win-win situation.

PPPs can provide the state or province with new methods of programming heretofore untested or unapproved by strict union contracts. In the cases of construction, PPPs have proven to be successful in building faster and more economical than the usual methods employed by public entities.

Well monitored contracts which have specific outcomes can produce high quality results. Contracting a governmental service out doesn't mean that the state can stand back and let the contractor operate without monitoring. The partnership means that both the op-

erator and the state are working together to put forth the best result. It is in the best interest of the operator to continually strive to please the contracting agency. Both parties should share innovations that improve performance or reduce costs.

Competent private sector firms will seek to increase their business by pleasing their customers. Contracts which fail generally show an underlying disinterest on the part of the government agency as well as mishaps on the part of the contractor.

It is competition in government which is one of the best ways to improve efficiency, save money, and increase the value of the services purchased. These savings have been documented and are worth consideration by governmental officials who are interested in maximizing the use of scarce resources, improving the quality of service, and establishing a competitive environment dedicated to continuous improvement.

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APPENDIX A

Examples of Private Prison Cost Analyses

U. S. Department of Justice (USDOJ)

The Cost of Contracting for Prison Operations at the Taft Facility⁴

"In July, 1997, the Bureau of Prisons signed a ten-year contract with the Wackenhut [Geo] Corrections Corporation to operate the Taft facility. Although the government and the firm agreed to a fixed price for each of the ten years, there were provisions for incremental payments if the inmate population rose beyond a predetermined level, and other provisions existed for bonuses ("award fees") that could be paid by the government to reward performance that went beyond mere contract compliance."

"The total cost of contracting for prison operations at the Taft facility includes these and other costs born by the government. Specifically, the total cost is the sum of the following:

- The price charged by the contractor and paid by the government to perform the required work,
- Adjustments for deductions against fee, if any,
- Payments of incentive or award fees, if any,
- The costs to government of administering the contract, and
- Any additional costs by the government that would be avoided if the operation of the facility had not been contracted."

"Offsetting these costs to the government are federal income tax revenues, if any, paid by the contractor. Thus, the net cost to the federal government equals total payments by the federal government minus total federal tax revenues. Revenues paid to state or local governments (sales taxes, for example) are ignored in A-76 analyses because OMB is focused on costs/revenues to the federal government, even though they might reasonably be included in a broader accounting of costs and benefits of contracting."

Abt Associates Inc. conducted the study for USDOJ of the contract awarded to the Geo Group Inc. in 1997. The contractor was to manage and operate a new government-owned, low-security, 2,084-bed correctional facility in Taft, CA. The findings listed in the study indicated that the contract saved the taxpayers between \$9.6 and \$16.5 million, or between 6 and 10 percent, compared to estimated government costs to operate the same facility.⁴

Ohio Department of Rehabilitation and Correction (ODRC)³⁵

The ODRC uses a sophisticated model that includes program specific costs. Staffing is based on ODRC requirements to staff the unit, which are mandated in the solicitation. Assumptions, based on agency history, are that 30 percent of ODRC staff who would work at the [contracted] facility would be transfers or promotions. Costs by job classification are computed at the State pay ranges and benefit cost.

Utilities were computed based on estimated usage and applicable local rates. Electricity and natural gas usage were estimated per square foot of the building based on selected similar institutions, adjusted based on local climate conditions. Water and sewer were estimated per inmate based on ODRC experience.

Supply, equipment and service expenditures at ODRC institutions were averaged to obtain a per inmate cost by cost center at similar ODRC facilities. Statewide ODRC indirect administrative costs are adopted from the most recent departmental cost reports. Inflation is added as per direction from the Ohio Office of Budget Management. Meal costs and food purchases are adjusted based on the Federal School Lunch Program and farm products supplied to similar institutions. Medical and mental health service costs are based on an average per inmate adjusted based on the nature of the inmate population. Program costs are estimated based on costs for services, supplies, equipment and indirect costs equivalent to similar ODRC facilities.

Prison performance is observed and evaluated through on-site monitoring. All cost data are regularly reviewed by a select committee of Legislators, to ensure mandated savings of a least 5 percent are obtained.

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Oklahoma Department of Corrections (ODOC)

The accounting processes used by the ODOC are cited in *Measuring Prison Performance: Government Privatization and Accountability*, as a template on how to calculate overhead costs.³⁶ The publication points out that savings should be derived from the avoidable costs and that overall common dimensions are needed. Anticipated agency budget expenditures should be separated by avoidable and unavoidable costs. The objective is to create an equitable allocation of costs between the public and private providers. Noting facility differences, it is necessary to adjust for size of inmate population, local cost of living, amount and type of inmate programming, unique operations performed, any income earned, and taxes paid by the private contractor which are not paid by the public facility. Finally, there must be a mechanism to address the cost for land, buildings, and improvements.

Regarding overhead costs, the template calls for costs for central functions (e.g., director's office, transportation, etc.) to be allocated to both the public and contractually managed prisons. A calculation derives a private sector share of overhead costs (i.e., factor). To determine the public facility overhead costs, total agency overhead is divided equitably to each prison to obtain a public prison overhead cost factor (i.e., percentage).

Fully allocated public sector overhead cost = (public facility uniform overhead factor) × (operating costs).

Private sector facility overhead cost is determined by multiplying the overhead cost factor assigned to a public facility times the unavoidable overhead.

Private sector overhead cost = (private sector overhead factor) × (public facility uniform overhead factor) × (operating costs).

Canada

Ontario Ministry of Community Safety and Correctional Services

The Ontario Ministry of Community Safety and Correctional Services completed a cost analysis in March 2006 to compare costs of two identical facilities, the

contractually operated Central North Correctional Centre (CNCC) and the publicly operated Central East Correctional Centre (CECC). The analysis examined the following:

- Pre-operating costs (i.e., start-up which includes furniture, equipment, staff training and commissioning, transition and procurement)
- Total operating (direct and indirect) costs and available inmate places (i.e., capacity utilization) which provided an operating per diem cost of housing inmates at both facilities.

The costs of the 2004/05 comparison year were assumed to represent a steady-state (i.e., fully operational) normalized year for both facilities. To illustrate the savings the Ministry would have experienced over the five-year period, CECC's costs were adjusted by a 3 percent inflation factor. CNCC costs were held constant over the same period due to the nature of the fixed price services agreement.

The Ministry analysis in the Pricewaterhouse Coopers (PWC) report (not yet released) pointed out that a savings of approximately \$22.5 to \$23.0 million over a five year period occurred through the use of contracted management. The PWC report also projected that an additional \$11 million will be required of the Ontario taxpayers for the government to assume control and operate the prison over the next five years.

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APPENDIX B

Suggested Checklist for Elected Officials, Corrections Officials, and Practitioners

Legal

- The Constitution of county, state, or province should be silent or permissive.
- The legislation of country, state, or province should preferably articulate how a competitive government program should work and require the department of corrections to articulate how they will implement the law.
- The legislation is either permissive or does not specifically preclude the building, owning, or operating a prison by a private corporation.
- Legal support/approval is needed to initiate and/or complete the project.
- There is legal support for the action desired or contemplated regarding financing.
- All other financial considerations have been made.

Stakeholder/Political Issues

- The current government is favorable to PPP's.
- The next election is _____.
- The government in power is likely to change.
- The new government likely would favor PPP's.
- The community is favorable to a PPP.
- The union position is _____.
- The union contract(s) are due for reconsideration in _____.

Physical Plant Issues

- All earth, water, sewer plant, animal, or other environmental impacts have been completed or time frames established to do so.
- The infrastructure will support the prison.

- Do the local entities approve of the project and they are willing to fund water, sewer, new roads, etc.

Communication Strategy/Planning

- Reviews have been conducted of stakeholders to determine the political landscape (i.e., this is key issue for communications).
- Data has been compiled on who may be a supporter of PPPs and who may be an adversary.
- The processes for announcing the award process, preferred bidder, award, and complaints/award appeals have been established.
- The process of who and how will respond to criticisms from adversarial groups has been established.

Procurement Planning

- The resources exist to develop a solicitation.
- Timing of the procurement action is a critical element. Ensure adequate time is provided to do the job.
- The type of model of competitive contracting has been decided. (i.e., use of a PPP for building the prison or for both building and operation).
- The decision for a method of solicitation has been made.
 - EOI
 - IT/ITB
 - RFP
- The time frame that a PPP must be in place has been set.
- The critical outcomes that are being searched for have been established.
- The performance standards you intend to use to evaluate the building or operation or both have been set and are in writing.
- The concepts of cost savings and best value have been established and are written.

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- Input on a draft solicitation document to improve the process and outcomes has been completed or a time frame established to do so.
- Who is going to evaluate responses provided by private vendors has been decided.
- The decision to segment the proposal pricing section to get the costs broken out has been made.
- The decision to use a 'Best and Final' approach has been made.
- The decision to permit or require the final vendors to make a face-to-face oral presentation has been decided.
- The type of cost model to implement has been chosen.
- The decision to hold tours of certain facilities and when during the process has been decided.

Contracting for Service

- The physical plant standards and accommodations required if you seek a design, build, and operate initiative have been established.
- Training on how to monitor a contractually managed correctional facility and would perform such training has been established.
- The criteria, priority, and weight for the factors to be used in the selection of the vendor has been decided.
- The quantity of inventory you require to be available has been set.
- The equipment needed and in what type of condition has been established.

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THE STATE OF ORANGE COUNTY JAILS AND PROGRAMS

SUMMARY

Sections 919(a) and 919(b) of the California Penal Code state that the “Grand Jury shall inquire into the conditions and management of ...” jails in Orange County. The Grand Jury reviews whether the inmates are housed safely, including segregation at adult facilities by reason of sexual predator tendencies, witness protection, violent behavior, and gang affiliation. The inspections, along with written reports, follow guidelines provided by the Correctional Standards Authority (CSA), a state regulatory agency that establishes and promulgates standards for the construction, operation, and administration of local detention facilities.

In Orange County, jail facilities fall within three jurisdictions: the Orange County Sheriff's Department (OCSD), local police departments in 21 of the county's 34 cities, and the Orange County Probation Department. Accordingly, the Grand Jury reviewed the five OCSD-operated jails and all the detention facilities within Orange County.

REASON FOR THE INVESTIGATION

Each year, the Grand Jury examines the state of facilities where adults and juveniles are incarcerated. The purpose of this study is to report what the impaneled Grand Jury found as it carried out the mandates of the California Penal Code.

METHOD OF THE INVESTIGATION

The Grand Jury developed and asked a standard list of questions to assess each facility it visited. The Grand Jury was concerned with facility capacity, current population, numbers of staff and their training, booking process, inmate privileges, general cleanliness, and visitation procedure among other issues. The Grand Jury further reviewed jails for:

- overcrowded conditions based on the OCSD and California and federal standards for inmate housing;
- the status of county efforts to increase inmate housing and work release programs; and
- procedures citizens use to report complaints to OCSD.

BACKGROUND AND FACTS

Operations Review

There are basically five types of detention facilities (adult and juvenile) found in Orange County (OC) where inmates may be detained.

- JAIL is defined as a locked adult detention facility which holds both non-sentenced and convicted adult criminal offenders.
- LOCKUP is any locked room or secure enclosure under the control of the sheriff or police chief or other peace officer, which is primarily for the temporary confinement of adults upon arrest. Inmate workers may also be held in a jail confinement.
- COURT HOLDING FACILITY is a secure detention facility located within a court building used for the confinement of persons solely for the purpose of a court appearance for a period not exceeding 12 hours.

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- JUVENILE HALL is a locked juvenile detention facility which holds both non-sentenced and adjudicated (convicted) juvenile offenders.
- JUVENILE CAMP is a minimum to maximum security facility operated by the county that houses juvenile offenders. There are four of these facilities in OC.

The adult facilities operated by the Orange County Sheriff's Department include the:

- Central Men's Jail (Santa Ana);
- Central Women's Jail (Santa Ana);
- Intake and Release Center (Santa Ana);
- James A. Musick Correctional Facility (Irvine); and
- Theo Lacy Jail (Orange).

The Grand Jury is not the only agency or body that examines these facilities. They are routinely inspected by representatives of the State Board of Corrections, the Fire Marshal, state and local health inspectors, and representatives of various other oversight agencies for specific issues.

OCSD Adult Jail Facilities

Central Jail Complex (CJX)

The Men's and Women's jails opened in 1968 while the Intake & Release Center (IRC) opened in 1988. OCSD states that the capacity of CJX is 2,659 inmates and includes maximum security capability. CJX is allotted 354 sworn personnel, and non-sworn professional staff members, such as records personnel and technicians for a total of 622.

IRC is the entry point for all of the approximately 66,000 new arrestees brought into the county jail system each year and serves as a focal point for transportation of CJX inmates to court and in-custody transfers to other law enforcement and correctional agencies. Also, inmates are screened for medical and mental health needs upon entry, booked, and then classified to determine appropriate housing. The booking process serves to correctly identify inmates through photographs and fingerprints.

The Women's Jail has a capacity of 356 inmates, with overflows released early or transferred to the James A. Musick facility or IRC. The span of time women inmates are held ranges from three months to several years, with drug-related offenses the most common crime committed by the female inmates. As many as 6,000 women have reportedly passed through this facility in a recent three-month period.

James A. Musick Correctional Facility (JMF)

This facility first opened in 1964 in the wide open spaces of east OC. It is named after former OC Sheriff James A. Musick. In the early years, the facility held a maximum of 200 adult male inmates. The facility is located within a 100 acre section of unincorporated county land on the easterly outskirts of the City of Irvine and Lake Forest near the proposed Great Park and former El Toro Marine Corps Air Station. It is the county's minimum-security jail and is referred to as "The Honor Farm" or just "The Farm," because it supplies fruits and vegetables, about 8,000 eggs per day to all jail kitchens in OC, and boards horses for the mounted OCSD enforcement unit.

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The expansion of the JMF is presently under review by county departments and the communities of Irvine and Lake Forest. All lawsuits filed by OC cities against the expansion of the JMF are now resolved. Consequently, OCSD expects to have the master plan for the expansion selected by June, 2007, and to start construction within the next two to three years. The proposed initial expansion will replace the current tents and add approximately 1,000 inmate beds. The total expansion build-out is eventually expected to be about 7,500 inmate beds.

The JMF's rated inmate bed capacity according to the OCSD is 1,086 men and 170 women. The inmates' charges and criminal history classify them as low security risks. The jail staff includes 160 sworn sheriff's staff. Men and women are housed at JMF for an average length of stay of 60 days. Their crimes include driving under the influence (DUI), possession of drugs, burglary, failure to pay child support and prostitution. Ninety percent of the inmates admit to using some kind of drug or abusing alcohol. They are housed in barracks or dormitories and are encouraged to participate in various therapeutic programs.

The JMF was not intended to house inmates who have committed crimes of violence, sex crimes, and mayhem. Consequently, all inmates housed at the JMF are of the minimum-security status despite a growing inmate population in OC that tends to be more violent.

At the JMF, emphasis is placed on rehabilitation through vocational programs, educational, and work programs. Some of the work programs involve off-site projects for various public agencies such as the county Fire Authority, OC Emergency Management, Public Works, and Solid Waste Management. In addition to these cost recovery programs, JMF inmate workers staff the kitchens at the CXJ complex. If inmates refuse to work while at the JMF, they lose privileges.

There are over 800 work positions filled by male inmates assigned to the JMF who perform over 24,500 hours of labor per week (or 1.25 million work hours per year). This results in expenditure savings equal to 613 full-time positions (data as of December 1, 2006).

Theo Lacy Jail

This facility is named in honor of former OC Sheriff Theo Lacy. It is operated on eleven acres in the City of Orange across the street from what is today the "BLOCK," a major shopping center. The facility was opened in 1960 with a rated capacity of 1,888 adult inmates. There are over 300 sworn deputies and 110 civilian personnel at the jail. In 2005, three new housing modules were added to increase the capacity to 3,111 adult males and up to 56 juvenile males for the probation department. Within the last year all of the new housing modules were being used.

Approximately 80% of the adult population at Lacy is kept under maximum security, while 20% are considered medium and minimum-security inmates, some of whom are allowed to do community work outside the jail during the day. The facility performs a wide range of functions including providing over 42,000 meals a week from its kitchen. Medical, dental and mental health facilities are provided as well. The jail contains its own booking and intake/release area, classification and records sections, and inmate law library. In addition to

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these services, the jail hosts programs for anger management, substance abuse and career planning.

Court House Holding Facilities, Central Court Operations

The OCSD Central Court Operations inmate holding facility is located mainly in the subterranean level of the main Court House in Santa Ana. It was built in 1968 to facilitate a capacity of 50-100 detainees per day with a security force of 15 to 20 sworn deputies. The daily operations extended to all levels of the court house, judicial chambers, and public courtrooms.

Today, approximately 600 inmates are transported daily from the county's five justice centers by secure bus or van to the court house for judicial appointments. The inmates are brought into a "holding" facility, segregated by race, gang affiliation, criminal level of intensity, and other characteristics to prevent trouble.

Through a labyrinth of sub-basements, tunnel, secured elevators, and holding cells, the inmates eventually make their way, one-by-one, to their appointed place and time for justice review. Deputies assigned to court operations are in charge of getting each inmate to the correct courtroom in a safe and timely manner. The deputies start at 6:00 a.m. and sometimes continue to remain on guard until 8:00 p.m.

As part of the Grand Jury's duties the Grand Jury toured the Central Justice Center's holding facilities and was informed that a comprehensive security assessment has been commissioned, under contract to the Superior Court, to evaluate court security conditions and make recommendations for improvements. Any further comments are beyond the scope of this report.

INMATE SERVICES DIVISION (ISD)

The ISD resulted from consolidation of Commissary Operations, Food Services, and Correctional Programs in 2004. ISD provides products and services to county jail inmates while providing a source of income to the Inmate Welfare Fund (IWF). IWF was established to meet the California requirement which states "... funds shall be expended by the Sheriff primarily for the benefit, education and welfare of the inmates..."

The IWF monies are non-taxpayer funds. Profits from inmate purchases generated \$1.5 million in Fiscal Year 2005-2006 (FY05-06) for the IWF. A 53,000 square foot warehouse was purchased with IWF monies for \$2.2 million in 1996-1997. Over 95% of IWF revenue comes from inmate use of telephones, reimbursement for educational services, commissary profits, and rental of excess warehouse space to the OCSD. The IWF monies are only spent on Correction Programs and Inmate Re-entry Services.

Commissary Operations

An inmate can purchase commissary items such as snack foods, stationery supplies, personal care, and gift certificates. The purchase amount is deducted from that inmate's account provided from personal resources. An inmate's account is limited to \$500 maximum and no county funds are placed into these accounts however, the inmates' commissary account is limited.

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Food Services

The mission of Food Services is to provide three nutritionally balanced meals daily to each inmate and to ensure that all meals meet or exceed the requirements set forth by the California Board of Corrections, the National Academy of Sciences and the California Food Guide. Food Services must also prepare the special dietary meals for inmates ordered by Correctional Medical Services which is staffed by the Health Care Agency. Sack lunches are also prepared for all court bound inmates and inmates on work crews. Approximately 20,000 meals are prepared each day, utilizing five kitchen facilities, five inmate and three staff dining areas, and warehouses located in Anaheim, the Central Jail, Theo Lacy, and JMF.

Correctional Programs

Correctional programs provide county inmates the opportunity for an effective rehabilitative experience, utilizing state and federal guidelines. The OC model of providing rehabilitative services consists of:

- initial inmate needs assessment;
- in-custody programming;
- pre-release planning sessions; and
- post release resource services.

While in custody, inmates have access to a multitude of services and material provided by IWF monies, including:

- academic, substance abuse, domestic violence/anger management, job development, positive parenting, health, vocational, and literacy programs;
- the inmate law library;
- recreation activities used to teach concepts of rules, teamwork, sportsmanship, positive use of leisure time, and the importance of fitness; and
- pre-release readiness programs.

Inmate Re-Entry Services

An important part of the Correction Programs is Inmate Re-entry Services (IRS). Its mission is to seamlessly transition OC inmates upon release from custody into community based programs designed to enhance their successful reintegration into the community. Studies show that about 75% of inmates released from jails re-offend within three years of release. However, those inmates in jail programs who continue with community programs immediately after release are 25% less likely to re-offend in the same period.

The Great Escape Program is an integral part of assisting an inmate's transition into society. The program:

- conducts group sessions to assist inmates with resources;
- assesses the inmates' potential needs (i.e. housing, employment, transportation, education, etc.);
- encourages inmates to continue substance abuse treatment after release; and
- arranges inpatient and outpatient, mental and health care, treatment on request.

The program has a limited staff of three people.

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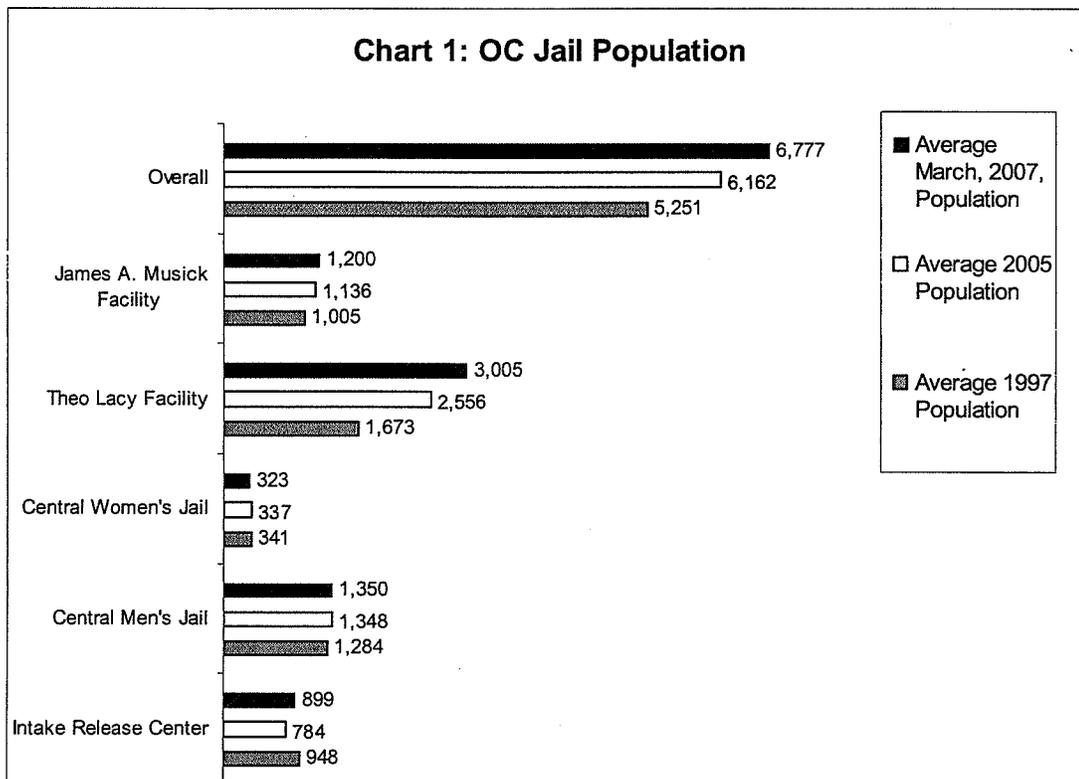
In January of 2007, ISD began operation of the Great Escape Resource Center in Santa Ana, California. This center is available to all formerly incarcerated OC individuals on a walk-in, call-in, or appointment basis. At the center, clients can get individualized referrals, counseling and placement into a variety of county facilities.

The IRS team has established a Consumer Advisory Group, comprised of formerly incarcerated individuals who have gone through the local jail and/or state prison system. The group's purpose is to identify resources that are most needed for inmates immediately upon release. All of the consumers invited to participate in the group have successfully completed their probation and/or parole and have been clean and sober for at least two years.

OCSD FACILITIES OBSERVATIONS AND DISCUSSION

Overcrowded Jails

The following chart will help illustrate the extent of overcrowding for each county jail facility and for the county overall. The chart shows the number of inmates for the three years: 2007, 2005 and 1997.



The chart shows that the inmate population in OC continues to grow. In 2006, the final phase of Theo Lacy Building B opened accommodating about 576 inmates. However, as shown in the 2007 statistics, rather than reducing the number of inmates in the Central Jail and JMF, the inmate population in all OC jails actually increased.

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Early Release of Inmates

The California Penal Code authorizes the OCSD to release inmates early, primarily to relieve OC jail overcrowding. In 2004, the OCSD released 252 inmates early, 2,057 in 2005, 66 in the last six months of 2006, and 691 from January through March, 2007. In 2006, the released number was smaller because Building B in Theo Lacy was put into service, allowing for an increase of over 576 inmates in the OC jails. Also, in the past year, no inmates charged with kidnapping or involuntary manslaughter have been released early and only 10 inmates charged with transportation/sales of narcotics have been released early.

Many times inmates are released early because their jail space is needed by prisoners awaiting transport to overcrowded California prisons. There were 382 inmates in December, 2005, and 458 inmates in March, 2007, awaiting transport to state prisons. OC receives \$77 per day from the state to house state prisoners; however, it costs OC about \$100 per day to house a prisoner. State prisons are full, and will not take prisoners from county jails until they have enough beds to do so. In addition, state prisoners who are witnesses in OC trials are transferred to, and temporarily held in, OC jails.

Jail Overtime

The OCSD reports that in 2006, \$15.8 million was spent on overtime for OC jail deputies, an increase of about \$5.5 million over 2005. This increase is primarily due to the opening of the Theo Lacy Building B which is staffed entirely by employees working scheduled overtime. The advantage of using overtime is that no additional pension or health care benefits must be paid. However, this savings is offset by the additional cost of overtime pay, and the stress that overtime work could, in the long run, result in an increase in sick leave and poorer job performance. In 2006, the overtime costs represented about 11% of the OC jail budget. Based on the OCSD deputy salary and benefit averages, the \$5.5 million in overtime costs for staffing Theo Lacy Building B could be used to employ about 30 to 40 equivalent full-time deputies, if these deputies could be hired and trained.

In 2006, 4,414 people applied to the OCSD for a deputy sheriff position, 1,146 passed the written exam, and 118 completed the background process and were hired. Of these 118, 19 were lateral transfers from another law enforcement agency and the rest were sent to the OCSD Academy. Of the 99 sent to the OCSD Academy, 49 graduated. Consequently, there were 68 OCSD deputies hired in 2006 and 32 of these new deputies were assigned to the jail. In 2006, 142 jail deputies were either transferred, promoted, and/or separated from OCSD.

Operational Statistics

The OCSD operates the eighth largest jail nationally and the second largest jail in California. The FY06-07 operating budget for the OC Jail Complex is more than \$145 million which averages to a yearly cost of \$22,000 per inmate or a daily cost of \$60. However, this amount does not include costs for food, facility maintenance, inmate transportation, health care, dental care, mental health care, utilities, inmate programs, inmate security in the courts, facility depreciation, or other OCSD support such as payroll, purchasing, staff training, etc. OCSD estimates that the actual inmate daily cost is about \$100.

Since July of 2006, there have been three suicides in OC jails and about one in-custody death per month. In October of 2006, there was one homicide, the first since 1994.

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The OC jails experienced 19 inmate-on-staff assaults in 2006 or an average of 1.4 per 100 inmates. The national average is about 2.7 per 100, according to the 2000 Corrections Yearbook-Jails, Criminal Justice Institute.

The OC jails experienced 92 inmate-on-inmate assaults in 2006 or an average of 1.4 per 100 inmates. The national average is 10 per 100 inmates, according to the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, Census of Jails 1999.

The OC jails operate with a low inmate-to-sworn-staff ratio when compared to other systems throughout the nation. The OC average for inmate to total sworn-staff ratio is 8.8 to 1. The national average is 4.3 to 1 according to the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, Census of Jails 1999. The inmate to on-duty staff OC average is 32 to 1. The national average is approximately 14 to 1 according to the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, Census of Jails 1999.

Impact of Governor's State Prison Reform Plan on Orange County

The Governor's State Prison Reform Plan requires counties to retain prisoners who are sentenced to three years or less. Currently, the counties retain only those inmates sentenced to one year or less. At the present time, there are about 3,500 inmates from OC in state prisons who were sentenced to three years or less. The following is a list of the most significant impacts anticipated to occur if OC were required to accommodate those 3,500 inmates:

- The jail system is currently at maximum capacity. There are approximately 3,200 sentenced inmates who would have to be released to make room for the state inmates, and approximately 72% of these sentenced inmates are felons.
- This will result in a reduction of the lower security inmates who provide a labor pool for work crews such as jail maintenance, laundry services, warehouse and kitchen staff, and outside agencies. Presently, there are 100 staff and 450 inmate workers operating the 6 jail kitchens.
- The OC jail areas are not built to house long term higher level inmates who represent an increased danger to the jail staff and to each other, thus requiring additional staffing.
- All OC jail facilities, including the JMF, will have to be reclassified for higher security level inmates.

Narcotic Detection Canine Program in the OC Jail Complex

In 2006, Sergeant Tim Moy submitted a proposal to the OCSD Command Staff for a Correctional Narcotics Canine Program (CNCP). For his efforts in researching, documenting, costing and implementing the CNCP, he received the Medal of Merit. The CNCP began in October of 2006, and presently has two dogs in the program. A third dog and handler will be added in the near future. Their primary function is to patrol the OC jail system including the lobbies, jail cells, booking area, and visitor parking areas. Focus is also given to the mail room where contraband might easily be forwarded to the incarcerated. The dogs are also being Federal Emergency Management Agency (FEMA) trained to find bodies in times of disaster.

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Narcotics found in the OC jails ranged from minute residue to more substantial quantities. The canines detected pipes, pills, needles, letters soaked in methamphetamine (meth), and meth behind affixed postage. Additionally, guns, knives, and other contraband have been discovered when drugs were detected on a person or in a vehicle.

A breakdown of the CNCP activities, with the number and types of drug discovered, is:

- October, 2006:
 - Total Searches = 7
 - Results = 1 marijuana
- November, 2006:
 - Total Searches = 133
 - Results = 9 marijuana, 5 heroin, 1 meth, 1 unknown substance, 1 cocaine
- December, 2006:
 - Total Searches = 57
 - Results = 6 marijuana, 2 meth, 1 crystal meth, 1 heroin
- January, 2007:
 - Total Searches = 73
 - Results = 4 marijuana, 2 meth, 1 heroin, 1 oxycontin
- February, 2007:
 - Total Searches = 152
 - Results = 9 marijuana, 6 meth, 4 heroin

Mentally Ill Offender Crime Reduction (MIOCR) Grant and Program

In January, 2007, OC was awarded a \$1.5 million MIOCR grant, matching the maximum amount awarded to any county in California. The purpose of the MIOCR grant is to introduce strategies and projects that are designed to reduce recidivism among the adult mentally ill population. The MIOCR project is designed after the mental health court model, enabling the county to treat mentally ill offenders charged with minor offenses in an environment more conducive to rehabilitation than a jail.

Approximately 900 inmates in OC jails suffer from some form of mental illness. Of the 67,000 people booked in 2005, nearly 9,000 had mental health issues that required attention by the jail's mental health team. Mentally ill misdemeanants represent a target population that was not previously served in OC.

The MIOCR program starts in the OC jails when a social worker, in concert with jail personnel, identifies inmates who may qualify for the program. Inmates must have a primary diagnosis of a mental illness that most likely contributed to the individual's involvement in the criminal justice system. Approved participants must plead guilty to their charges and are placed on supervised probation. The participants then enter an intense mental health treatment program for a minimum of one year. The program will accommodate 50 participants at a time.

Emergency Management Tool (EMT)

The OCSD, in 2006, designed and implemented a software system to assist in handling OC jail emergencies, such as earthquakes, fire, flooding, gas leaks, or power outages. This EMT

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system enables the OC jail watch commanders to quickly assess where water, electrical power and gas shutoff systems are located in the OC jail. Furthermore, EMT shows evacuation routes and sites to be used if the OC jails are not inhabitable. EMT is an excellent example of the OCSD's preparedness for handling emergency situations and state-of-the-art use of computer systems.

City Jail Inspections

The Grand Jury inspected all 21 OC city jails. At all the city jail facilities, the Grand Jury was treated with respect and courtesy by facility personnel. Every request to see rooms and to obtain information was promptly honored by the jail staff. The Grand Jury gives every city jail facility high marks for cleanliness, safety and efficiency.

Probation Department Juvenile Operations

The juvenile correctional/detention facilities operated by the Probation Department include:

- Juvenile Hall (Orange);
- Theo Lacy Juvenile Annex (Orange);
- Joplin Youth Center (Santa Ana Mountains);
- Los Piños Conservation Camp (Cleveland National Forest);
- Youth Guidance Center (Santa Ana); and
- Youth Leadership Academy (Orange).

Individual juveniles housed in juvenile facilities are likely to have experienced one or more of the following difficulties: family problems, abuse of illegal substances, truancy, criminal street gang affiliation, and mental health issues. Many have committed one or more felonies.

High-risk juveniles are held at Juvenile Hall and the Theo Lacy Juvenile Annex. When the court process is completed for low-risk minors, they may be transferred to a minimum security facility – Joplin, Los Piños, the Youth Guidance Center, or the Youth Leadership Academy. Schooling at all the juvenile facilities is provided by the OC Department of Education Access Program.

Juvenile Hall

Juvenile Hall is a 434-bed institution for juvenile law violators operated by the Probation Department across from the "BLOCK" of Orange in Orange, California. It houses both boys and girls, generally between the ages 12 and 18 years, who are detained pending Juvenile Court hearings in the adjacent Betty Lou Lamoreaux Juvenile Justice Center, or who remain in custody by order of the court.

Boys and girls are assigned to living units which are designed to house 20 to 30 minors each. The living units have sleeping rooms, restrooms, showers, and a day room for a multitude of structured and leisure activities. Teenagers are generally housed by age group and gender. Sex offenders are housed in separate units. Juvenile Hall's Intake and Release Center houses those juveniles newly arrested by police officers and awaiting their first court appearance. Each living unit is supervised during each shift by deputy probation counselors who provide individual and group counseling as well as maintain order.

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Nurses and dentists from the OC Health Care Agency provide medical and dental care on-site. Psychiatrists and psychologists from the Health Care Agency evaluate and assist minors exhibiting emotional or mental problems. Juveniles participate daily in outdoor sports and other recreation. Religious services and Bible studies are available to youths upon their request. Each living unit has a small library as well as telephones to make collect calls. Visitations are scheduled weekly.

Theo Lacy Juvenile Annex

The Theo Lacy Juvenile Annex is the only juvenile facility located in a county jail. The Annex contains 64 beds; however, due to California standards for juveniles, the Probation Department can only house a maximum of 56 juveniles. Residents are housed in a separate module from adult inmates, and complete sight and sound separation is maintained between adult and juvenile inmates. The Probation Department provides staffing and the appropriate programs and services to the juveniles. The programs include drug and alcohol abuse education, life skills, anger management, communication, relationships and making appropriate choices. The OCSD assumes the cost of their food and clothing.

Joplin Youth Center (Joplin)

This facility opened in 1956 at the base of Saddleback Mountain near what is now Rancho Santa Margarita and, for its first 24 years, was a working ranch for probation wards. The county later expanded the site, which now has 64 beds and is limited to boys 13 to 17 years old with 30-120 remaining detention days. Attempts to expand the facility further have been stopped by community resistance.

The Joplin mission is to prepare juveniles for a successful return to their homes and communities via re-involvement in academics, building fundamental social skills and dealing realistically with the gang culture.

From April to June of 2006, the juveniles at the center were 88% Hispanic, 8% Caucasian, 2% Asian and 2% African-American. The top three crimes committed by the juveniles were Property Theft, Property Vandalism, and Assault. The residents belonged to 26 different gangs and 10% of the boys had Gang Enhancements added to their sentences. Half the residents came from the cities of Santa Ana and Anaheim.

The thrust of the program is to enable juveniles to interact with rival gang members while eating, sleeping, working, playing, and going to school together. The juveniles are given different colored T-shirts based on their behavior and progress. They receive or lose privileges as they move up or down through the colors. Those who cannot get along with others or who cannot follow the rules may be sent back to Juvenile Hall.

A balanced approach builds the minors' competencies and holds them accountable for their behaviors and interactions with others. The staff's job at Joplin is to teach juveniles to make good decisions on their own and to be accountable for their decisions. The residents are responsible for maintaining the center's cleanliness and assisting in preparation of the meals.

Los Piños Conservation Camp (Los Piños)

Los Piños is a correctional facility, using buildings leased from the U.S. Forest Service, located in a remote portion of the Santa Ana Mountains. The lease was recently renewed

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after extended negotiations between the U.S. Forest Service and OC. Since the lease renewal, a general renovation of all buildings is underway.

The facility can house 157 males and 28 females, 16 to 18 years of age. The length of commitment is from three to twelve months with an average of about six months. Males and females are kept in separate units, classrooms and dining tables. With good behavior in other juvenile correctional facilities, boys and girls are eligible for assignment to Los Piños.

Los Piños has an academic program, vocational training (e.g., through the Regional Occupational Program), and mental health, as well as substance abuse, services. The youth incarcerated there can work toward earning high school diplomas or General Education Development (GED) diplomas. AYSO soccer is available, as are CIF athletic competitions in basketball, volleyball, and baseball. The job training programs focus on learning a skill, working together, making positive life decisions, and being accountable for decisions. Preparing these juveniles for a successful return to their homes and communities is the goal of probation counselors at Los Piños.

The Youth Guidance Center (YGC)

Opened in 1969, the YGC is located in Santa Ana and houses up to 100 boys and 25 girls. The current focus is rehabilitation for substance and/or alcohol abusing juveniles in the 11- to 18 year old age group. Average detention time at the facility is between six months and one year, with 80% of the juveniles having committed felonies.

Although all five juvenile facilities that the Grand Jury visited had extensive programs dedicated to the rehabilitation of young people, this report uses the following YGC programs as a sample:

- A fleet of vehicles is used to transport juveniles to cultural, educational, and sporting experiences, such as Bowers Museum, Angels' games, and theatrical productions. Attendance is paid with donated tickets. In addition, opportunities are provided for juveniles to participate in community service projects such as Toys-for-Tots and service at a local food bank.
- The Breakthrough program is aimed at drug and alcohol abusers and is modeled after the methods and philosophies of the Phoenix House, Inc. The program uses several techniques to deal with substance issues and addictive behavior. Residents participate in many group meetings throughout the day, such as ENCOUNTER, in which individuals are confronted about their negative behaviors, discuss the causes and agree to make a commitment to change those behaviors. Many volunteers give their time to serve as mentors for the residents. After release, residents must participate in a weekly Aftercare Group.
- The Sobriety Through Education and Prevention (STEP) program is a full-service program specifically designed to serve female residents in a secure and structured environment. After assessments of the females, Individual Intervention Plans (IIPs) are developed for each resident. Awareness of the responsibility for and care of babies is provided through the program utilizing computerized dolls. These "infants" are programmed with uncontrollable crying spells, dirty diapers, illness, and feeding demands. The computer records each juvenile's responses and provides a

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format for discussion with counselors. The Center has 26 of these "computer babies."

- The Addiction, Substance Abuse, Education and Recognition Treatment (ASERT) program provides intervention treatment for juveniles. Residents in the program must have at least six months remaining on their sentences. The program comprises four basic components: Substance Abuse Education, Recognition/Intervention, Behavioral/Emotional/Education/Vocational development, and Transitional services.
- The Regional Occupational Program (ROP) is a course in practical issues about making good choices in a work environment, presented in a four to six month job training curriculum. The goal is to assist youth who are at least 16 years of age in ways to apply for, interview for, and keep paid positions. Course studies include creating cover letters, completing applications, passing critical interviews, understanding paycheck stub information, and selecting appropriate business attire. Students attend job fairs and find assistance, even after they leave the YGC.

Youth Leadership Academy

The Youth Leadership Academy (YLA) opened in July of 2006. The YLA is located next to the Juvenile Hall. The YLA construction was funded by the State of California upon the condition that it house only juvenile delinquents in an open camp environment. It consists of one Administration building, five classrooms and two housing units and shares the athletic fields with the Juvenile Hall, but the minors of the two facilities are never on the fields at the same time.

The YLA has a capacity for 120 minors, 60 minors in each housing unit, and can house both male and females from ages 14 to 19. There are 29 double bed cells and 2 single bed cells in each unit. As of February of 2007, there were 45 male minors housed in one unit. The other unit is anticipated to be opening in June of 2007. Each housing unit has a full service kitchen, congregational area, conference rooms, and staff break areas.

Minors at the YLA have an average of 40 days remaining on their court imposed sentences. They attend school and counseling sessions, prepare meals, tend the YLA grounds, and have at least one hour of physical exercise per day. The minors earn privileges by behaving and completing steps in the program, "Thinking for a Change." This program is a 32 step Cognitive Restructuring Program designed to help youth assess issues in their lives. They complete one to two steps per week, which unfortunately means that most do not complete the program before they are released. The program has been well received and seems to help its participants. Important points of the program are:

- **Belonging:** Minors who have entered the juvenile justice system have generally not been successful in many areas of life. By fostering a sense of belonging, minors will begin to experience a sense of stability, ownership, and involvement in the course of their lives. Minors are encouraged to assist in developing their own customized programs based on their identified needs, giving each minor a sense of self-determination and beginning the process of *Belonging*.
- **Mastery:** Minors who are involved in the juvenile justice system generally have poor skills in many areas. These include social skills, athletic skills, study habits and a sense of worth. Minors utilize a *Minors Personal Goals (MPG)* worksheet to select

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appropriate modules to complete while in the program. Each module is designed to address one or more of the minor's needs. As minors complete each module, they will be able to take on additional ones and build a sense of *Mastery*.

- Independence: As minors begin having a feeling of *Belonging* and achieve some *Mastery* over their lives and world, they naturally need to begin to experience *Independence*. As the minors begin to become more independent they are given more responsibilities, as may be appropriate, including off-site furloughs and field trips. Through this process the minors increase *Independence* by participating in such activities as Student Council, Mock Trial, and Peer Courts. These activities build a sense of confidence, self-esteem, pride and control over their lives, gaining them a heavy level of *Independence*.
- Generosity: Minors at YLA who began the process of transforming their lives through *Belonging, Mastery, and Independence* soon discover that they do not live in isolation. They also learn that they accomplish *Generosity* by giving back through community service projects, such as constructing get well cards for children at a children's hospital, reading at elementary schools, and providing physical labor at the OC Food Bank and other community based organizations, thus rounding out an important aspect of their overall rehabilitation through restorative justice opportunities.

The YLA staff is to be commended for recently receiving a \$1.5 million dollar state Mentally Ill Offender Crime Reduction grant to create a program to handle mentally ill minors. This money will be used to staff the second unit. Over 40% of the minors at Juvenile Hall are mentally ill and on psychotropic drugs.

Since the YLA is a new facility, everything appeared well maintained and state of the art. There have been a few issues with the buildings and systems, but they are still under warranty until July of 2007. The only immediate need for the YLA is for local warehouse space to house supplies and equipment.

Juvenile Court Programs

The OC Superior Court has set up special Drug and Truancy Courts to handle these types of juvenile cases. Many minors appearing in these matters would commit more serious crimes if they were not diverted through these special courts which perform a continuous monitoring of the minors, usually two to four court visits per month, and require counseling sessions for both the minors and the parents and ensure that the minors meet certain requirements prior to releasing them. These courts provide a multi-agency program designed to help teenagers and their families restore healthy lifestyles and relationships. Funding is provided by the Juvenile Justice Crime Prevention Act (JJCPA). These courts have great success in keeping the minors in school instead of in a detention facility.

Juvenile Drug Court

The goal of the Juvenile Drug Court is to support the minor's commitment to remain sober by providing the treatment and supervision needed to help the minor abstain from substance abuse and further criminal behavior. The drug program is structured in five phases and can be completed in about one year. Drug Court helps the minor and the community by providing:

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- accountability;
- treatment for substance abuse;
- restoration of substance abusers to a productive place in the community;
- educational accountability and development of employment skills; and
- personal development through treatment and counseling.

The Juvenile Drug Court can accommodate about 50 juveniles in the program. The juveniles enter the program based on agreements between the Public Defender, Probation Department, District Attorney, and the Judge. Currently, the program has between 20 and 30 juveniles.

Juvenile Truancy Court

The goal of the Juvenile Truancy Court is to strongly encourage the minor to attend school. Juveniles are referred to the court after having gone through the Truancy Response Program (TRP). Minors in the TRP are supervised by a Probation Officer for six weeks to six months to insure that they attend school. Fewer than 50% of the minors in the TRP do not follow their Probation Officer's orders and are referred back to the Juvenile Truancy Court.

The Court employs many options to encourage the truants to attend school. The main motivator is to have the truant perform community service or to serve a short sentence at Juvenile Hall. At times the parents may also have to serve jail time or pay a fine if they do not follow through by encouraging the minor to attend school or attend court. There is also a counselor in the courtroom who reports on the family's attendance at group counseling sessions. Among the counseling sessions offered is the Parent Empowerment Program, which teaches parents about maintaining control over their children.

Within the last fiscal year, about 55% of the minors in Truancy Court were released successfully and fewer than 5% of these minors committed further crimes. Furthermore, fewer than 2% of the successfully released minors are repeat offenders in Truancy Court.

FINDINGS

In accordance with California Penal Code sections 933 and 933.05, each finding will be responded to by the government entity to which it is addressed. The responses are to be submitted to the Presiding Judge of the Superior Court. The 2006-2007 Orange County Grand Jury has arrived at the following findings:

- F-1. The entire Theo Lacy Building B is staffed almost exclusively by OCSD deputies working scheduled overtime.
- F-2. The proposed California State Prison Reform Plan would significantly increase the number of inmates at the OC Jails.
- F-3. Relief from inmate overcrowding in OC Jails is at least two to three years away.
- F-4. OC jails are housing a large number of California state prisoners and are not being compensated appropriately.

2006-2007 ORANGE COUNTY GRAND JURY

F-5. IRS has insufficient staff to assess all the high-risk re-offenders in OC jails.

Responses to Findings F-1 through F-5 are required from the Orange County Sheriff-Coroner.

RECOMMENDATIONS

In accordance with to California Penal Code sections 933 and 933.05, each recommendation will be responded to by the government entity to which it is addressed. The responses are to be submitted to the Presiding Judge of the Superior Court. Based on the findings of this report, the 2006-2007 Orange County Grand Jury makes the following recommendations:

- R-1. The OCSD should expand their hiring program to reduce the need for using overtime deputies in the OC Jails. (This recommendation arises from Finding F-1.)
- R-2. The OCSD and OC Board of Supervisors should continue to work with state legislators to insure that the proposed State Prison Reform Plan does not burden the OC jails. (This recommendation arises from Finding F-2.)
- R-3. The OCSD and OC Board of Supervisors should consider expediting contract approval for the expansion of the JMF and selecting construction companies who can quickly build-out the JMF. (This recommendation arises from Finding F-3.)
- R-4. The OCSD should continue working with the California state prison authorities to ensure OC inmates are transported expeditiously to California state prisons and to request more funding to cover the non-reimbursed cost of housing state prisoners. (This recommendation arises from Finding F-4.)
- R-5. The OCSD and OC Board of Supervisors should consider increasing IRS' funding for assessing high-risk re-offenders. (This recommendation arises from Finding F-5.)

Responses to Recommendations R-1 through R-5 are required from the Orange County Sheriff-Coroner.

Responses to Recommendations R-2, R-3, and R-5 are required from the Orange County Board of Supervisors.

RESPONSE REQUIREMENTS

The California Penal Code specifies the required permissible responses to the findings and recommendations contained in this report. The specific sections are quoted below:

§933.05(a) For purposes of subdivision (b) of Section 933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following:

- (1) The respondent agrees with the finding.

2006-2007 ORANGE COUNTY GRAND JURY

- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.
- (b) For purposes of subdivision (b) of Section 933, as to each Grand Jury recommendation, the responding person or entity shall report one of the following actions:
 - (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the Grand Jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

ACKNOWLEDGEMENTS

The Grand Jury commends the deputies, both on and off-duty, who saved the lives of civilians and inmates alike in the following ten incidents. These deputies received commendations, as well as Medals for Courage, Valor, Purple Heart, and Lifesaving:

On March 7, 2007, Deputy William Dow from the Theo Lacy Facility was commended for saving the life of an inmate who was choking in the chow hall, by utilizing the Heimlich maneuver. The inmate had been arrested for possession of a controlled substance.

On April 16, 2006, Deputies Michael Carlson, Carlo Diganci, Steven Wayt, Frank Tomeo, Brian Shelton and Kent Carpenter, assigned to the Central Men's Jail Complex, received the "Medal for Lifesaving" for observing an inmate hanging in his cell and immediately responding with CPR life saving measures. The deputies' coordinated response at the scene and retrieval of life saving equipment saved the life of the inmate, who had been arrested for the murder of a two-year-old girl.

On April 19, 2006, Deputy Kevin Webster from the Theo Lacy Facility was commended for saving the life of a choking inmate in the chow hall, using the Heimlich maneuver. The inmate had been arrested for driving under the influence.

On May 9, 2006, Deputy Jeremiah Prescott from the Theo Lacy Facility was commended for saving the life of a choking inmate in the chow hall, using the Heimlich maneuver. The inmate had been arrested for burglary and possession of stolen property.

On May 11, 2006, Deputies Kevin Mitchell and Manuel Duran from the Central Jail Complex were commended for observing an inmate preparing to jump off an upper tier. The deputies' use of a Taser prevented the six-foot-one, two-hundred-fifty pound inmate from injuring himself by jumping off of a 30 foot tier. The inmate is in custody for murder.

2006-2007 ORANGE COUNTY GRAND JURY

On May 11, 2006, Deputy Michelle Rowland from the Central Jail Complex was commended for saving the life of an inmate choking in her cell, using the Heimlich maneuver.

On September 9, 2006, Deputy Thomas Graham from the Theo Lacy Facility received the "Medal for Lifesaving" for saving the lives of three children caught in a rip-tide from drowning. Despite being off-duty and on vacation at a local beach, Graham ignored his own safety and swam twice into the heavy surf and rip-tide to complete the rescue.

On November 20, 2006, Deputy Benjamin Nicholson from the Central Jail Complex was commended for observing an inmate standing on a table in his cell with a bed sheet around his neck. Nicholson believed the inmate would seriously injure himself if his six-foot-five, two-hundred-seventy pound body left the table. Nicholson's communication skills convinced the inmate to untie the sheet and he was removed from the cell without the use of force or restraints. The inmate was in custody for possession of a dangerous weapon.

On December 9, 2006, Sergeant MacPherson was commended for saving the life of a court clerk who became unconscious while choking. MacPherson's immediate use of the Heimlich maneuver saved the person's life.

On December 16, 2006, Deputy Trenton Hoffman, awarded the "Medal of Valor" and "Purple Heart," and Jeremy Campbell, awarded "Medal of Courage," were escorting an inmate from his public visit when the inmate turned and attacked Hoffman with a makeshift knife. Hoffman was stabbed in the shoulder and in the back. Campbell fought with the armed suspect to stop the attack on Hoffman, who was then stabbed a third time in the back. While disarming the inmate, Hoffman was bitten on the elbow by the inmate prior to being disarmed and restrained with the assistance of responding deputies. The inmate has an extensive history of violence and gang affiliation and is facing murder charges.

RFP NOTICE



CITY OF COSTA MESA

77 FAIR DRIVE, P.O. BOX 1200, COSTA MESA, CA 92628-1200

FINANCE DEPARTMENT
PURCHASING

CITY OF COSTA MESA

REQUEST FOR PROPOSALS

FOR OPERATION OF THE COSTA MESA POLICE DEPARTMENT'S TYPE I JAIL FACILITY

NOTICE IS HEREBY GIVEN that sealed proposals shall be received by the City of Costa Mesa to wit: The City of Costa Mesa, City Clerk's Office, P. O. Box 1200, Costa Mesa, California 92628-1200, on or before the hour of **4:00 p.m. on Friday, October 21, 2011**. It shall be the responsibility of the offeror to deliver his proposal to the City Clerk by the announced time. Delivery Location: City of Costa Mesa, City Clerk's Office, 77 Fair Drive, Room 101, Costa Mesa, California 92626.

Proposals shall be returned to the attention of the City Clerk, within said time limit, in a sealed envelope identified on the outside with the *Offeror's Business Name, Proposal Name, Identify - RFP for Operation of the Costa Mesa Police Department's Type I Jail Facility and the Due Date*. There will be no public opening of proposals.

The Request for Proposal may be downloaded from the web site at <http://www.ci.costa-mesa.ca.us/departments/CMPurchasing.htm>. If you have additional questions, please contact Richard Amadril, Purchasing via e-mail at: ramadril@ci.costa-mesa.ca.us.

Dated: September 21, 2011

PHONE: (714) 754-5227 FAX: (714) 754-5040 TDD: (714) 754-5244 www.ci.costa-mesa.ca.us

RFP



REQUEST FOR PROPOSAL

FOR

**OPERATION OF THE COSTA MESA POLICE DEPARTMENT'S
TYPE I JAIL FACILITY**



Police Department

CITY OF COSTA MESA

Released on September 21, 2011

**OPERATION OF THE COSTA MESA POLICE DEPARTMENT'S
TYPE I JAIL FACILITY
REQUEST FOR PROPOSAL (RFP)**

Dear Proposers:

The City of Costa Mesa (hereinafter referred to as the “City”) is requesting proposals, from a qualified public entity and/or private firm, to establish a contract for the operation of the City of Costa Mesa Department’s Type I Jail Facility. The term will be for 3 years with 2 one year options to renew.

1. BACKGROUND

On March 1, 2011, the City Council agreed to move forward with a comprehensive review and analysis of outsourcing 18 City services, one of which is Jail Operations, as outlined in the *Outsourcing of City Services Council Agenda Report*, dated February 24, 2011.

The City has had a Jail since the original construction of the police facility in 1967. The Jail is a 32-bed, “Type I Jail Facility,” as described in the California Code of Regulations, Title 15. The Jail holds inmates, historically male inmates only, prior to court arraignment and/or pending release on Bail, Own Recognizance, Written Promise to Appear, etc. The Jail also houses sentenced inmate-workers, who handle food service and miscellaneous janitorial and maintenance duties.

Since the inception of the Jail, the City Police Department has maintained a reputation for the efficient and effective handling of operations, supervision, and management of the facility. Additionally, the City Police Department is the current entity that ensures suitable hiring and employing practices are carried out and high performance standards are routinely met.

The City Jail staff is responsible for the safety and well-being of all those in their care and custody and adheres to all applicable Minimum Standards specified by all applicable Federal and State requirements, laws and statutes, applicable court orders and the California Corrections Standards Authority, as applicable to a Type I Jail Facility. Additionally, the Jail staff facilitates the transportation of inmates to and from court and to and from other holding facilities.

HISTORICAL BOOKING INFORMATION

The Jail staff, on average, conducts well over 400 bookings a month. The statistical breakdown for the past three years is as follows:

| | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|--------------|--------------------|--------------------|--------------------|
| Felony | 2,144 | 1,982 | 1,681 |
| Misdemeanor | 3,840 | 3,627 | 3,323 |
| Infraction | 40 | 33 | 18 |
| Unknown | 46 | 31 | 38 |
| TOTAL | 6,070 | 5,673 | 5,060 |

Moreover, the City Jail books and houses a number of drunk in public arrests, which on average are about 40-per month. The statistical breakdown for the past three years is as follows:

| | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|--------------------------|-------------|-------------|-------------|
| Drunk in Public Bookings | 525* | 494* | 408* |

*These numbers are included in the overall booking totals listed on the previously page.

In addition to the City Jail booking and housing drunk in public arrests, there are a significant number of bookings for other drug and/or alcohol related charges. The statistical breakdown for the past three years is as follows:

| | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|--|-------------|-------------|-------------|
| Drug and/or Alcohol Bookings (other than Drunk in Public) | 912* | 932* | 965* |

*These numbers are also included in the overall booking totals listed on the previously page.

A significant number of Costa Mesa arrestees dealt with through the pre-bookings process are determined to have medical concerns that necessitate a medical clearance, prior to housing, in order to mitigate liability exposure. For calendar years 2009 and 2010 there was no mechanism in place for quantifying each individual arrestee who required a medical clearance; however, there was a mechanism in place for how many days out of each respective year there was at least one medical clearance per day—the below statistics represent those days.

| | <u>2009</u> | <u>2010</u> |
|--|-------------|-------------|
| Days Per Year Medical Clearances Were Required | 117 | 123 |

I.C.E. LIAISON AND BOOKING INFORMATION

Additionally, the Costa Mesa Police Department Type I Jail Facility has maintained a working partnership with ICE (Immigrations and Customs Enforcement) since 2006. As a part of this partnership, Jail Staff has notified ICE representative of foreign born inmates, to which detainees have been placed, by ICE and through a separate investigation, on those inmates deemed to be illegal immigrants. The follow statistical breakdown indicates the number of ICE detainees placed on Costa Mesa Police Department inmates.

| | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---------------|-------------|-------------|-------------|
| ICE Detainers | 327* | 356* | 171* |

*These numbers are also included in the overall booking totals listed on the previously page.

2. SCHEDULE OF EVENTS

This request for proposal will be governed by the following schedule:

| | |
|--------------------------------------|--------------------|
| Release of RFP | September 21, 2011 |
| Deadline for Written Questions | October 6, 2011 |
| Responses to Questions Posted on Web | October 13, 2011 |
| Proposals are Due | October 21, 2011 |
| Proposal Evaluation Completed | October 28, 2011 |
| Interview of Short-List | November 3, 2011 |
| Approval of Contract | (TBD) |

3. SCOPE OF WORK

I. SUMMARY

The Costa Mesa Police Department's Type I Jail Facility is located at the Costa Mesa Police Department, 99 Fair Drive, Costa Mesa, CA. The facility consists of six holding cells, with one sobering cell, two safety cells, and accommodations for two inmate-workers. The facility is staffed twenty-four hours per day, seven-days per week, and 365 days of the year.

II. GENERAL INFORMATION

The services provided by the Proposer shall comply with all applicable Minimum Standards specified by all applicable Federal and State requirements, laws and statutes, applicable court orders and the California Corrections Standards Authority, whether now in effect or hereafter affected or implemented as applicable to Type I Jail Facilities, and shall include furnishing all required supervision, labor, clothing, and associated equipment and staff training. Proposer must be duly licensed in accordance with all security industry requirements for the State of California. If a private firm is selected, the contractor must obtain a valid City of Costa Mesa business license. Custody officer services shall be provided seven-days per week, twenty-four hours per day, and 365 days per year.

III. PROJECT INTENT

The service provided under these specifications shall be of the highest possible caliber. Proposer's personnel shall be qualified, professional and supervised by knowledgeable, attentive management, who shall be available on a twenty-four hour, seven-day a week basis. The Firm shall pay particular attention to its procedures for hiring, training, and providing directions to the individual custody officers assigned to the City.

IV. COSTA MESA POLICE TYPE I JAIL FACILITY OPERATIONS

The custody officers' responsibilities involve, but are not limited to, receiving, processing, detaining, monitoring, transporting and/or releasing adults and juveniles arrested or detained by officers of the Costa Mesa Police Department, and performing other related duties as outlined in the Costa Police Department Manual and the Costa Mesa Police Department Jail Manual.

These specifications are for uniformed, unarmed, and commissioned or non-commissioned custody officers to be provided at the Costa Mesa Police Department's Type I Jail Facility on a seven-day per week, twenty-four hour per day schedule.

V. STAFFING REQUIREMENTS

A. **Supervisor:** The Proposer shall designate one custody officer position as the Post Commander/Supervisor. The responsibilities of this position shall include direct supervision of custody personnel and the coordination of custody operations and training on all shifts. In addition, the position is responsible for record keeping, safety and equipment inspections, facility inspections by governing entities and enforcement of all applicable local and state laws, department policies and mandates. The City's representative must approve of the person initially selected to fill this position and all future Post Commander/Supervisor position. The Post Commander/Supervisor must be able to perform the duties of the custody officer and possess a working knowledge of the laws governing the operation of a Type I Jail Facility. The Post Commander/Supervisor must have a minimum of three years of prior experience with similar facility.

B. **Custody Officer:** The custody officer shall:

1. Be either commissioned or non-commissioned in the State of California
2. Be at least 21-years of age
3. Have a High School Diploma/GED, or better
4. Have a valid California driver's license
5. Have Custody Protective Officer training
6. Must meet all minimum screening and background checks required for custody officers
7. Must complete required training and orientation mandated in this agreement for custody officers
8. Be First Aid and CPR trained and qualified
9. Have good written and oral communication skills
10. Be able to prepare written and/or computer-based daily logs and reports of incidents that have taken place
11. Be responsible for prisoner tracking and booking information
12. Have a professional appearance
13. Be physically able to perform all aspects of the assignment
14. Provide favorable references from previous employers
15. Have an acceptable, prior military check of DD form 214 (if applicable)
16. Have a current social security card
17. Have a current green card (if applicable)
18. Be willing to take a drug test at any time and pass

19. Personnel to be considered for custody officer service shall receive an initial screening and background check by Proposer, at Proposer's expense. Selection of custody officer personnel shall include consideration of character traits, motivation, and ability to perform the mental and physical tasks normally required of custody officer personnel
20. After thorough screening and interviewing by the Proposer, the applicant shall be interviewed by a representative of the City, and the City will have final approval of personnel initially assigned to the City and all future Custody Officer positions resulting from a vacancy fill.
21. Proposer shall institute a procedure for performing background checks that includes but is not limited to:
 - a. **Employment/Qualifications Verification:** Conduct a five (5) year employer background check to verify the applicant was not terminated for other than honorable circumstances. Also verify periods of unemployment.
 - b. **Education:** Conduct a review of the schools attended by the applicant to verify completed educational level. Validate all references made to completing an "Equivalency Test" for High School level.
 - c. **Drugs:** Conduct a drug screening test to verify non-usage of drugs. Applicants who are narcotics offenders or use dangerous drugs or use alcohol to an excessive degree will be disqualified.
 - d. **Reference Check:** Conduct a minimum of two personal reference checks.
 - e. **DMV Check:** Verify that the applicant has a driving record that reflects reasonable care and judgment. There should be no convictions for moving violations showing disregard for public safety.
 - f. **Criminal History:** Conduct a local criminal history check to verify the applicant has no felony convictions. Additionally, the applicant must pass the Live scan finger printing process.
 - g. **Wants and/or Warrants:** Applicant must be clear of any outstanding warrants, any prior felony arrests and any crime involving moral turpitude within five (5) years preceding the date of the application. The applicant may not be on probation or parole for any offense.
 - h. **Credit Check:** Conduct a standard credit check to determine financial responsibility. Interview all raters who have given a negative review.
 - i. **Psychological Review:** All custody officers must be found to be free from any emotional or mental condition which might adversely affect the exercise of their duties as determined by a licensed psychologist who has a doctoral degree in psychology and at least five years of postgraduate experience in the diagnosis and treatment of emotional and mental disorders. The custody officer must be found to be free from job-relevant psychopathology, including personality disorders, and a minimum of two objectively scored psychological tests must be used to assess psychological

suitability, one normed in such a manner as to identify patterns of abnormal behavior and the other geared toward assessing dimensions of normal behavior. A clinical interview is also required if the test results are inconclusive or suggest that the candidate should be disqualified.

22. The results of background checks shall be furnished to the City at least 24-hours prior to the time the applicant is sent for interview.
23. No custody officer working for the successful Proposer will be allowed to work under an approved agreement unless he/she is approved by the City. Contractor shall submit to the City and maintain a list of its employees' names that have been cleared and are or will be assigned to the Costa Mesa Police Department's Type I Jail Facility. A list should be created, by the Contractor, which includes at least two employees who can fill potential vacancies. Employment applications for each employee will also be submitted to the City.
24. All employees of the Contractor who are not assigned to work at the Costa Mesa facility must comply with all security rules in place when visiting the City.
25. Custody officer personnel shall be trained, uniformed and supervised. Contractor shall provide the uniform and all other items of clothing and apparel, as required. Uniforms are to be at City's election.
26. Upon termination of a custody officer, all keys, identification badges, gate remotes, and parking passes will be recovered from such custody officer by contractor. All items belonging to the City will be turned in immediately upon termination.
27. Contractor will be required to agree to remove immediately, all employees, at any location, who fail to follow establish department or state procedures and/or who are deemed by the City to be unfit to perform assigned tasks.

VI. TRAINING

The law requires privately operated jails to train personnel in accordance to the training standards established by regulations adopted by the CSA (Corrections Standards Authority) as set forth in Subchapter I (commencing with Section 100) of Chapter 1 of Division 1 of Title 15 CCR (commonly known as the STC (Standards and Training for Corrections) Program).

A. Supervisor: The Post Commander/Supervisor shall complete all training requirements, as outlined in Title 15, Article 3. TRAINING, PERSONNEL, AND MANAGEMENT, Section 1021. Additionally, the Post Commander/Supervisor shall receive 24-hours of STC refresher training, on an annual basis.

B. Custody Officer: Custody officer shall complete all training requirements, as outlined in Title 15, Article 3. TRAINING, PERSONNEL, AND MANAGEMENT, Section 1020. Corrections Officer Core Course. Additionally, custody officer shall receive 24-hours of STC refresher training, on an annual basis.

Moreover, upon employment, in addition to maintaining First Aid and CPR certification for all custody officers, Contractor shall provide, at its own expense, a City approved Initial Training

program consisting of approximately 50-hours of instruction material taken from the Costa Mesa Police Department Jail Manual plus sufficient on-going training to ensure custody officers remain up-to-date with changes in custody operations and safety issues. The general categories of instruction shall include:

1. Orientation to the City of Costa Mesa Police Department
2. Operation liabilities
3. Minimum standards
4. Classification and segregation of inmates
5. Emergency procedures
6. Suicide prevention
7. Fire safety
8. Transportation of prisoners
9. Booking and release procedures, which include the automated booking system (JMS—Jail Management System) and Live scan
10. Security and control
11. Reports and data entry
12. Handling confidential information
13. Court testimony
14. Sexual Harassment
15. Violence in the Workplace
16. All custody officers shall complete eight hours of specialized training required by Title 15 and Title 24, California Code of Regulations. Such training shall include, but not be limited to:
 - a. Applicable minimum jail standards
 - b. Jail operations liability
 - c. Inmate segregation
 - d. Emergency procedures and planning
 - e. Suicide prevention
 - i. Such training shall be completed as soon as practical, but in any event not more than six months after the date of assigned responsibility. Eight hours of refresher training shall be completed once every two (2) years. In accordance with the initial training, Contractor will continue to provide on-going training. The necessary training will be provided at Contractor's expense. The post commander shall record and retain a copy of each employee's training record on site for inspection by the City's representative.

VII. SCHEDULING REQUIREMENTS

1. The Contractor shall maintain an adequate number of qualified personnel to perform the custody officer requirements. Contractor will fill any absence or vacancy immediately, to ensure that minimum staffing is retained at all times.
2. The Contractor will provide additional staffing for events, such as the Orange County Fair, checkpoints, special holidays, etc. The exact hours and shifts shall be determined by the City and reported to the Contractor. Sufficient notice shall be given to the Contractor allowing for the appropriate scheduling.

3. Contractor agrees to staff the Costa Mesa Police Department Type I Jail Facility with qualified, unarmed, uniformed, and trained personnel sufficient to maintain staffing year-round, 24-hours per day, seven-days per week, and 365-days per year. Specific schedules will be determined by the needs of the City. In addition, Contractor shall maintain the availability of at least one additional trained officer for temporary deployment when needed, to fill any vacancy, within two hours. The City is not responsible for any potential “on-call” costs.
4. Contractor will provide adequate staffing to facilitate the booking, housing, transportation, and other associated tasks that go along with processing the aforementioned volume of inmates (specified in the *Historical Booking Information* section of this RFP).

VIII. UNIFORMS

Contractor shall provide, at Contractor’s expense, all necessary uniforms, associated uniform articles of clothing agreed upon by both parties and equipment, such as, but not limited to, utility belts, handcuff holders, keepers, key ring, etc.

XI. SECURITY AND CONTROL

Contractor shall be responsible for providing prisoner security within the Costa Mesa Police Department’s Type I Jail Facility and during transportation by Contractor personnel in accordance with applicable Minimum Standards specified by all applicable Federal and State requirements, laws and statutes, applicable court orders and the California Corrections Standards Authority, whether now in effect or hereafter affected or implemented as applicable to the Type I Jail Facility and the Costa Mesa Police Department Manual and Costa Mesa Police Department Jail Manual. Regular security inspections of the facility and prisoners will be conducted and documented as required by the City. The Contractor’s security measures may be reviewed, on a regular basis, to include facility control, internal and external security, search and seizure practices, and emergency procedures.

X. EMERGENCY PROCEDURES

The City Jail has in place procedures to follow in the event of an emergency, outlined in the attached Jail Manual, and shall be adhered to by the Contractor’s staff.

XI. USE OF FORCE

The City Jail has in place a use-of-force policy. The Contractor shall follow policy and report all incidents according to policy and mandates, and provide all associated written reports, in a timely manner, to the City.

XII. RECORDS

Contractor shall be responsible for the timely completion of all inmate and related records as required by the City and applicable Minimum Standards specified by all applicable Federal and State requirements, laws and statutes, applicable court orders and the California Corrections Standards Authority, whether now in effect or hereafter affected or implemented as applicable to the Type I Jail Facility. Contractor shall be responsible to maintain all related records to be in

compliance with all County and State regulations and inspections. All such records remain the property of the City of Costa Mesa.

XIII. RISK MANAGEMENT

Contractor shall be responsible for identifying risk and exposures and the implementation of a risk management program to deal effectively with them. Major emphasis should be placed upon personal safety, control and search procedures, and biohazard issues related to the handling of prisoners. Custody supervisor shall be present during all facility inspections and audits conducted by governing entities.

XIV. HEALTH AND SAFETY

Contractor shall operate the Costa Mesa Police Department Type I Jail Facility in compliance with all applicable Minimum Standards specified by all applicable Federal and State requirements, laws and statutes, applicable court orders and the California Corrections Standards Authority, whether now in effect or hereafter affected or implemented, relative to safety and general operations. Regular safety inspections will be conducted and documented as required by the City. The Contractor will retain on file all completed inspection forms and other related documents for review.

XV. MAINTENANCE OF TYPE I JAIL FACILITY

Contractor shall be responsible for maintaining the cleanliness and sanitation of the Costa Mesa Police Department Type I Jail Facility as required by the Department and County Health Standards. The Post Commander will make available weekly a list of supplies that need to be provided to carry out the duties and maintenance associated with the Costa Mesa Police Department's Type I Jail Facility. The Contractor shall maintain a record of all maintenance activity and provide a copy to the City and/or appropriate inspection authorities upon request.

XVI. USE OF TYPE I JAIL FACILITY

The Jail facility building will not be used as a training site for employees of Contractor destined for assignment to other accounts/locations.

XVII. SANITATION AND HYGIENE

The Contractor shall provide equipment and supplies to ensure a clean and healthy environment at all times. Hygiene items must be provided to inmates for their personal use as mandated.

XVIII. FOOD SERVICES

The Contractor's staff will provide food services to all inmates. The meals provided shall adhere to the applicable Minimum Standards specified by all applicable Federal and State requirements, laws and statutes, applicable court orders and the California Corrections Standards Authority, whether now in effect or hereafter affected or implemented as applicable to the Type I Jail Facility and the Costa Mesa Police Department Manual and Costa Mesa Police Department Jail Manual.

XIX. PROPERTY

The Contractor will provide for the secure storage of inmate personal property. If the property is lost or damaged while under the care of the facility, inmates can use the facility's grievance process to seek reimbursement for the lost or damaged property.

XX. GRIEVANCE PROCEDURE

The Contractor shall allow inmates access to a reasonable, impartial, and nondiscriminatory procedure, which includes a final level of appeal to the State. The facility operator is responsible for responding to grievances on matters occurring during the inmates' incarceration in the City Jail.

XXI. INMATE SERVICES

The Contractor will be responsible for supplying, at the Contractor's expense, and providing all required bedding materials as mandated through Minimum Standards specified by all applicable Federal and State requirements, laws and statutes, applicable court orders and the California Corrections Standards Authority, whether now in effect or hereafter affected or implemented as applicable to the Type I Jail Facility and the Costa Mesa Police Department Manual and Costa Mesa Police Department Jail Manual.

XXII. CORRESPONDENCE

The Contractor shall allow inmates telecommunication access with Minimum Standards specified by all applicable Federal and State requirements, laws and statutes, applicable court orders and the California Corrections Standards Authority, whether now in effect or hereafter affected or implemented as applicable to the Type I Jail Facility and the Costa Mesa Police Department Manual and Costa Mesa Police Department Jail Manual. The inmate telecommunications services, which include City owned telephones required for use as outlined in section 851.5 of the California Penal Code, and the payphones inside each regular housing cell, will be provided, maintained, and serviced, at the expense of the City.

XXIII. MEDICAL ATTENTION AND MEDICAL CLEARANCES

Contractor's staff shall ensure that a full medical screening questionnaire is filled out, from the onset of the booking process, for each inmate screened in the pre-booking process. If there is medical concern(s) that would preclude the booking of an inmate, as outlined in the Jail Manual, the booking will be refused and the arresting officer or transporting officer will be directed to obtain a medical clearance, from a licensed physician, prior to acceptance of the inmate or officer will be required to book the inmate at another custody facility.

XXIV. I.C.E. LIAISON

The Contractor shall maintain the existing aforementioned working partnership with ICE (Immigrations and Customs Enforcement). As a part of this partnership, the Contractor, through the Jail staff, will notify an ICE representative, as needed, in order to facilitate the issuance of detainers, arrangement of detainee transportation, and/or other mutually related matters.

XXV. CITY CUSTODY VAN

The City will make available the City-owned custody van, to the Contractor and its staff, for the purpose of transporting City inmates and other business directly related to Jail operations. All Jail staff members are expected to operate the City-provided custody van in a safe, courteous, and legal manner at all times. The Contractor will furnish its own full coverage vehicle insurance as required in the contract. The City will provide maintenance services and fuel.

XXVI. TRANSPORTATION

The Contractor shall provide transportation of inmates to and from locations, as needed. The Contractor will work with the Orange County Sheriff's Department to ensure transportation of inmates scheduled for arraignments is done at a time(s) suitable for a timely appearance(s). The Contractor will also provide transportation services for those inmates who are being relocated to another custody facility, such as Orange County Jail, Huntington Beach City Jail, Santa Ana City Jail, Anaheim City Jail, etc. Those inmates who must be booked directly into Chino Prison (i.e. parole violators), will be the responsibility of the City.

XXVII. ADDITIONAL SERVICES

From time to time, the City may request additional custody officer services beyond that which is specifically set forth herein for such additional work that is mutually agreed upon by City and Contractor.

XXVIII. OVERALL OPERATIONS

The Contractor, if private, shall operate as a Type I Jail Facility and in compliance with State statute 6031.6 CPC, which mandates privately operated jails, under contract to public entities (i.e. counties or cities) to operate in compliance with all appropriate state and local building, zoning, health, safety, and fire statutes, ordinances and regulations, and with the minimum jail standards established by regulations adopted by the CSA as set forth in Subchapter 4 (commencing with Section 1000) of Chapter 1 of Division I of Title 15 CCR. (CSA report, *Privately Operated Local Detention Facilities*, revised 2/1999)

4. PROPOSAL FORMAT GUIDELINES

Interested contractors are to provide the City of Costa Mesa with a thorough proposal using the following guidelines:

Proposal should be typed and should contain no more than 20 typed pages using a 12-point font size, including transmittal letter and resumes of key people, but excluding Index/Table of Contents, tables, charts, and graphic exhibits. Each proposal will adhere to the following order and content of sections. Proposal should be straightforward, concise and provide "layman" explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer. Proposals, which appear unrealistic in the terms of technical commitments, lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract, may be rejected. The following proposal sections are to be included in the proposer's response:

- A. Vendor Application Form and Cover Letter
Complete Exhibit A, "Request for Proposal-Vendor Application Form" and attach this form to the cover letter. A cover letter, not to exceed three pages in length, should summarize key elements of the proposal. An individual authorized to bind the consultant must sign the letter. The letter must stipulate that the proposal price will be valid for a period of at least 180 days. Indicate the address and telephone number of the contractor's office located nearest to Costa Mesa, California and the office from which the project will be managed.
- B. Background and Project Summary Section
The Background and Project Summary Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished. Refer to Scope of Work of this RFP.
- C. Methodology Section
Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:
- 1) An implementation plan that describes in detail (i) the methods, including controls by which your firm manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.
 - 2) Detailed description of efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.
 - 3) Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion.
 - 4) Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.
 - 5) Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, safe, and cost-effective operations or increased performance capabilities.
 - 6) Firms, individuals and entities wishing to be considered shall include in their submissions the steps they will, if selected, implement and adhere to for the recruitment, hiring and retention of former employees of the City who have been displaced due to layoff or outsourcing of functions and services formerly provided by the City

- D. Staffing
Provide a list of individual(s) who will be working on this project and indicate the functions that each will perform. Include a resume for each designated individual.

Upon award and during the contract period, if the Contractor chooses to assign different personnel to the project, the Contractor must submit their names and qualifications including information listed above to the City for approval before they begin work.

- E. Qualifications
The information requested in this section should describe the qualifications of the Proposer, key staff and sub-contractors performing projects within the past five years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:

- 1) Names of key staff that participated on named projects and their specific responsibilities with respect to this scope of work.
- 2) A summary of the your firm's or entity's demonstrated capability, including length of time that you have provided the services being requested in this Request for Proposal.
- 3) If a private firm, provide at least five local references that received similar services from your firm. The City of Costa Mesa reserves the right to contact any of the organizations or individuals listed. Information provided shall include:

- ◆ Client Name
- ◆ Project Description
- ◆ Project start and end dates
- ◆ Client project manager name, telephone number, and e-mail address

- 4) Financial Capacity

Provide the Proposer's latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow the City to reasonably foirmulate a determination about the financial capacity of the Proposer. Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the Proposer.

- F. Fee Proposal
All proposers are required to used the form in Exhibit D to be submitted with their proposal.

- G. Disclosure
Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or

City employee. *Any past or current business relationship may not disqualify the firm from consideration.*

H. Sample Agreement

The firm selected by the City will be required to execute an Agreement for Services (Agreement) with the City. The form of the Agreement is enclosed as Exhibit B. **If a proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the proposal. Otherwise, the proposer will be deemed to have accepted the form of Agreement.** See Section 13, below.

I. Checklist of Forms to Accompany Proposal

As a convenience to proposers, following is a list of the forms, included as exhibits to this RFP, that should be included with proposals

- (1) Vendor Application Form
- (2) Ex Parte Communications Certificate
- (2) Price Proposal Form
- (3) Disclosure of Government Positions
- (4) Disqualifications Questionnaire

5. PROCESS FOR SUBMITTING PROPOSALS

◆ **Content of Proposal**

The proposal must be submitted using the format as indicated in the proposal format guidelines.

◆ **Preparation of Proposal**

Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.

◆ **Number of Proposals**

Submit one original, three (3) hard copies plus one disk copy of your proposal in sufficient detail to allow for thorough evaluation and comparative analysis. In the event of a conflict between the original and any hard copy or disk copy, the original shall control.

◆ **Submission of Proposals**

Complete written proposals must be submitted in sealed envelopes marked and received no later than 4:00 p.m. (P.S.T) on October 21, 2011 to the address

below. Proposals will not be accepted after this deadline. Faxed or e-mailed proposals will not be accepted.

City of Costa Mesa
City Attorney – 5th Floor
Attn: Kimberly Hall Barlow
77 Fair Drive
Costa Mesa, CA 92628-1200

RE: Operation of the Costa Mesa Police Department's Type 1 Jail Facility

◆ **Inquiries**

Questions about this RFP must be directed in writing, via e-mail to:

Richard Amadril, Purchasing Supervisor
rick.amadril@costamesaca.gov

The City reserves the right to amend this RFP prior to the proposal due date. All amendments, responses to questions received, and additional information will be posted to the Costa Mesa Procurement Registry, [Costa Mesa - Official City Web Site - Business - Bids & RFP's](#); proposers should check this web page daily for new information. The City will endeavor to answer all written questions timely received no later than October 6, 2011. The City reserves the right not to answer all questions.

From the date that this RFP is issued until a firm is selected and the selection is announced, firms are not allowed to communicate outside the process set forth in this RFP with any City employee other than the contracting officer listed above regarding this RFP. The City reserves the right to reject any proposal for violation of this provision. No questions other than written will be accepted, and no response other than written will be binding upon the City.

◆ **Conditions for Proposal Acceptance**

This RFP does not commit the City to award a contract or to pay any costs incurred for any services. The City, at its sole discretion, reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with any qualified source, or to cancel this RFP in part or in its entirety. The City may waive any irregularity in any proposal. All proposals will become the property of the City of Costa Mesa, USA. If any proprietary information is contained in the proposal, it should be clearly identified.

6. EVALUATION CRITERIA

The City's evaluation and selection process will be conducted in accordance with Chapter V, Article 2 of the City's Municipal Code (Code). In accordance with the Code, the lowest responsible bidder will be determined based on evaluation of qualitative factors in addition to price. At all times during the evaluation process, the following criteria will be used. Sub-criteria are not necessarily listed in order of importance. Additional sub criteria that logically fit within a particular evaluation criteria may also be considered even if not specified below.

1. Qualifications of Firm and Key Personnel-----25%
Includes a firm's ability to provide the requested scope of services, the firm's financial capacity, recent experience conducting work of similar scope, complexity, and magnitude for other public agencies of similar size, references.
2. Approach to Providing the Requested Scope of Services-----10%
Includes an understanding of the RFP and of the project's scope of services, knowledge of applicable laws and regulations related to the scope of services.
3. Price Proposal-----50%
Price Proposals will be evaluated on the basis of the Total Estimated Annual Price submitted in Exhibit D.
4. Innovative and/or creative approaches to providing the services that provide additional efficiencies or increased performance capabilities. ----15%

7. EVALUATION OF PROPOSALS AND SELECTION PROCESS

In accordance with its Municipal Code, the City will adhere to the following procedures in evaluating proposals. An Evaluation/Selection Committee (Committee), which will include members of the City's staff and possibly one or more outside experts, will screen and review all proposals according to the weighted criteria set forth above. While price is one basic factor for award, it is not the sole consideration.

A. Responsiveness Screening

Proposals will first be screened to ensure responsiveness to the RFP. The City may reject as non-responsive any proposal that does not include the documents required to be submitted by this RFP. At any time during the evaluation process, the City reserves the right to request clarifications or additional information from any or all Proposers regarding their proposals.

B. Initial Proposal Review

The Committee will initially review and score all responsive written proposals based upon the Evaluation Criteria set forth above. The Committee may also contact Proposer's references. Proposals that receive the highest evaluation scores may be invited to the next stage of the evaluation process. The City may reject any proposal in which a Proposer's approach, qualifications, or price is not considered acceptable by the City. An unacceptable proposal is one that would have to be substantially rewritten to make it acceptable. The City may conclude the evaluation process at this point and recommend award to the lowest responsible bidder.

C. Interviews, Reference Checks, Revised Proposals, Discussions

Following the initial screening and review of proposals, the Proposers included in this stage of the evaluation process may be invited to participate in an oral

interview. Interviews, if held, are tentatively scheduled for _____, 2011 and will be conducted at City of Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, 92626. This date is subject to change. The individual(s) from Proposer's firm or entity who will be directly responsible for carrying out the contract, if awarded, should be present at the oral interview. The oral interview may, but is not required to, use a written question/answer format for the purpose of clarifying the intent of any portions of the proposal.

In addition to conducting an oral interview, the City may during this stage of the evaluation process also contact and evaluate the Proposer's references, contact any Proposer to clarify any response or request revised or additional information, contact any current users of a Proposer's services, solicit information from any available source concerning any aspect of a proposal, and seek and review any other information deemed pertinent to the evaluation process.

Following conclusion of this stage of the evaluation process, the Committee will again rank all Proposers according to the evaluation criteria set forth above. The Committee may conclude the evaluation process at this point, and make a recommendation for award, or it may request Best and Final Offers from Proposers. The City may accept the proposal or negotiate the terms and conditions of the agreement with the highest ranked firm or entity. The City may recommend award without Best and Final Offers, so Proposers should include their best proposal with their initial submission

The City may accept the proposal or negotiate the terms and conditions of the agreement with the highest ranked firm or entity, which shall be determined to be the lowest responsible bidder. Recommendation for award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully within a time period determined by the City, the City may terminate negotiations and commence negotiations with the next highest scoring Proposer or withdraw the RFP.

8. PROTEST PROCEDURES

Failure to comply with the rules set forth herein may result in rejection of the protest. Protests based upon restrictive specifications or alleged improprieties in the proposal procedure which are apparent or reasonably should have been discovered prior to receipt of proposals shall be filed in writing with the Purchasing Supervisor at least 3 calendar days prior to receipt of proposals. The protest must clearly specify in writing the grounds and evidence on which the protest is based.

Protests based upon alleged improprieties that are not apparent or which could not reasonably have been discovered prior to submission date of the proposals, such as disputes over the staff recommendation for contract award, shall be submitted in writing to the Purchasing Supervisor, within forty-eight hours from receipt of the notice from the City advising of staff's recommendation for award of contract. The protest must clearly specify in writing the grounds and evidence on which the protest is based. The Purchasing Supervisor will respond to the protest in writing at least three days prior to the meeting at which staff's recommendation to the

City Council will be considered. Should Proposer decide to appeal the response of the Purchasing Supervisor, and pursue its protest at the Council meeting, it will notify the Purchasing Supervisor of its intention at least two days prior to the scheduled meeting.

9. CONFIDENTIALITY

The California Public Records Act (Cal. Govt. Code Sections 6250, et seq.) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, protest, or any other written communication between the City and Proposer, shall be available to the public.

If Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that the City withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. Proposer may not designate its entire proposal as confidential nor designate its Price Proposal as confidential.

Submission of a proposal shall indicate that if Proposer requests that the City withhold from disclosure information identified as confidential, and the City complies with the Proposer's request, Proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless the City from and against all damages (including but not limited to attorney's fees that may be awarded to the party requesting the Proposer information), and pay any and all cost and expenses related to the withholding of Proposer information. Proposer shall not make a claim, sue, or maintain any legal action against the City or its directors, officers, employees, or agents concerning the disclosure, or withholding from disclosure, of any Proposer information. If Proposer does not request that the City withhold from disclosure information identified as confidential, the City shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to the City.

10. EX PARTE COMMUNICATIONS

Proposers and Proposers' representatives should not communicate with the City Council members about this RFP. In addition, Proposers and Proposers' representatives should not communicate outside the procedures set forth in this RFP with an officer, employee or agent of the City, including any member of the evaluation panel, with the exception of the Purchasing Supervisor, regarding this RFP until after Contract Award. Proposers and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting.

A "Proposer" or "Proposer's representative" includes all of the Proposer's employees, officers, directors, consultants and agents, any subcontractors or suppliers listed in the Proposer's proposal, and any individual or entity who has been requested by the Proposer to contact the City on the Proposer's behalf. Proposers shall include the Ex Parte Communications form (Exhibit C) with their proposals certifying that they have not had prohibited communications as described in this section.

11. CONFLICT OF INTEREST

The Proposer warrants and represents that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code sections 1090, et seq. or sections 87100, et seq. during the performance of services under this Agreement. The Proposer further covenants that it will not knowingly employ any person having such an interest in the performance of any Agreement awarded. Violation of this provision may result in any Agreement awarded being deemed void and unenforceable.

12. DISCLOSURE OF GOVERNMENTAL POSITION

In order to analyze possible conflicts that might prevent a Proposer from acting on behalf of the City, the City requires that all Proposers disclose in their proposals any positions that they hold as directors, officers, or employees of any governmental entity. Additional disclosure may be required prior to contract award or during the term of the contract. Each Proposer shall disclose whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months using the attached "Disclosure of Government Positions Form." (See Exhibit F.)

13 CONDITIONS TO AGREEMENT, IF ANY.

The selected Proposer will execute an Agreement for Services with the City describing the Scope of Services to be performed, the schedule for completion of the services, compensation, and other pertinent provisions. The contract shall follow the sample form of Agreement provided as Exhibit B to this RFP, which may be modified by City. All Proposers are directed to particularly review the indemnification and insurance requirements set forth in the sample Agreement.

The terms of the agreement, including insurance requirements have been mandated by City Council and can be modified only if extraordinary circumstances exist. Submittal of a proposal shall be deemed acceptance of all the terms set forth in this RFP and the sample Agreement for Services unless the Proposer includes with its proposal, in writing, any conditions or exceptions requested by the Proposer to the proposed Agreement. In accordance with the Municipal Code, the City may consider the scope and number of conditions in evaluation of proposals and determining the lowest responsible bidder.

14. DISQUALIFICATION QUESTIONNAIRE

Proposers shall complete and submit, under penalty of perjury, a standard form of questionnaire inquiring whether a Proposer, any officer of a Proposer, or any employee of a Proposer who has a proprietary interest in the Proposer, has ever been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local government project because of a violation of law or safety regulation and if so, to explain the circumstances. A proposal may be rejected on the basis of a Proposer, or any officer or employee of such Proposer, having been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local project because of a violation of law or a safety regulation. See Exhibit E.

15. STANDARD TERMS AND CONDITIONS

◆ Amendments

The City reserves the right to amend this RFP prior to the proposal due date. All amendments and additional information will be posted to the Costa Mesa Procurement Registry, [Costa Mesa - Official City Web Site - Business - Bids & RFP's](#); Proposers should check this web page daily for new information.

◆ Cost for Preparing Proposal

The cost for developing the proposal is the sole responsibility of the Proposer. All proposals submitted become the property of the City.

◆ Insurance Requirements

City requires that licensees, lessees, and vendors have an *approved* Certificate of Insurance (not a declaration or policy) or proof of legal self-insurance on file with the City for the issuance of a permit or contract. Within ten (10) calendar days of award of contract, the successful Proposer must furnish the City with the Certificates of Insurance proving coverage as specified within Exhibit B.

Appendix A

Appendix A



REQUEST FOR PROPOSAL

Operation of the Costa Mesa Police Departments Type I Jail Facility

VENDOR APPLICATION FORM

TYPE OF APPLICANT: NEW CURRENT VENDOR

Legal Contractual Name of Corporation: _____

Contact Person for Agreement: _____

Corporate Mailing Address: _____

City, State and Zip Code: _____

E-Mail Address: _____

Phone: _____ Fax: _____

Contact Person for Proposals: _____

Title: _____ E-Mail Address: _____

Business Telephone: _____ Business Fax: _____

Is your business: (check one)

NON PROFIT CORPORATION FOR PROFIT CORPORATION

Is your business: (check one)

CORPORATION LIMITED LIABILITY PARTNERSHIP
 INDIVIDUAL SOLE PROPRIETORSHIP
 PARTNERSHIP UNINCORPORATED ASSOCIATION

Names & Titles of Corporate Board Members

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names

Title

Phone

| | | |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Federal Tax Identification Number: _____

City of Costa Mesa Business License Number: _____
(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: _____

Appendix B

Appendix B

PROFESSIONAL SERVICES AGREEMENT CITY OF COSTA MESA

THIS AGREEMENT is made and entered into this __ day of ____, 2011 (“Effective Date”), by and between the CITY OF COSTA MESA, a municipal corporation (“City”), and consultant, a California corporation (“Consultant”).

WITNESSETH:

- A. WHEREAS, City proposes to have Consultant _____ as described herein below; and
- B. WHEREAS, Consultant represents that it has that degree of specialized expertise necessary to practice and perform the services herein contemplated; and
- C. WHEREAS, City and Consultant desire to contract for specific services in connection with the project described below (the “Project”) and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and
- D. WHEREAS, no official or employee of City has a financial interest, within the provisions of California Government Code, Sections 1090-1092, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in Consultant’s Proposal (the “Proposal”). A copy of said Proposal is attached hereto as Exhibit “A” and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. It is understood that in the exercise of every aspect of its role, within the scope of work, Consultant will be representing the City, and all of its actions, communications, or other work, during its employment, under this contract is under the direction of the City. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant’s performance of this Agreement. No personnel providing services to the City under this Agreement shall be allowed to work under this agreement unless he/she is approved by the City. City also has the right to require Consultant to remove personnel from service under this Agreement upon demand of the City based on performance deficiencies or misconduct of any kind.

1.3. Warranty. Consultant warrants that it shall perform the services required by this

Agreement in compliance with all applicable Federal and California employment laws including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.4. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Violation of this provision may result in the imposition of penalties referred to in Labor Code, Section 1735.

1.5 Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.6. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

2.0. COMPENSATION AND BILLING

2.1. Compensation. [TBD]

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Proposal unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to City's designated supervisor for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement

shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the Effective Date.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "D," attached hereto and incorporated herein by this reference. The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of thirty-six months ending on _____, 2012, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. At the end of the term period, Consultant and City may mutually agree, in writing, to renew the contract for up to two term periods of one (1) year each.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, inmate intake reports and logs shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain and maintain during the life of this Agreement all of the following insurance coverages:

- (a) **Public Liability and Property Damage Liability Insurance:** Operator shall procure a policy or policies of Commercial General liability insurance issued on an “occurrence” basis. Such insurance shall protect operator against loss, including injury or death resulting therefrom suffered or alleged to have been suffered by any person or persons, resulting directly or indirectly from the performance or execution of this Agreement or any subcontract thereunder. Operator’s insurer shall be an approved carrier in the State of California with an A.M. Best’s rating of “A” VII or better. Property damage insurance shall also protect Operator against loss from liability imposed by law for damage to any property caused directly or indirectly by the performance or execution of this Agreement or any subcontractors thereunder. Liability insurance (subject to the normal terms, conditions, and exclusions of the Commercial General Liability Coverage Form – Criminal Justice system operations) must cover:
 - i. **Assumption of Liability:** Operator’s assumption of all liability caused by or arising out of all aspects of the provision and operation of the Jail.
 - ii. **Form, Limits:** The policy or policies for the insurance identified above must be of a comprehensive form and on an “occurrence basis” with a per occurrence limit of not less than Ten Million Dollars (\$10,000,000) and a general aggregate limit of not less than Ten Million Dollars (\$10,000,000) and include civil rights coverage as set forth below, with the same limits.
 - iii. Policies must not contain any exclusions for discrimination and/or violations of civil right
- (b) **Automobile Insurance:** Operator shall obtain and maintain Automotive Liability Insurance, on an occurrence basis, which will cover any vehicle owned, leased, hired, borrowed or operated by Operator or its employees which are used in the performance of duties under this Agreement. The insurance shall have a combined singled limit of not less than One Million Dollars (\$1,000,000) for each accident.
- (c) **Workers’ Compensation:** Operator shall obtain Workers’ Compensation Insurance, including employer’s liability coverage, with a minimum limit of One Million Dollars (\$1,000,000) or the amount required by law, whichever is greater. If any work is sublet, Operator shall require the subcontractor to provide similar Workers’ Compensation Insurance coverage, unless such subcontractor’s employees are covered by the Operator’s insurance. Operator agrees to indemnify City for any damage resulting to it from any failure of either Operator or any subcontractor to

take out or maintain such insurance. Operator agrees to waive, and obtain endorsements from its workers' compensation insurer waiving, subrogation rights under its workers' compensation insurance policy against the CITY and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

- (d) **Professional Liability Insurance:** Professional Liability in an amount not less than Ten Million Dollars (\$10,000,000) per occurrence; Insurance companies must be acceptable to City and have an A.M. Best's rating of "A" VII or better as approved by the CITY. Policy must not contain any exclusions for discrimination and/or civil rights violations. For any professional liability policy written on a "claims made" basis, the policy shall be continued in full force and effect at all times during the term of this agreement, and for a period of not less than three (3) years from the date of completion of services hereunder. In the event of termination, cancellation, or material change of the policy during this period, Consultant shall obtain continuing insurance coverage for the prior acts or omissions of Consultant during the course of performing services under the terms of this agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or obtaining separate extended "tail" coverage with the present or new carrier. Evidence of coverage shall be submitted to the City.
- (e) **Fidelity Insurance:** Operator shall procure and maintain, at its sole cost and for the duration of this Agreement, fidelity insurance in an amount not less than one Million Dollars (\$1,000,000) per occurrence with an aggregate of One Million Dollars (\$1,000,000). Fidelity Insurance must include client coverage and the CITY must be listed as loss payee.

5.2. Endorsements:

- (a) All insurance policies shall contain a Waiver of Subrogation of Rights against the City.
- (b) **Additional Insured:** "The City of Costa Mesa and its elected and appointed boards, officers, agents, and employees are additional insureds with respect to this subject project and contract with City" on the policies of comprehensive general liability, civil rights liability, property damage, automobile liability and excess liability coverages by endorsement.
- (c) **Primary Insurance:** Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by the policies of this agreement.
- (d) **Notice:** Said policies shall not terminate, nor shall it be cancelled, nor the coverage reduced, until thirty (30) days after written notice is given to City.

5.3 Clauses - Each policy of insurance shall contain the following clauses:

- (a) **Civil Rights Coverage:** Insurance provided by operator under A, Liability Insurance, must protect the City and its elected and appointed boards, officers, agents, and employees against civil rights actions and/or discrimination actions by Inmates involving “conditions of confinement” wherein declaratory and injunctive relief are sought and/or monetary damages are sought.
- (b) **Separate Application:** Subject to Operator’s General Liability policy combined single limit, the insurance afforded applies separately to each insured, against whom claim is made, or suit is brought.
- (c) **If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.**
- (d) **Deductibles and Self-Insured Retention:** any change in the deductibles must be declared to and approved by CITY. Any self-insured retention and/or deductible must be declared to and approved by the CITY.

5.4 If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.5. Certificates of Insurance: Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.6. Non-limiting: Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement: This Agreement constitutes the entire Agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his designee shall be the representative of

City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices: Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

Consultant
12345 Jefferson Rd.
Costa Mesa, CA 92626
Tel: 555-555-5555
Fax: 555-555-5555
Attn:

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Tel: 714-754-5156
Fax: 714-754-5330
Attn: Purchasing

6.5. Drug-free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "B" and incorporated herein by reference. Consultant's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees: In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law: This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto

agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment: Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless:

To the fullest extent permitted by law, the Consultant assumes liability for and shall save and protect, hold harmless, indemnify, and defend the City and its elected and appointed officials, officers, and employees (all the foregoing, hereinafter collectively, "Indemnitees") from and against all claims, suits, demands, damages, losses, expenses, and liabilities of any kind whatsoever (all the foregoing, hereinafter collectively "Claims") including, without limitation, attorneys' fees, arising out of, resulting from, relating to, or claimed to have arisen out of, resulted from or related to the engagement of Consultant or the performance of this Contract by the Contractor (including its subcontractors and suppliers)

It is expressly intended by the parties that Consultant's indemnity and defense obligations shall apply, and Indemnitees shall be fully indemnified without offset, deduction or contribution, regardless of any negligence or other fault of Indemnitees, or any of them, and whether or not such Indemnitee negligence or other fault caused or contributed to the arising of the Claims.

"Claims" as used in this section shall include, without limitation, those for personal injuries, wrongful death, mental or emotional distress, loss of consortium, damage to or loss of use of real, personal or intangible property of any kind, loss of income, loss of earning capacity, and business, financial, commercial or pecuniary losses of any kind whatsoever, and attorneys fees, and costs and expenses of any kind whatsoever.

Consultant's indemnity and defense obligations shall cover the acts or omissions of any of Consultant's subcontractors, and suppliers, and the employees of any of the foregoing.

The Consultant's indemnity and defense obligation under this Section includes, without limitation, any claims, suits, demands, damages, losses, expenses, and liabilities arising from allegations of violations of any federal, State, or local law or regulation, and from allegations of violations of Consultant's or its subcontractor's personnel practices or from any allegation of an injury to an employee of the Consultant or subcontractor performing work or labor necessary to carry out the provisions of this Contract.

The indemnification obligations in this Section shall not be construed to negate, abridge or otherwise reduce any other obligation of indemnity the Consultant may have with respect to the City which may otherwise exist. If any judgment is rendered against the City or any of the other individuals enumerated above in any such action, the Consultant shall, at its

expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of this Agreement.

6.10. Independent Contractor: Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall secure, at his expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder.

6.11 PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Ownership of Documents: All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.13. Confidentiality: Any City materials to which the Consultant has access, information that reasonably might be construed as private or containing personal identifiable information, or materials prepared by the Consultant during the course of this Agreement (collectively referred to as "confidential information") shall be held in confidence by the Consultant, who shall exercise all reasonable precautions to prevent the disclosure of confidential information to anyone except the officers, employees and agents of the Consultant

as necessary to accomplish the rendition of services set forth in this Agreement. Consultant shall not release any reports, information, private or promotional information or materials, whether deemed confidential or not, to any third party without the approval of the City.

6.14. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.15. Prohibited Employment: Consultant will not employ any regular employee of City while this Agreement is in effect.

6.16. Order of Precedence: In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of the Proposal, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the Proposal.

6.17. Costs: Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.18. No Third Party Beneficiary Rights: This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.19. Headings: Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.20. Construction: The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.21. Amendments: Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.22. Waiver: The delay or failure of either party at any time to require performance or

compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.23. Severability: If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.24. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.25. Corporate Authority: The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so, the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF COSTA MESA,
A municipal corporation

Mayor

Date: _____

CONSULTANT

Signature

Date: _____

Name and Title

Social Security or Taxpayer ID Number

APPROVED AS TO FORM:

City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Risk Management

Date: _____

APPROVED AS TO CONTENT:

Project Manager

Date: _____

EXHIBIT A
CONSULTANT'S PROPOSAL

EXHIBIT B

CITY COUNCIL POLICY 100-5

| SUBJECT | POLICY NUMBER | EFFECTIVE DATE | PAGE |
|---------------------|---------------|----------------|--------|
| DRUG-FREE WORKPLACE | 100-5 | 8-8-89 | 1 of 3 |

BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a sub-grantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

PURPOSE

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa’s commitment to a drug-free society.
2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

POLICY

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or Sub-grantee hereby certifies that it will provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor’s and/or sub-grantee’s workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibition;

| SUBJECT | POLICY NUMBER | EFFECTIVE DATE | PAGE |
|---------------------|---------------|----------------|--------|
| DRUG-FREE WORKPLACE | 100-5 | 8-8-89 | 2 of 3 |

- b. Establishing a Drug-Free Awareness Program to inform employees about:
 - 1. The dangers of drug abuse in the workplace;
 - 2. Contractor's and/or sub-grantee's policy of maintaining a drug-free workplace;
 - 3. Any available drug counseling, rehabilitation and employee assistance programs; and
 - 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by subparagraph A;
- d. Notifying the employee in the statement required by subparagraph 1 A that, as a condition of employment under the contract, the employee will:
 - 1. Abide by the terms of the statement; and
 - 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- e. Notifying the City of Costa Mesa within ten (10) days after receiving notice under subparagraph 1 D 2 from an employee or otherwise receiving the actual notice of such conviction;
- f. Taking one of the following actions within thirty (30) days of receiving notice under subparagraph 1 D 2 with respect to an employee who is so convicted:
 - 1. Taking appropriate personnel action against such an employee, up to and including termination; or
 - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency;

| SUBJECT | POLICY NUMBER | EFFECTIVE DATE | PAGE |
|---------------------|----------------------|-----------------------|-------------|
| DRUG-FREE WORKPLACE | 100-5 | 8-8-89 | 3 of 3 |

- g. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive.
2. Contractor and/or sub-grantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:
 - a. Contractor and/or sub-grantee has made a false certification under paragraph 1 above;
 - b. Contractor and/or sub-grantee has violated the certification by failing to carry out the requirements of subparagraphs 1 A through 1 G above;
 - c. Such number of employees of Contractor and/or sub-grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor and/or sub-grantee has failed to make a good faith effort to provide a drug-free workplace.
 3. Should any contractor and/or sub-grantee be deemed to be in violation of this Policy pursuant to the provisions of 2 A, B, and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, and local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a contractor and/or sub-grantee, the contractor and/or sub-grantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon issuance of any final decision recommending against debarment of the contractor and/or sub-grantee, the contractor and/or sub-grantee shall be eligible for compensation as provided by law.

EXHIBIT C
CERTIFICATES OF INSURANCE

Appendix C

Appendix C

EX PARTE COMMUNICATIONS CERTIFICATION

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning the Jail Operations RFP at any time after September 21, 2011.

OR

I certify that Proposer or Proposer's representatives have communicated after September 21, 2011 with a City Councilmember concerning the Jail Operations RFP. A copy of all communications is attached to this form for public distribution.

Appendix D

Appendix D

PRICING PROPOSAL FORM OPERATION OF THE COSTA MESA POLICE DEPARTMENT TYPE I JAIL FACILITY

Provide hourly rates, along with estimated annual pricing in accordance with the City's current requirements, as set forth in section VII. SCHEDULE REQUIREMENTS. (These hours are subject to fluctuation, but shall be used for the purpose of pricing comparison.) Also provide your firm's proposed Staffing Plan on a separate sheet of paper.

Pricing shall remain firm for a minimum of one and one half (1.5) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at www.bls.gov.)

| Employee | Hourly Rate | Overtime rate |
|-----------------|-------------|---------------|
| Supervisor | \$ | \$ |
| Custody Officer | \$ | \$ |
| | \$ | \$ |

| | |
|--|----|
| Supervisor Hourly Rate x 40 hours/week x 52 weeks/year | \$ |
| Custody Officer Hourly Rate x 400 hours/week x 52 weeks/year | \$ |
| | \$ |
| Total Estimated Annual Price | \$ |

Appendix E

Appendix E

DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

Yes _____ No _____

If the answer is yes, explain the circumstances in the following space.

Appendix F

Appendix F

DISCLOSURE OF GOVERNMENT POSITIONS

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below, or state "None."

VENDORS

Email**Address****City****State**

| | | | |
|----------------------------------|-------------------------------|----------------|---------|
| [REDACTED] | 425 Golden State Ave. | Bakersfield | CA |
| [REDACTED]@avaloncorrections.net | 13401 Railway Dr. | Oklahoma City | OK |
| [REDACTED] | 1021 ranch Road 620 S., Ste D | Austin | TX |
| [REDACTED]@cecintl.com | 100 Locke Dr. | Marlboro | MA |
| [REDACTED] | 4801 Woodway, Ste 400W | Houston | TX |
| [REDACTED] | 209 Camaro Way | San Marcos | TX |
| [REDACTED]@cca.com | 10 Burton Hills Blvd. | Nashville | TN |
| [REDACTED] | Farncombe House, Broadway | Worcestershire | England |
| [REDACTED] | P.O. Box 1403 | Brentwood | TN |
| [REDACTED] | P.O. Box 9935 | Ogden | UT |
| [REDACTED] | 4540 California Ave., Ste510 | Bakersfield | CA |
| [REDACTED] | 2500 7th Street Rd. | Louisville | KY |
| [REDACTED]@usa.g4s.com | | Costa Mesa | CA |

Zip

93301

73157

78734

1752

77056

78666

37215

WR12 7LJ

37204

84403

93309

93309

Total emails sent to subscribers: 276

Please close this window

Costa Mesa PD Type 1 Jail facility

Alternative Programs
425 Golden State Ave,
Bakersfield, CA 93301

Returned
BOBBY ROSS GROUP
1021 Ranch Road 620 S. Ste D
Austin, Texas 78734

Returned
CORNELL CORRECTIONS
4801 Woodway, Ste 400W
Houston, Texas 77056

CORRECTIONAL SYSTEMS
209 Camaro Way
San Marcos, Texas 78666

GRW CORPORATION
P.O. Box 1403
Brentwood, TN 37204

Returned
Management and Training Corp.
P.O. Box 9935
Ogden, UT 84403

MARANATHA CORRECTION, LLC
4540 California Ave., Ste 510
Bakersfield, CA 93309

U.S. CORRECTIONS CORP.
2500 7th Street Rd.
Louisville, KY 40208

Mailing Labels - RFP Prison Sys mailed 5/11/11

Part 8

Appendix: Resources

Experts

[REDACTED]
 Private Prison Administrator
 Virginia Department of Corrections
 6900 Atmore Dr., Room 2083
 Richmond, VA 23225
 [REDACTED]

[REDACTED]
 Principal Consultant, Joint Committee on Prison
 Construction and Operations
 California State Senate
 1020 N St., Room 586
 Sacramento, CA 95814
 (916) 221-2175 (F) (916) 221-2177
 [REDACTED]

[REDACTED]
 Brown & Wood
 One World Trade Center
 New York, NY 10048
 [REDACTED]

[REDACTED]
 Department of Sociology
 University of Connecticut
 Storrs, CT 06269
 [REDACTED]

[REDACTED]
 First Analysis Corporation
 Sears Tower, Suite 9500
 233 South Wacker Dr.
 Chicago, IL 60606
 [REDACTED]

[REDACTED]
 Partner
 The Mitchell Company
 2025 N. Summit Ave.
 Milwaukee, WI 53202
 [REDACTED]

[REDACTED]
 Director of Economic Studies
 Reason Public Policy Institute
 3415 S. Sepulveda Blvd., Suite 400
 Los Angeles, CA 90034
 (310) 221-2215 (F) (310) 221-2217
 [REDACTED]

[REDACTED]
 Assistant Director, Prison Operations
 Support Services Division
 Arizona Department of Corrections
 1601 W. Jefferson St.
 Phoenix, AZ 85007
 [REDACTED]

[REDACTED]
 SunTrust Equitable Securities
 800 Nashville City Center
 Nashville, TN 37219
 [REDACTED]

[REDACTED]
 Research Analyst
 Legg Mason Equity Research
 1735 Market St., Suite 1100
 Philadelphia, PA 19103
 [REDACTED]

Jail Svs Providers RFP

[Redacted]
Director, Private Corrections Project
University of Florida
P.O. Box 115950
Gainesville, FL 32611
[Redacted]

[Redacted]
Head of Contracts
HM Prison Service
Horseferry House, Denn Rule St.
London, England SW1P 2AW
[Redacted]

Service Providers

- ✓ **Alternative Programs**
425 Golden State Ave.
Bakersfield, CA 93301
(805) 326-0411 (fax 1168)
- ✓ **Bobby Ross Group**
1021 Ranch Road 620 S., Suite D
Austin, TX 78734
(512) 263-9480 (fax 9481)
- ✓ **Cornell Corrections**
4801 Woodway, Suite 400W
Houston, TX 77056
(713) 623-0790 (fax 2217)
- ✓ **Correctional Systems**
209 Camaro Way
San Marcos, TX 78666
(512) 396-7583 (fax 353-2910)
- ✓ **Group 4 Prison Services**
Farncombe House, Broadway
Worcestershire, England WR12 7LJ
(44) 1-38685-8585
- ✓ **Management and Training Corporation**
P.O. Box 9935
Ogden, UT 84403
(801) 626-2000 (fax 2685)
- ✓ **Securicor New Century**
9609 Cayton Road, Suite 100
Richmond, VA 23233
(804) 754-1100 (fax 741-9515)
- ✓ **Wackenhut Corrections**
P.O. Box 10963
Palm Beach Gardens, FL 33410
(561) 622-5656 (fax 6659)
- ✗ **Avalon Community Services**
13401 Railway Dr.
Oklahoma City, OK 73157
(405) 752-8802 (fax 8552)
- ✗ **CiviGenics**
100 Locke Dr.
Marlboro, MA 01752
(800) 525-9479 x122
- ✓ **Correctional Services Corporation**
1819 Main St., Suite 1000
Sarasota, FL 34236
(941) 953-9199 (fax 9198)
- ✗ **Corrections Corporation of America**
10 Burton Hills Blvd.
Nashville, TN 37215
(615) 263-3000 (fax 3140)
- ✓ **GRW Corporation**
P.O. Box 1403
Brentwood, TN 37204
(615) 373-5703 (fax 0224)
- ✓ **Maranatha Production Company**
4540 California Ave., Suite 510
Bakersfield, CA 93309
~~(805) 833-8196 (fax 9198)~~
- ✓ **U.S. Corrections Corporation**
2500 7th Street Rd
Louisville, KY 40208
~~(502) 635-5444 (fax 6002)~~

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of GEO
BoCA FL.*

*same
645*

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Contract operators*

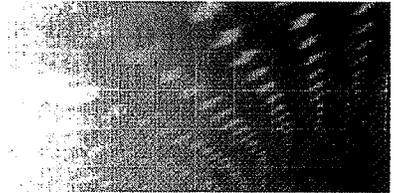
Table 3 Private Adult Correctional Firms, December 31, 1998

| Management Firm | U.S. Capacity | Outside U.S. Capacity | Total Capacity | Percentage* |
|---|---------------|-----------------------|----------------|-------------|
| X Alternative Programs, Inc. | 340 | 0 | 340 | 0.3% |
| ✓ Avalon Correctional Services, Inc. | 350 | 0 | 350 | 0.3 |
| X Bobby Ross Group | 464 | 0 | 464 | 0.4 |
| ✓ CiviGenics Inc. | 3,563 | 0 | 3,563 | 2.7 |
| X Cornell Corrections, Inc. | 5,794 | 0 | 5,794 | 4.4 |
| / Correctional Services Corporation | 6,727 | 0 | 6,727 | 5.1 |
| X Correctional Systems, Inc. | 272 | 0 | 272 | 0.2 |
| ✓ Corrections Corporation of America | 65,748 | 2,244 | 67,992 | 51.4 |
| X Group 4 Prison Services Ltd. | 0 | 4,510 | 4,510 | 3.4 |
| ✓ GRW Corporation | 362 | 0 | 362 | 0.3 |
| / Management and Training Corporation | 7,465 | 0 | 7,465 | 5.6 |
| ✓ Maranatha Production Company <i>Correction, LLC</i> | 500 | 0 | 500 | 0.4 |
| ✓ Securicor | 0 | 800 | 800 | 0.6 |
| ✓ Wackenhut Corrections Corporation | 25,041 | 8,166 | 33,207 | 25.1 |
| Total | 116,626 | 15,720 | 132,346 | 100.0 |

* Discrepancy in total is due to rounding.
Source: Thomas (1998).

for more than three-fourths of the entire worldwide market (Thomas, 1998).

In the United States, a total of 158 private correctional facilities are operating in 30 states, Puerto Rico, and the District of Columbia (table 4). Texas has the most facilities (43), followed by California (24), Florida (10), and Colorado (9). Most private correctional facilities tend to be concentrated in the Southern and Western United States. Another 26 private facilities operate in 3 other countries, with Australia and the United Kingdom topping



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- Biotechnology
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- Communication Equipment
- Conglomerates
- Diversified Computer Systems
- Diversified Investments
- Drug Manufacturers - Major
- Electric Utilities
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CiviGenics Inc. Company Profile

Once inmates get behind bars, CiviGenics works to keep them there -- and keep them from coming back. CiviGenics operates some 11 jails in Texas and Ohio with the capacity to house a total of more than 3,000 inmates. The company runs community corrections facilities that can hold more than 700 offenders in four more states. In addition, CiviGenics oversees institutional and community-based substance abuse treatment programs in 12 states. The CiviGenics treatment programs are designed to reduce recidivism. The company also offers drug-testing services for employers. All total, CiviGenics operates more than 100 treatment programs in about 20 states. CiviGenics was founded in 1995.

Contact Information

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Fax: 508-303-6499

Financial Highlights

Fiscal Year End: December
Revenue (2007): 54.40 M
Employees (2007): 1,600

Key People

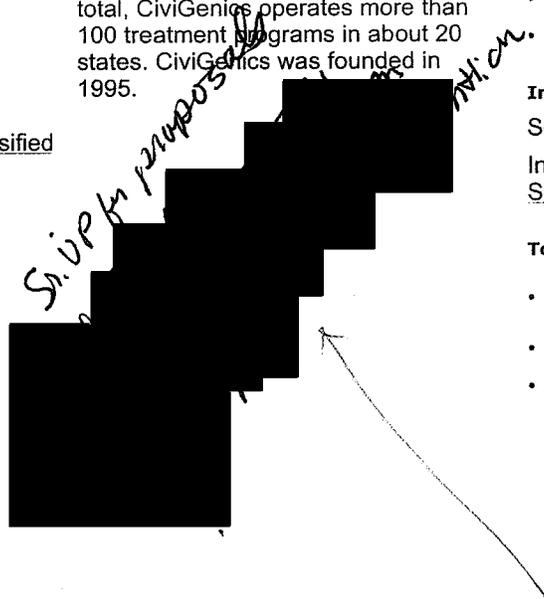
- President: Roy Ross
- COO: Peter Argeropolos
- CFO: Donald Leef

Industry Information

Sector: Services
Industry: Security & Protection Services

Top Competitors

- Avalon Correctional Services, Inc. (city.pk)
- Cornell Companies, Inc.
- The GEO Group, Inc. (geo)



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Company Contacts by Department:

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Employment Opportunities
- **State Customer Relations**
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Phone: (615) 263-6798

- **Federal Customer Relations**

[REDACTED] Federal and Local Customer Relations

Phone: [REDACTED]

- **Local Government Relations**

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- **Real Estate**

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- **Purchasing**

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- **Inmate Programs**

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Phone: [REDACTED]

- **Investor Relations**

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[Investor Info Request](#)

- **Legal**

General Counsel Assistant

Phone: [REDACTED]

- **Operations**

[Listing of Each Business Unit's Facilities](#)

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operations1@cca.com

Business Unit 2

[REDACTED], Vice President,

Bloomberg Businessweek

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COMMERCIAL SERVICES AND SUPPLIES

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Cornell Companies Inc.

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COMPANY OVERVIEW

As of August 12, 2010, Cornell Companies Inc. was acquired by The GEO Group, Inc. Cornell Companies, Inc. provides correctional, detention, educational, rehabilitation, and treatment services outsourced by federal, state, county, and local government agencies for adults and juveniles in the United States. It operates in three divisions: Adult Secure Services, Abraxas Youth and Family Services, and Adult Community-Based Services. The Adult Secure Services division offers security incarceration and detention services; confinement of juveniles adjudicated as adults; facility design, construction, and operation; education courses; healthcare services, including medical, dental, vision, psychiatric, and individual and group counseling services; substance abuse counseling, life skills training; religious opportunities and culturally sensitive programs, food and laundry services; and recreational activities, including exercise programs. The Abraxas Youth and Family Services division provides residential, detention, shelter care, and community-based services, as well as educational, rehabilitation, and treatment programs to juveniles between the ages of 10 and 18. The Adult Community-Based Services division offers community-based services, including temporary housing, employment assistance, anger management instruction, personal finance management training, academic opportunities, vocational training, and substance abuse or addiction counseling to parolees and probationers. It also provides community-based treatment services, such as short-term and long-term residential care, counseling, HIV/AIDS testing, counseling and prevention education, substance abuse and addiction testing, detoxification, and methadone maintenance. Cornell Companies, Inc. was formerly known as Cornell Corrections, Inc. and changed its name to Cornell Companies, Inc. in May 2000. The company was incorporated in 1991 and is based in Houston, Texas.

KEY EXECUTIVES

Cornell Companies Inc. does not have any Key Executives recorded.

Hide Detailed Description

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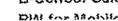
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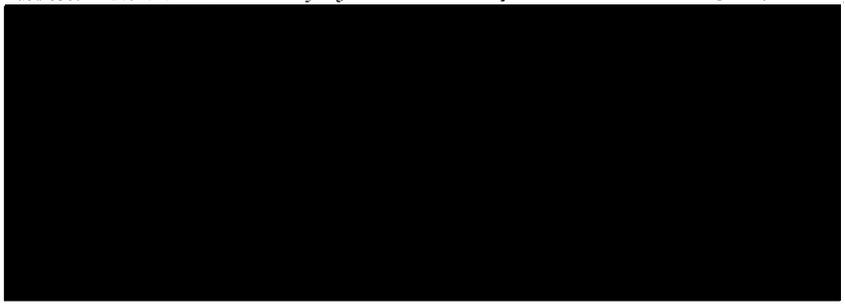


announced the following resignations. James S. Eichenbaum, Alex Batzer, Anthony A. Chase, R. George Todd, Goodwin, Andrew R. Jones, Alfred J. Moran, Jr. and Dr. Stephen R. ...
 the Board of Directors of Cornell prior to the Merger, resigned from their directorships of ...
 ees of which they were a member as of August 12, 2010. The Resignations were not a result of any disagreements with Cornell on any matter relating to Cornell's operations, policies or practices. Under the terms of the Merger agreement, the directors of Merger Sub will be the directors of Cornell following the effective time of the merger until the successors are duly elected and qualified. As a result, the Board of Directors of Cornell following the merger is constituted by: George C. Zoley, Wayne H. Calabrese and John J. Bulfin. Each of the officers of Cornell prior to the Merger resigned from the offices of Cornell as of August 12, 2010 except for John R. Nieser. Under the terms of the Merger Agreement the officers of Merger Sub will be the officers of Cornell following the effective time of the merger until the earlier of the resignation or removal.

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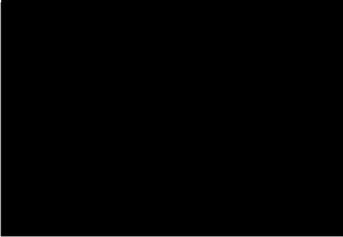


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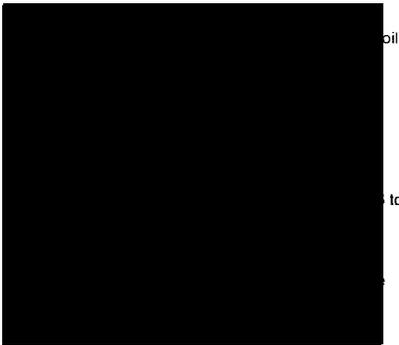
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Address:
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Sarasota, Florida 34236
U.S.A.

Telephone: (941) 953-9199
Toll Free: 800-275-3766
Fax: (941) 953-9198
<http://www.correctionalservices.com>

Statistics:
Public Company
Incorporated: 1989
Employees: 7,000
Sales: [REDACTED]
Stock Exchanges: NASDAQ
Ticker Symbol: CSCQ
NAIC: 56121 Facilities Support Services; 922140 Correctional Institutions

Company Perspectives:

The Correctional Services Corporation mission is to manage and operate safe, humane and secure correctional facilities that protect the public and provide offenders with training, education and treatment programs designed to reduce recidivism.

Company History:

Correctional Services Corporation (CSC) provides a full range of juvenile and adult correctional services. Operating 63 facilities with about 13,000 beds in 21 states and Puerto Rico, CSC is one of the nation's largest companies

offering jails, prisons, detention centers, and educational and training programs designed for a diversity of individuals, including both first-time offenders and habitual criminals. The company plays an important role in the major trend of local, state, and federal governments contracting with the private sector to take care of its many responsibilities.

Origins and Developments in the Early 1990s

In the 1970s some citizens became bitterly opposed to raising taxes for more government programs. For example, citizens in California, the leading trendsetting state, approved an antitax initiative. Criminal justice Professor Daniel Okada stated the recent "interest in privatization originated with the Reagan administration's agenda to pass along many government responsibilities to the private sector." This international trend set the stage for private prison management firms including Correctional Services Corporation.

James F. Slattery, the founder of CSC, previously had contracted with New York City's Human Resource Department to provide at-risk individuals with residential services and various programs. He also used his expertise as a former real estate executive to help Correctional Services Corporation find good sites for its facilities and meet the requirements of government laws and regulations.

In 1989 Slattery's firm started with two contracts. First, in June it began managing a variety of programs at the Brooklyn, New York Correctional Facility under contract with the Federal Bureau of Prisons. The next month it took over operations at the Seattle Detention Center owned by the U.S. Immigration and Naturalization Service. Under CSC management, this facility expanded from 50 to 150 beds and became the first INS facility to gain accreditation from the American Correctional Association.

In 1994 CSC's annual revenue had increased to [REDACTED]. By the mid-1990s other firms were also expanding, but the industry had considerable room for further growth. For example, in 1994 such firms managed less than five percent of all adult prisoners. A 1996 *Business Economics* article reported that over half the states had legalized private management of prisons, a field that was projected to increase 19 percent annually. It was the fastest-growing segment of the nation's security services industry that also included private guards, alarm systems, armored cars, and trained dogs for protection and drug detection.

Florida, for example, began the process of privatizing its prisons and jails when it passed a law allowing the Florida Department of Corrections and county governments to contract with for-profit corporations to operate and maintain correctional and detention facilities. After the 1993 Florida Legislature created the state's Correctional Privatization Commission, Correctional Services Corporation eventually managed nine facilities in its home state.

Expansion and Challenges in the Late 1990s

In 1997 Correctional Services Corporation began planning to operate a new women's prison just east of Oklahoma City in McLoud, Oklahoma. The McLoud Economic Development Authority owned the property, while the Dominion Group built and leased the [REDACTED] facility. This project involving two private firms, a government agency, and banks that provided the financing, illustrated the complexity of such private-public ventures.

Not surprisingly, some criticized the whole concept of privately run prisons. For example, Jenni Gainsborough, the ACLU's public policy coordinator for its National Prison Project, argued in Oklahoma City's July 3, 1997 *Journal Record* that there was a fundamental conflict of interest since private prison firms profited from the long-term operation of prisons, while the "whole point of a prison is to put itself out of business."

In any case, CSC continued to hire well-trained individuals to head its programs. A good example was Louis Robison, who left the Sarasota, Florida public schools after 20 years of service to become the principal and coordinator of CSC's education system. "We are in the business of corrections," said Robison in the January 2, 1997 *Sarasota Herald Tribune*. "My job is make sure that the [CSC] educational program is in place for each one of these young men so that they can leave with high school credits, GED or some type of vocation and take that back into their communities."

Some CSC plans failed. In 1997, for example, the company decided not to bid on a 500-bed women's jail in Broward County, Florida, after being accused of mistreating immigrants and juveniles at two of its detention centers. Also in

1997. CSC submitted a proposal to the state of Arizona to build a prison in Mexico to house up to 1,600 of Arizona's Mexican prisoners. Although supported by Arizona Governor Fife Symington and the state's corrections director as a way to cut prison labor costs and take advantage of the North American Free Trade Agreement, that CSC proposal died on the vine. Nonetheless, the firm continued to grow and prosper.

According to President, CEO, and Chairman James Slattery in the firm's 1998 annual report, "1998 was the best year in the history of our company." Revenue in 1998 was [REDACTED] a huge increase from 1997 revenue of \$ [REDACTED]. In the same period, net earnings increased from [REDACTED] to [REDACTED].

In 1998 Correctional Services Corporation began managing or signed contracts to operate several facilities, including the Colorado County Juvenile Boot Camp in Eagle Lake, Texas, a 100-bed secure facility for both males and females involved in a six-month military style program. Others in Texas were the 500-bed Jefferson County Detention Facility for adults; the 872-bed Newton County Correctional Center for adults; and the Dickens County Correctional Center, a 480-bed facility in Spur, Texas. CSC also began operating two juvenile facilities in Dallas, Texas: the Dallas County Youth Village Secure Program and the Dallas County II (Harry Hines) RTC and Detention Center, each with 96 beds. Outside of Texas, CSC began running or contracted to manage the Bayamon, Puerto Rico Metropolitan Treatment Center for juveniles; the Central Oklahoma Correctional Facility for adult women in McLoud, Oklahoma; the Crowley County Correctional Facility in Olney Spring, Colorado, the company's first all-cell adult facility; the South Fulton County Municipal Regional Jail in Union City, Georgia; the Paulding Regional Youth Detention Center in Dallas, Georgia; two juvenile residential facilities in Crestview, Florida; and the Tallulah, Louisiana Correctional Center for Youth, "the largest privately run juvenile facility in the country," according to the company's 1998 annual report.

CSC financed its expansion by gaining a new [REDACTED] from a [REDACTED] headed by [REDACTED]. "We are very excited about this new financing structure," said President/CEO James Slattery in the April 29, 1998 *Business Wire*. "Not only did we nearly triple the size of our bank line, but we have also put together a group of banks which should enable us to further increase our potential borrowings as the need arises."

In August 1998 CSC announced that the American Correctional Association had accredited two large CSC facilities in Florida: the Pahokee Youth Training Center and the Polk County Youth Training Center, each with 350 secured beds. The association's audit had occurred less than 18 months after the two facilities began operating. Cooperation between the company and the Florida Department of Juvenile Justice was cited as a major reason for the early accreditation.

CSC announced in February 1999 that it had contracted with the Nevada state government to operate its 96-bed secure juvenile facility in Clark County. The first such facility to be privatized in Nevada, it was expected to be operational in the second quarter of 2000 A.D. Also in February CSC and Puerto Rico's Administration of Juvenile Institutions agreed not to renew CSC's contract to manage the Bayamon Detention Center in Bayamon, Puerto Rico.

On March 5, 1999 inmates at the Crowley County Correctional Facility in Olney Springs, Colorado, caused about [REDACTED] in damages in a riot that resulted in some injuries but no deaths. Riot-control teams from four state prisons came to suppress the disturbance. [REDACTED] director of the Colorado Department of Corrections, said in a *Denver Post* article that the private prison's "staff was not as well trained as it could have been." After a two-day lockdown shortly after the prison opened in the fall of 1998, [REDACTED]

The Colorado riot illustrated one of the main concerns many have voiced about private prisons. Critics argued that for-profit prison management firms such as CSC were more interested in making money and thus did not invest in enough security measures and training. Contracting government agencies imposed stricter guidelines in order to prevent such incidents. In addition, courts stated that private prison management firms are liable for any damages at facilities they operate. However, some citizens opposed any private prisons because of such security problems. It was an ongoing controversy in several states that already had or were considering private correctional facilities.

In spite of such concerns, private prisons had become an integral part of the correctional industry in the 1990s. For example, in December 1996 the first conference on private prisons attracted about 120 individuals from financial, insurance, construction, and prison management firms. It was held in Texas, the leading state in privatizing its correctional facilities.

Because of the increasing interest in cost-effective ways to combat crime and make society safer, Correctional Services Corporation faced stiff competition from other firms, including Cornell Corrections, Wackenhut, Management and Training Corporation, and Corrections Corporation of America, acquired by Prison Realty Corporation.

The Merger with Youth Services International

In September 1998 CSC began its merger with Youth Services International, Inc. (YSI). Based in Owings Mills, Maryland, YSI was founded in 1991, and by 1998 operated 27 residential facilities for juveniles and ran several nonresidential programs for about 3,200 youths in 13 states.

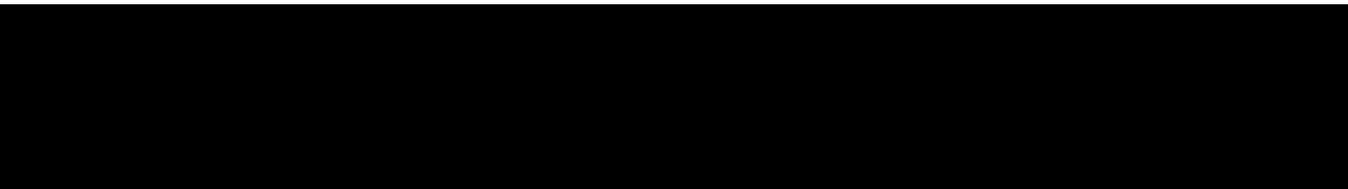
"The combination of CSC and YSI creates a company with unmatched capabilities in the delivery of state of the art juvenile services," said James Slattery, CSC's chairman and CEO, according to a September 24, 1998 press release. "The addition of YSI's transitional and academy oriented programs to CSC's secure programs will allow us to offer governmental agencies the broadest spectrum of quality solutions for adjudicated youth, from first time offenders to the most serious habitual offenders. Since many of the facilities of each company are in states not yet serviced by the other, we believe significant new marketing opportunities will become available."

On March 30, 1999 Correctional Services Corporation and Youth Services International shareholders approved the merger that made YSI a wholly owned subsidiary of CSC. James Irving, vice-president of CSC's Juvenile Justice Division, was named the new president of Youth Services International in May 1999. His 30 years in the corrections industry included being deputy director of the Juvenile Division of the Illinois Department of Corrections and chairman of the Illinois Parole Board. He replaced Timothy P. Cole, who resigned in early 1999 as YSI's chairman, president, and chairman during the merger negotiations.

After the merger, CSC managed 63 facilities, mostly in Texas (21) and Florida (nine), with others in Georgia, Mississippi, Louisiana, Oklahoma, Arizona, New Mexico, Nevada, Washington, South Dakota, Missouri, Iowa, Minnesota, Michigan, Illinois, Tennessee, Virginia, Maryland, Delaware, New York, and Puerto Rico.

In 1999 Correctional Services Corporation continued to pursue new contracts. For example, in Pacific, Washington, CSC sought a contract to build a \$30 million detention center for the U.S. Immigration and Naturalization Service. The center was planned to house illegal immigrants from Mexico, Southeast Asia, and other areas for a short time. Reporter Aimee Green in a phone interview said CSC was conducting an environmental impact study due to be completed in 2000. The firm hoped to get the new contract and eventually replace its overburdened 150-bed facility in Seattle.

In 1999 Correctional Services Corporation's prospects seemed positive. Although the general crime rate was declining nationwide, states continued to privatize more of their correctional facilities. In addition, some private prison management firms planned to offer their services in other nations.



Further Reading:

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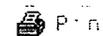
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CORRECTIONAL SYSTEMS INC

Company Profile



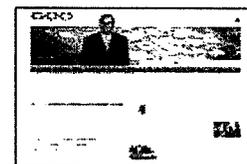
Legal Company Name: CORRECTIONAL SYSTEMS INC

Company ID: CRR0000000000253230

Web: [Company website](#)

Telephone: ~~858-566-9816~~

Fax: 858-566-9837



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Product Keywords: cornell companies, crn, corrections, treatment, educational services, government, adult, juvenile, institutional, community, dignity, respect, safety, rehabilitation

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SAN DIEGO, California 92126-4368
USA

Business Size: Large Business

Year Established:

Annual Revenue:

No. of Employees:

Company Description:

cornell companies (nyse: crn) is the leading private provider of corrections treatment and educational services to government agencies. focusing on adult and juvenile populations in both institutional and community settings, cornell provides a full array of services in an environment of dignity and respect, emphasizing community safety and rehabilitation in support of sound public policy.

NAICS Codes

- [621420] Outpatient Mental Health and Substance Abuse Centers
- [623220] Residential Mental Health and Substance Abuse Facilities
- [623990] Other Residential Care Facilities
- [624229] Other Community Housing Services
- [922140] Correctional Institutions

Product/Service

Product Keywords:

cornell companies, crm, corrections, treatment, educational services, government, adult, juvenile, institutional, community, dignity, respect, safety, rehabilitation

NAICS Codes

Types* Product Service Classifications

62 - Health Care and Social Assistance

- [621420] Outpatient Mental Health and Substance Abuse Centers
- [623220] Residential Mental Health and Substance Abuse Facilities
- [623990] Other Residential Care Facilities
- [624229] Other Community Housing Services

92 - Public Administration

- [922140] Correctional Institutions

(* Types: **M**-Manufacturer **D**-Distributor **S**-Service Provider **E**-Exporter **I**-Importer)

Contacts

Government Business Contact

Contact Name [REDACTED] Inquire Now
Telephone [REDACTED]
Fax 858-566-9837

Sales Reference

Federal Government References

* **FEDERAL PRISON SYSTEM**

Product/Service Other Residential Care Facilities
Contract Period Nov 01, 2000 ~ Nov 01, 2002
Contract Value USD [REDACTED]

* **FEDERAL PRISON SYSTEM**

Contract Period Jan 01, 2000 ~ Jan 01, 2000
Contract Value USD [REDACTED]

* **FEDERAL PRISON SYSTEM**

| | |
|-----------------|-----------------------------------|
| Product/Service | Other Residential Care Facilities |
| Contract Period | Mar 01, 2001 ~ Mar 01, 2001 |
| Contract Value | USD [REDACTED] |

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CorrectSource

Corrections Products | Services



Maranatha Corrections LLC

5555 Business Park South Suite 110 | Bakersfield, CA 93309

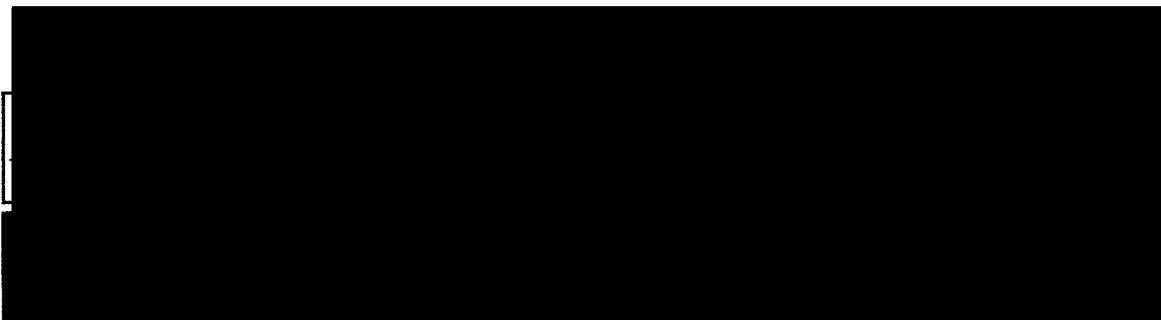
~~Phone: 661-633-9196~~

Fax: 661-633-9198

Categories: Community Corrections, Construction Contractors, Construction Management & Engineering, Behavioral / Cognitive Programs, Correctional Management/ Facility Operations, Correctional Management/ Facility Operations

Related Search Results: [Correct Rx Pharmacy Services Inc.](#), [The Morganti Group Inc](#), [Anger Management Systems](#), [BASF Wall Systems](#)

FEATURED COMPANIES



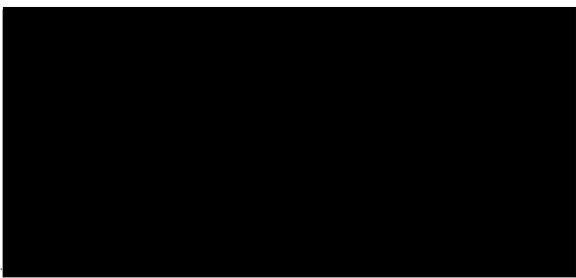
Vendor Record

Company Name: ~~Weekend Services Inc.~~ / G4S
DBA:
In Business Since: 1960
Company Type: corp
Fed Tax ID/SSN (EIN): [REDACTED]

Contact And Address

Contact Name: [REDACTED]
Contact Title: Sr. BD Representative
Email Address: [REDACTED]@wsihq.com
Phone: (561) 373-8119
Fax: (561) 472-3679
Mobile:

Additional contacts: Yes No



Order Address

Order Address: 7121 Fairway Drive
City: Palm Beach Gardens
State: FL
Zip Code: 33418

Additional addresses: Yes No

Company Website: www.wsihq.com

Licensed contractor? Yes No

Classification: other

Construction categories:

Commodity codes:

- (99000) Security, fire, safety, and emergency services
- (91000) Building maintenance and repair serv. (garbage, janitorial, locksmith, doors, windows)
- (92800) Equipment maintenance, reconditioning and repair services for automobiles, trucks, trailers, transit buses and other vehicles
- (93600) Equipment maintenance, reconditioning, and repair services - general equipment
- (96127) Decontamination Services
- (98800) Roadside, grounds, recreational and park area services

Description of the products or services:

We are the largest provider of fire and emergency services to the United States Government. Services include firefighting, aircraft rescue/firefighting, emergency medical services, and HAZMAT removal/disposal. WSI is also a premier security/police provider securing some of our nations most critical assets ranging from nuclear material/weapons to jail operations. WSI also owns a company called All-Star which provides building operations/maintenance as well as fleet maintenance.

[REDACTED] Password:

PROPOSALS

- **G4S**
- **Newport Beach**
- **The Geo Group**

G4S PROPOSAL



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*57 Years of Professionalism and
Expertise in Privatized Security for
Local Government*



A G4S Custody Service Solution for the City of Costa Mesa



Presented to:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92628
Attention: Kimberly Hall Barlow

Presented by:

G4S Secure Solutions (USA), Inc.
2300 East Katella Avenue
Suite 150
Anaheim, CA 92806
(714) 809-5936

STATEMENT OF PROPRIETARY INFORMATION

This proposal contains proprietary information regarding G4S and is not for public disclosure. Dissemination and reproduction may only be made after written permission by an authorized representative of G4S is granted. This document was prepared and is submitted in confidence to the City of Costa Mesa. It is submitted solely for use by your management for the purpose of review in connection with an invitation to submit a proposal to provide security services.



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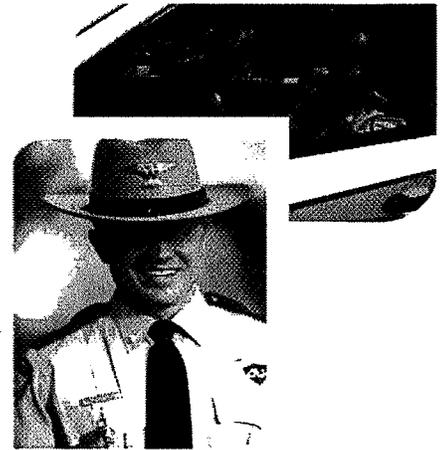


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G4S Secure Solutions (USA) Inc.
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Anaheim, California 92806

Telephone: 714-809-5936
Fax: 714-939-4914
www.g4s.com/us

SECTION A. VENDOR APPLICATION FORM AND COVER LETTER

October 21, 2011

Kimberly Hall Barlow
The City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92628-1200

Dear Mr. Amardril,

On behalf of our dedicated Orange County office staff, we appreciate the opportunity to submit our proposal to provide jail custody services for the City of Costa Mesa's Type I Jail Facility. G4S (formerly G4S Wackenhut), currently provides Custody Officer services to a number of Southern California Police Departments, and strongly believes that it can offer the City of Costa Mesa with a cost efficient, yet quality solution to its current operating cost challenges.

Our **primary objective** is to provide highly qualified and trained personnel (incumbent personnel or new recruits) to meet the City of Costa Mesa's goal of maintaining a professional jail service program while having the operation transition from in-house to contract be seamless.

This objective includes the following goals that comprise our overall solution:

- ✓ The staffing of CMPD Custody Officer positions with members of G4S's premier Custom Protection Officer® Division, the most qualified and highest caliber of officers in the industry.
- ✓ Making credible and documented efforts to retain existing CMPD Custody Officer Personnel who may be displaced by the outsourcing of this service and training personnel into G4S's Custom Protection Officer® program.
- ✓ Providing documented efforts to recruit, hire and train a Jail Supervisor (internal or external candidate) who has, at minimum 3 years experience operating within a similar working environment.
- ✓ Providing comprehensive and documented background checks that meet or exceed all background check requirements set out within your RFP. For more information on G4S background checks, please see said section.
- ✓ Contracting with a firm whose Human Resources and National Training Academy has received ISO 9000:2001 registrations.
- ✓ Providing state standard training required for all Custody Officers to operate in a Type I Jail Facility including Title 15, Article 3, Training, Personnel and Management, Section 1020 and Section 1021 .
- ✓ Providing 40 hours of G4S mandated internal training for all Custom Protection Officers®



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- ✓ Providing 50 hours of instruction material taken from Costa Mesa Police Department Jail Manual.
- ✓ Providing annual refresher training, including 24 hours of SCT and 8 hours of CMPD policy.
- ✓ Contracting with the first security firm in the United States to receive certification and designation under the Department of Homeland Security's SAFETY Act.
- ✓ Operating in compliance with State statute 6031.6 CPC mandating operational procedures for privately operated jail facilities.
- ✓ Providing benefit and incentive plans for all officers including United Health, Medical, Dental and Vision programs, 80 hours of annual vacation hours per employee, and much more.

A key element to our established success lies in our commitment to provide our clients with consistently superior security and custody services. Our local management team endeavors to understand each of our client's unique objectives so that we can better serve them. We encourage you to follow-up with our references which include the Irvine, La Habra, Azusa, Beverly Hills and Whittier Police Departments to name a few. We also provide prisoner transportation to the Department of Homeland Security-U.S. Border Patrol.

We have made efforts to provide a fair and equitable cost proposal to ensure the highest quality of service will continue to be provided to the Costa Mesa Police Department. The attached proposal provides a basic overview of our service delivery to allow the Department the opportunity to evaluate the cost savings and benefits associated with contracting jail services. Keeping to the RFP requirements of limiting the length of our proposal to no more than 20 pages (excluding appendices), we have offered a condensed version of our service offerings and capabilities.

The service address for the G4S office nearest to the Costa Mesa Police Department and the office where project management will be housed from is:

G4S Orange County
2300 East Katella Avenue, Suite 150
Anaheim, CA 92807
714-939-4900 (Office)

This proposal will be valid for 180 days from submittal. If you have any questions, please feel free to contact me at 714-939-4900 or [REDACTED]@usa.g4s.com.

Respectfully,

[REDACTED], Orange County
G4S Secure Solutions (USA), Inc.



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SECTION B. BACKGROUND AND PROJECT SUMMARY

G4S has reviewed all RFP documents and statements including all related exhibits and addendums and has a full understanding of the City of Costa Mesa Police Department's expectations for outsourcing its Jail Services program. The CMPD jail is a 32-bed, "Type I Jail Facility," as described in your RFP. G4S currently works within several other Type I facilities in Southern California of equal or greater size. Below are brief summaries of each Scope of Work section and our understanding of work and objectives to be accomplished.

Recruitment

G4S will fulfill all requirements outlined in section 3. SCOPE OF WORK, section V. STAFFING REQUIREMENTS and fulfill these requirements by retaining or recruiting personnel into our Custom Protection Officer Division.

As noted in your RFP, the CMPD Jail holds historically male inmates only, prior to court arraignment and/or pending release on Bail, Own Recognizance, Written Promise to Appear, etc. G4S is experienced in hiring both male and female personnel that qualify under G4S requirements to work in this environment and are recruited to handle both male and female inmate intake at our various facilities. If requested by CMPD, we would endeavor to operate the same.

Background Checks

G4S has reviewed all requirements specified in section 3. SCOPE OF WORK, section V. STAFFING REQUIREMENTS, subsection 21, and has no reservations to fulfilling these requirements. G4S standard background checks outlined on page 15-16, exceed these requirements.

Training

G4S can meet and exceed all training requirements outlined in section 3. SCOPE OF WORK, section VI. TRAINING. For more information on our training plan, please see page 16-17 of our proposal.

Food, Linen and Cleaning Services

In reference to section XV. MAINTENANCE OF TYPE I JAIL FACILITY, section XVII. SANITATION AND HYGIENE, section XVIII. FOOD SERVICES, and XXI. INMATE SERVICES, G4S can be fully compliant. Per your RFP, the CMPD Jail also houses sentenced inmate-workers, who handle food service and miscellaneous janitorial and maintenance duties. G4S is experienced in the issuance of food and linens on a daily basis at all other Type I facilities we currently operate within. We also provide full facility cleaning services at no additional cost. Although, our experience in purchasing, ordering and administrating all food and linen services is typically handled by department personnel in all 10 of our other Southern California facilities, G4S will endeavor to find a quality provider of food and linen services that meet all city, county and State regulations and also required under the CSA.



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Scheduling

G4S agrees to staff the Costa Mesa Police Department Type I Jail Facility with qualified, unarmed, uniformed, and trained personnel sufficient to maintain staffing year-round, 24-hours per day, seven-days per week, and 365-days per year. Specific schedules will be determined by the needs of the City. In addition, G4S shall maintain the availability of at least one additional trained officer for deployment when needed, to fill any vacancy, within two hours. G4S will also provide services for sobriety check points and event services to support the department when needed.

Transportation

The CMPD RFP also indicates within its introduction and in section XXVI that Jail staff facilitates the transportation of inmates to and from court and to and from other holding facilities. G4S is also familiar and experienced with this type of work, handling transportation needs for a number of our local police department clients. Transportation includes services in department vehicles to and from the Orange County, Los Angeles County, San Bernardino County and Riverside County Jails and pickups/drop offs at local hospital of inmates at times. G4S has no reservations about providing inmate transportation services for the City upon review of current policy and procedures.

I.C.E. Liaison

In reference Section 3. SCOPE OF WORK, section XXIV. ICE LIASON, The City of Costa Mesa requires a working partnership with the existing ICE Liaison to facilitate the issuance of detainees or transportation. G4S currently is contracted with the Department of Homeland security providing contracted Custody and Transportation Officers for the Immigration Custom Enforcement (ICE) program. Our long standing partnership with ICE and DHS will allow for an experienced and well managed partnership to accommodate the relationship between the City and its ICE partners.

Compliance

Lastly, it is G4S's experience in our everyday operations at current police department jail facilities which we are contracted with, to operate as a Type I Jail Facility and in compliance with State statute 6031.6 CPC, which mandates privately operated jails, under contract to public entities to operate in compliance with all appropriate state and local building, zoning, health, safety, and fire statutes, ordinances and regulations, and with the minimum jail standards established by regulations adopted by the CSA as set forth in Subchapter 4 of Chapter 1 of Division I of Title 15 CCR. Our operation if selected by the City of Costa Mesa would also be in full compliance.



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SECTION C. METHODOLOGY

G4S ORANGE COUNTY OPERATIONS SUPPORT STAFF

The General Manager at the local area office is ultimately responsible for the delivery and management of all custody services within his/her geographic area. At the local level, the General Manager has been authorized to commit the resources necessary to satisfy contract requirements, conduct all required customer interface/inspections, and is expected to maintain the highest standards of quality. G4S Corporate policy dictates that each area office follow standardized procedures in regard to recruitment, screening, hiring, uniforming, quality, payroll, training, and administrative functions.

This standardization provides controls that ensure consistent and quality service throughout the organization. In addition, it provides a common focus, strengthens communication, enhances supervision, reduces costs, and fosters interactive relationships between the corporate and regional management teams and the area office. Further, the area office is its own profit and loss center, with the General Manager making his/her own operational and financial decisions. This means that key decisions pertaining to the day-to-day operation of the City of Costa Mesa Jail account may be made immediately, at the local level. It is incumbent upon the office to maintain appropriate staffing levels that will enable us to provide the highest degree of professional service in the most cost-effective manner.

Experienced supervisory and administrative personnel support the General Manager in the day-to-day operations of our accounts. This support includes, but is not limited to, the following:

- ◆ Client relations
- ◆ Recruitment
- ◆ Background screening
- ◆ Classroom training
- ◆ On-the-Job training
- ◆ Continuing education
- ◆ Supervision
- ◆ Inspections
- ◆ Physical security surveys
- ◆ Review/Write post orders
- ◆ Uniforming
- ◆ Equipment procurement

Our Orange County office is vigilant in its ability to respond to our customers' needs. Therefore, it is equipped to operate 24 hours a day, seven days a week. All managers, supervisors, and selected security officers are assigned mobile communication devices. Regardless of whether contact is made with the local office during business hours or G4S's National Call Center after hours, this system allows our key personnel to instantly communicate with each other, and appropriate emergency personnel (i.e., police, fire, and emergency rescue service) as necessary.



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The Orange County office will provide first-level support to City of Costa Mesa. The geographic compatibility of this office to the City of Costa Mesa facilities allows us to properly supervise your account, gives us knowledge of the local labor market, and gives us direct access to any additional resources that may be needed at your facility during short-notice or emergency situations. Our area office is fully licensed to conduct business in the State of California.

60 DAY CONTRACT IMPLEMENTATION SCHEDULE

G4S has extensive experience in assuming contractual security responsibility from other security organizations, as well as in-house municipality forces, with a minimal amount of impact upon client operations and affected personnel. Typically our transition timeline is about 30 days, however, with the unique training required to manage a Type I facility, G4S typically request 60-90 day transition timeline. **CORE Academy/Title 15 Training Courses are on a set schedule and because of this, our contract schedule could be impacted. The contract schedule is subject to availability of CORE Academy dates and availability. If candidates do not have already have certification, California State Law allows for officers to complete academy training within first year of hiring.**

The following is a high-level overview of our plan:

| TASK | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | SERVICE STARTS |
|--|---|---|---|---|---|---|---|---|----------------|
| Contract award | | | | | | | | | |
| Meeting of G4S Management Team and CMPD Jail Leadership Team | | | | | | | | | |
| Set timetables, tasks, define expectations, define roles | | | | | | | | | |
| Begin recruitment of new and/or existing personnel | | | | | | | | | |
| G4S Interview Custody personnel | | | | | | | | | |
| CMPD Meet and Approval of personnel | | | | | | | | | |
| Conduct background investigations | | | | | | | | | |
| Offers of employment | | | | | | | | | |
| Conduct surveys | | | | | | | | | |
| Review/Write post orders | | | | | | | | | |
| Provide G4S Classroom Training | | | | | X | | | | |



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- Recruit Existing Personnel - If you so desire, every effort will be made to retain qualified incumbent personnel and to solicit their employment with G4S. At this time, G4S representatives will meet informally with the incumbent personnel and present a brief synopsis of G4S. They will also distribute literature and employment application packages. In addition, they will meet informally with incumbent employees to allay fears associated with a transition. This meeting would be the first of many such opportunities to address the incumbent work force.
- Recruit New Personnel - A recruitment effort will be initiated as necessary to fill any remaining positions. Sources include, but are not limited to the use of G4S's on-line recruitment center (www.g4s.com/us), employment action logs, applicant files, employment services, current employees, as well as friends and relatives. Our recruiting for your account will focus on individuals with relevant experience.

Week 2-3:

- Interview/Select Personnel – G4S management will interview all personnel and ask each employee to elaborate on information contained in the application and related documents, including the background investigation consent forms. The interviewers will ensure all questions are answered completely, all documents are signed where required, witness signatures where required, and collect, copy and return documents, i.e., licenses, I-9 documentation, DD 214, etc. Additionally, personnel screened and selected by G4S will be sent to the department for a meet and greet to allow for pre approval of the candidates to be assigned to the facility.
- Conduct Background Investigations - Human resources specialists will ensure all required releases for investigations of prior employment, driving record and criminal history have been signed and witnessed before initiation of any inquiries. Prior employers, DMV, personal references, police record sources, etc. will be contacted to verify information given in the application or if necessary to determine employment eligibility.
- Offers of Employment - The human resources specialists will ensure offers of employment are made to only those individuals who meet all qualifications. These individuals will have successfully passed all steps of the employment process, including the background investigation, and will be eligible for continuation in the processing phase.
- Conduct Surveys – G4S Operations Management will conduct a physical security survey of your facility, buildings, grounds, etc., covered by the contract. It will also include the current security measures, including physical security coverage, lighting, fencing, access control, key control, post orders, etc. In addition, it will provide specific recommendations for improving the security program, i.e., reduction/increase in hours of coverage, manpower, lighting, access measures, etc.
- Review/Write Post Orders - G4S Operations Management will work with contract personnel to review and design post orders (general, specific and emergency orders) for each post based on your security plan. The supervisors, training officers or other individuals in a training role will use the post orders while conducting



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on-the-job training. Additionally, a checklist of post activities will be developed for the post orders and used by the supervisor or other G4S representative conducting post inspections to test the knowledge and skills of the assigned personnel.

Week 4-5:

- G4S Classroom Training - The training specialists will implement the training program and plan as designed by the G4S North America Training Institute (NATI). This training will incorporate CMPD required 50 hour training and G4S required CPO training. The training material will be consistent with the knowledge, skills and abilities necessary to perform their general responsibilities.

NATI uses lesson plans in a variety of subjects and languages as well as self-study student workbooks utilized worldwide.

Week 6:

- Create Master Schedules - An Installation Schedule will be completed covering post hours, number of personnel at each post, etc. The schedule serves as a worksheet for entering information into the computerized scheduling system. The system includes the information contained in the Contract Master related to pay and billing information. The installation schedule will be prepared as far in advance as practical so that employees will be aware of their work schedule and days off.
- Order Uniforms/Equipment - G4S has a computerized, on-line order entry system for the purpose of expediting accurate uniform, equipment and supply orders direct from the G4S warehouse and pre-approved vendors. This system reduces the cost of items due to our sole source buying and pre-approved item selection and packaging. Supplies, uniforms and equipment are shipped on request and available within necessary timeframes. The operations specialists will be responsible for ordering uniforms, equipment and supplies. Uniforms will be ordered and issued with adequate time for alterations.

Week 7:

- Issue Uniforms/Equipment - As uniforms and equipment are issued, accountability is recorded on the G4S individual Uniform and Accessories Record, which includes number of issue, item, date of issue, employee's signature and initials, and witness signature. We will use this form to document any returned, reissued or, as required, any newly issued item.
- Assign Personnel to Schedules - In every case possible, employees will be assigned to schedules that are suited to their personal background, personality, appearance, and desires, thereby contributing to a higher level of personal performance through motivation.

Week 8:



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- Place Equipment/Forms on Post - Equipment, forms and supplies to be assigned to a specific post will be identified, tagged, sorted and assigned to the first individual assigned to the post on the day of contract commencement.
- On-The-Job Training - After employment and post assignment, on-the-job training will be conducted with all newly assigned employees and for all those incumbent personnel changing post responsibilities. This on-the-job training will be conducted by the training specialists, our training officers, supervisors or incumbent security force members familiar with the post and its responsibilities.

Week 1 – Contract Period:

- Contract Commences - In addition to manning each post, G4S management will be present for contract commencement to ensure a smooth transition and handle any contingencies that may arise.

HIRING AND RETENTION OF CURRENT EMPLOYEES

One of the most important aspects of a successful contract is the stability of the operation and ensuring the transition from an in house to contract force has minimal impact on the integrity of the jail operation. This is directly tied to retention of existing, in house personnel.

Our employee retention strategy begins with the hiring of employees that meet G4S and customer-specific standards. The first aspect to promoting retention is to align pay rates with local labor market conditions and customer-specific qualification requirements. Area wage surveys are conducted on a regular basis and, whenever possible, G4S attempts to pay its personnel above average wages in an effort to promote retention and limit turnover. This is very much true in custody environment, where we start Custody Officers at [REDACTED]/hour and pay on up to [REDACTED]/hour.

After the pay rate, the employee benefits package plays the most important role in the overall satisfaction of employees and ultimately the retention rate. We have provided an overview of our proposed benefits package for this account in the appendix section of this proposal; however, we are willing to work with City of Costa Mesa to negotiate as positive a package as possible to promote retention.

A final element of retention is achieved through training, which emphasizes the need for officers to take a sense of ownership in the operations of a contract. Employee development is encouraged for all employees and is key to the retention of experienced personnel. In order to empower employees, equal opportunity is provided for all personnel to participate in career development. Our retention strategy focuses on the following key areas:

- ◆ Living wage commensurate with local market conditions and qualification requirements
- ◆ Enhanced benefits and incentives



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- ◆ Proper training
- ◆ Career development and growth opportunities
- ◆ Management support
- ◆ Employee empowerment
- ◆ Meaningful communication – G4S recognizes that regular communication with employees is a key factor in employee satisfaction. We tend to communicate with our employees through several formal and informal vehicles. These include, but are not limited to, the following:
 - ◆ Supervisor to employee and employee to supervisor dialogue
 - ◆ G4S’s website
 - ◆ Scheduled meetings
 - ◆ Manuals
 - ◆ Pay stub attachments and payroll stuffers
 - ◆ Post orders
 - ◆ Posters
 - ◆ Focus publications (continuing education publications)
 - ◆ Pipeline magazine (company publication focused on employee recognition)

In an industry where turnover is typically high (reportedly reaching as high as █% to █% annually for some firms in the U.S.), G4S has made significant strides to reduce these numbers. Using a cross section of types of contracts, the Security Services Division’s national average turnover rate for 2010 was approximately █% in Orange County. We track our turnover on a continuing basis and utilize technology to analyze reasons for turnover as depicted below.

QUALITY CONTROL

Quality assurance is an intangible concept that must be achieved through tangible means. G4S has taken a practical approach to quality assurance by providing our management with the necessary tools for operation and implementing controls to monitor and provide accountability for those operations. G4S Secure Solutions is able to achieve unmatched service quality through a combination of standard policies and procedures, technology, internal compliance measures, and customer satisfaction:

Total quality is our mission. It permeates every operation and every process. The ever increasing demands and expectations placed upon us by our internal and external customers prompted us to evaluate and, in certain cases, re-engineer our operational systems, policies and procedures

- ✓ **ISO 9001:2008 Certification** - ISO registration provides an objective third-party quality assurance of our policies, procedures, and operations, with ISO registration achieved in these key organizational areas:
 - ✓ Human Resources & G4S North America Training Institute
 - ✓ Strategic Accounts Group



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- ✓ International Accounts Division (IAD)
- ✓ **90-Day Control Plan** – In line with principles of ISO and G4S’s ongoing efforts to continuously improve, G4S has implemented a 90-day Control Plan. This plan involves the ongoing monitoring of newly transitioned sites through follow-up activities to ensure the resolution of any issues that arise during the initial 90 days following the transition.
- ✓ **Six Sigma** - G4S has extensive experience supporting clients working within Six Sigma programs, with our Strategic Accounts Group management holding Green Belt certifications:
- ✓ **Reliability through Professional SOPs** - Standard operating procedures (SOPs) and accurate post orders contribute to our service reliability. G4S’s best practices for payroll, billing and administrative procedures are online, supporting consistent operations:
- ✓ **Internal Compliance Measures** - Ongoing compliance measures, as part of our Quality Assurance Program, provide the operational oversight for us to deliver the security your promised.
 - Area supervision monitors & evaluates officers through announced & unannounced site inspections
 - Internal audits by our independent audit unit ensure compliance with operational requirements & local/state/federal laws and regulations
 - Balanced Scorecard, a set of measurable criteria, measures G4S office performance & compliance
- ✓ **Performance Reporting** - We provide clear performance information in a timely manner to assure your service quality, contract compliance, and continual improvement, as seen in:

| Item | Description |
|---|--|
| On-Line Reporting: Customized Web Portal | <ul style="list-style-type: none"> ■ Quality & service data available on-line in customized, secure web portal ■ Data updated real time, consolidated into single interface ■ System security restricts access to authorized users only |
| Incident Tracking & Reporting | <ul style="list-style-type: none"> ■ Comprehensive data in secured Internet connection at no cost ■ Real-time reporting via Secure Trax™ hand-held to secure web portal |
| Key Performance Indicators | Core KPIs customized to your needs, including: <ul style="list-style-type: none"> ■ Customer satisfaction ■ Turnover ■ Security spend & overtime charges ■ OSHA statistics ■ Post inspections & site visits |



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| Item | Description |
|---|---|
| Customer Satisfaction: On-line Surveys | <ul style="list-style-type: none"> ■ Web-based satisfaction survey rates service aspects ■ Results drive written corrective action plans ■ Reported in KPIs during Business Review Meetings ■ Available in real time via your custom web portal |
| Business Review Meetings | <p>Formal meetings quarterly, twice per year, or annually, covering:</p> <ul style="list-style-type: none"> ■ KPIs & service trends ■ Positive & negative performance ■ Improvement initiatives & challenges ■ Overall security effectiveness |

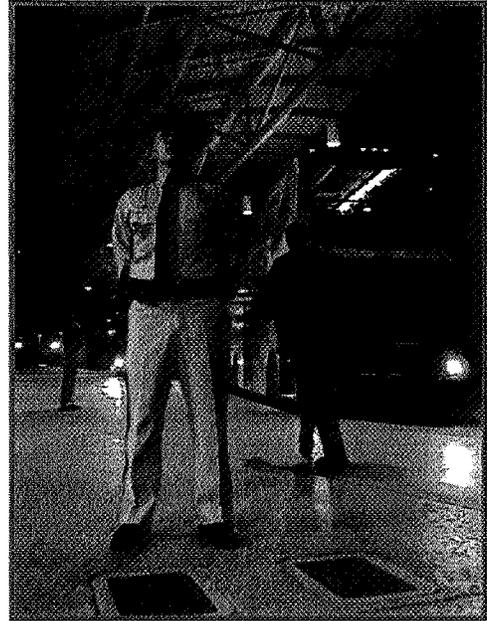
INNOVATIVE AND CREATIVE APPROACHES – USING TECHNOLOGY

G4S has a dedicated technology group that develops proprietary security technology products that both supplement and enhance traditional manned guarding. The following table summarizes technologies and how they will directly benefit the City of Costa Mesa’s jail service program. Additionally, we welcome the opportunity to present and discuss further our proposed technology solutions to the City.

| Technology Solution | Benefits to the City of Costa Mesa |
|--|--|
| Secure Trax™ | <ul style="list-style-type: none"> ◆ Increases supervision through GPS plotting ◆ Provides real-time incident reporting & management ◆ Enhances safety inspections with immediate reporting ◆ Enhances compliance through post inspections ◆ Acts as a multi-communication device |
| Command Center Module | <ul style="list-style-type: none"> ◆ Enhances your command center operations with incident reporting and management capabilities tied to Secure Trax™ ◆ Increases compliance with guard tours and patrol functions |
| On-line Time & Attendance Tool | <ul style="list-style-type: none"> ◆ Provides real-time monitoring of arrival and departure times ◆ Reporting provided through a Customer Portal ◆ Replaces the need for paper time records |
| Business intelligence Module | <ul style="list-style-type: none"> ◆ Provides detailed reporting of key performance indicators (KPIs) and other operational analytics ◆ Provide a single platform to view contract-specific material |
| Automated HR Systems & Billing | <ul style="list-style-type: none"> ◆ Enhances billing function and accuracy ◆ Automated HR systems enhance compliance over screening, training and licensing of personnel |
| Remote Video Monitoring & Data Center | <ul style="list-style-type: none"> ◆ Replaces manned guarding through live video monitoring thereby providing a reduction in labor expenditures |



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SECTION D. STAFFING

PROPOSED CUSTODY OFFICER PROGRAM

Based on the environment and competency required to manage a Type I facility, we are proposing our highest level of security officer, G4S's Custom Protection Officer® (CPO) program for Custody Officer Positions within the CMPD Jail.

G4S's Custom Protection Officer® Program provides the right level of officer skills and expertise for your Custody Officer skill sets. Through G4S's extensive selection and training, our officers provide the best privatized substitute for law enforcement the industry can offer. Their appearance, attitude and performance provide the professionalism you expect. We've chosen our CPO program for your situation because your:

- ✓ Security requirements require skilled, competent and physical protection.
- ✓ Premises demand a strong physical security presence & positive image.
- ✓ Officer must show good judgment, make independent, on-the-spot decisions & react appropriately under stressful conditions.

CUSTOM PROTECTION OFFICER® QUALIFICATIONS

Our officers are recruited from a unique labor pool, different than typical commercial security officers. In addition to the basic qualifications required of all G4S officers, to become part of our premier corps of security professionals, all candidates must meet at least one of the following qualifications:

Custom Protection Officer® (CPO) Required Qualifications:

- ✓ Law Enforcement Experience
- ✓ Service in the Elite Military Forces, Military Police or combat arms
- ✓ Graduate of Police/Corrections Academy
- ✓ Criminal Justice Degree
- ✓ Career Military

Additional Basic Qualifications

G4S will only consider personnel that meet both the Courts and G4S's minimum qualifications. All new hire personnel will meet the following qualifications for employment:



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- ✓ Must be at least 21 years of age
- ✓ Must be a U.S. citizen
- ✓ Must possess a Social Security Card approved by the Social Security Administration
- ✓ Must possess a State Driver’s License with a safe driving record for the past five years
- ✓ Must be fluent, both orally and in writing, in English or another required language
- ✓ Must possess excellent communication and people skills
- ✓ Must possess a high school diploma or equivalent
- ✓ Must be trained and licensed (where applicable) in accordance with state requirements
- ✓ Must have been honorably discharged if served in a branch of the military service
- ✓ Must not have been terminated from previous employments for other than honorable circumstances
- ✓ Must possess basic computer skills and/or security systems knowledge
- ✓ Must be able to withstand physical demands of the position
- ✓ Must be able to interpret and apply rules, regulations, policies, etc.

COMPREHENSIVE BACKGROUND CHECKS

G4S understands the importance of maintaining a high level of performance of all Custody Officer personnel. We understand that personnel will be responsible for interacting with a variety of inmate personalities.

In order to verify the applicant’s required standards and overall character, G4S will conduct a preliminary background investigation on all new Custody Officer applicants before submitting the applicant to the City for suitability determination.

The following table describes our preliminary background investigation process for all new hire personnel assigned to the Courts contract:

G4S Custom Protection Officer, Background Screening Processes

| Screening Element | Description |
|-------------------------------------|--|
| Identity Verification | G4S initiates a social security number confirmation trace to validate the name(s) and addresses provided. This portion of the screening process also includes a check against the Specially Designated Nationals (SDN) and Blocked Persons list maintained by the Office of Foreign Assets Control (O.F.A.C.), which puts G4S in compliance with the Patriot Act and the Trading with the Enemy Act. Our system updates the list daily to ensure that all new hires are screened against the most current lists. |
| Employment & Education Verification | G4S verifies all activity, including prior employment and/or education for the last seven years. Periods of unemployment lasting 60 days or more are also verified. This may include character references from non-related individuals. |
| Criminal Records Check | G4S conducts a county of residence criminal record check for all residential addresses |



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| Screening Element | Description |
|------------------------|--|
| | provided for the last seven years. Where statewide criminal record checks are available, G4S submits a request to the appropriate state agency. In addition, a multi-jurisdictional search of criminal database records is conducted that covers Courts, correctional departments, departments of parole, and sex offender registries nationwide. |
| Driver's License Check | G4S initiates a check of the applicant's driving record through the state department of motor vehicles. This would reveal all traffic violations, driving-related offenses, and substantiate a valid operator's license. |
| Credit Report | G4S initiates a credit check to determine if the applicant is financially responsible. |
| Drug Screen | All applicants undergo a 10-panel urinalysis test conducted by an independent drug-screening clinic. Applicants are sent to a collection location where a sample is collected and sent to a lab. The lab sends the results to our drug screening coordinator, who forwards the results to the local office. Chain-of-custody forms are used to ensure testing integrity. Due to the importance of this component of the hiring process, G4S has contracted with Quest Diagnostics to provide drug screens on a national basis. |
| MMPI | Physiological Exam |
| Physical Exam | Prior to submitting a new applicant for a Custody position, a medical exam will be conducted by a licensed physician to determine if the applicant is physically suited to perform the duties related to being a Custody Officer and is able to withstand the physical demands of the position. |

Only 1 out of 10 CPO candidates successfully pass our screening and are hired

G4S'S NATIONALLY RECOGNIZED TRAINING ACADEMY

G4S's CPOs assigned as Custody Officers will receive world-class training developed by our G4S North America Training Institute, which was the first training organization to pursue ISO 9001:2008 registration in the security guard industry. Training is more than our core competency; it's G4S's area of excellence. Our award winning training programs have been developed for our Custom Protection Officer® (CPO) which are then customized to meet your individual needs.



In 2007, 2008, 2009, and 2010 the G4S North America Training Institute was named one of Training Magazine's Top 125 employer-sponsored training programs and was awarded the APEX 2008 Award of Excellence in the Multimedia & Interactive



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Publications category.



The G4S North America Training Institute is ISO 9001:2008 registered.

G4S'S CUSTODY OFFICER TRAINING PROGRAM FOR CMPD

Upon successful completion of the background investigation, each Custom Protection Officer® (Custody Officer) will receive over 30 days of training before running the post on its own. This required training exceeds all industry and state of California standards and includes the following:

- ✓ Title 15 Training: [REDACTED] hours
- ✓ G4S Pre-Assignment Classroom Training: [REDACTED] hours
- ✓ CMPD On-the-Job Training (OJT): [REDACTED] hours
- ✓ CMPD required [REDACTED] hours Training (can be divided and assigned amongst the classroom and on the job training)
- ✓ [REDACTED] hours Annual Refresher Training (Title 15)
- ✓ [REDACTED] hours Annual CMPD Refresher Policy Training

Site-Specific Training

In addition to above classroom training and required Title 15 training, assigned personnel will receive a minimum of 64 hours of site specific, on the job training. This pre-service training will be under the direction of the Training Manager and will consist of site specific training as approved by the CMPD representatives. Programs will consist of items specific to the operation of the account. After completing the training program the site supervisor or training manager will sign the employee's training record and add the officer's name to the roster of officers that have completed the training program and are eligible to work at the site.

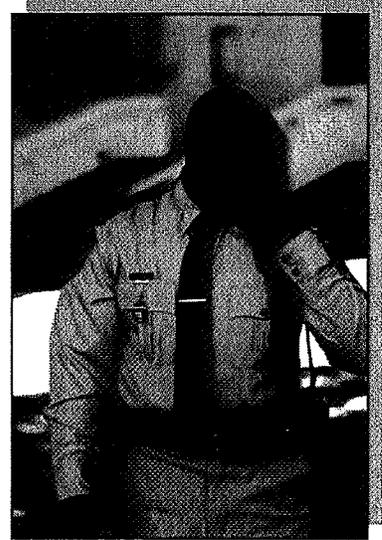
PROJECT MANAGEMENT AND RESUMES

The assigned Project Manager for the City of Costa Mesa custody service contract would be G4S Orange County, General Manager - [REDACTED]

Please see Appendix B for Key Personnel Resumes.



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SECTION E. QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES

G4S COMPANY PROFILE

| | |
|---|---|
| Annual Revenue | \$ [REDACTED] (North America) |
| Number of Employees..... | [REDACTED] |
| Year Founded | 1901 |
| ISO 9001:2008 Registered: | G4S North America Training Institute, Human Resources Department, National Account Group & International Accounts Division |
| SAFETY Act Designation & Certification... | 1 st security services provider awarded by U.S. Department of Homeland Security |
| U.S. Corporate Office..... | 1395 University Blvd. Jupiter, FL 33458 (800) 922 6488 (561) 622 5656 www.g4s.com/usw |

While this proposal presents an outline of our operational structure, capabilities and unique characteristics, we hope to demonstrate that industry leaders choose to partner with us because **G4S**:

- ✓ *has a nationwide network of over 110 area offices that are fully staffed with experienced professionals and equipped with the latest technology in order to provide streamlined administrative functions, and an exceptionally well-trained, highly motivated, and expertly supervised workforce.*
- ✓ *is focused on quality service and its key functions, to include the G4S North America Training Institute (our in-house training division), the Human Resources Department and the National Account Group, have all received ISO 9001:2008 registration.*
- ✓ *is flexible, innovative and customer focused as evidenced by the creation of our customized security programs and this has led to the development of our Custom Protection Officer® premium service level; ideal for serving Jail Service Programs.*
- ✓ *is focused on safety as evidenced by our corporate-wide Safety Program and receipt of Safety Act Designation & Certification from the U.S. Department of Homeland Security.*

We are confident that G4S has no peer considering our internationally respected security services, our

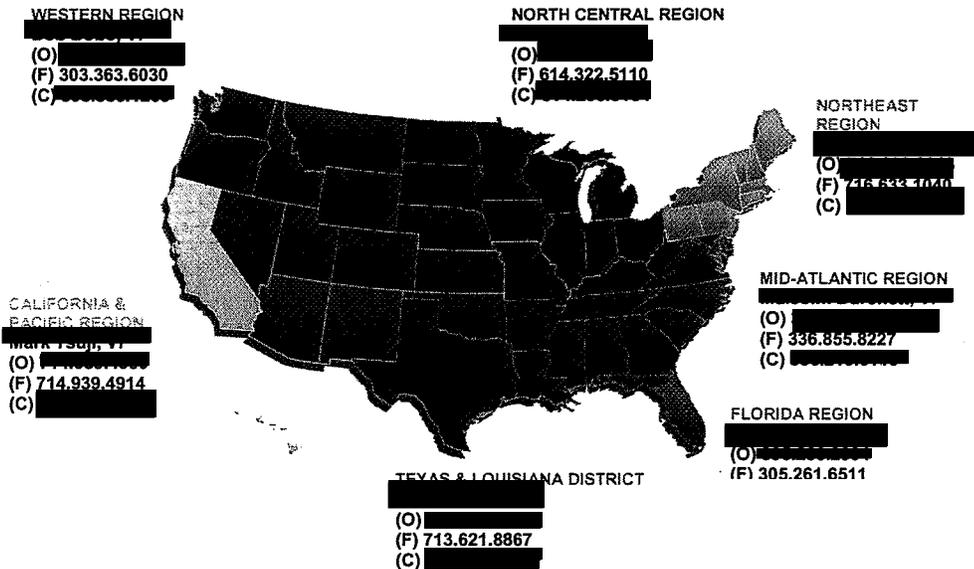


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benchmark training programs, and our commitment to process improvements, which provide our customers with the best value and complete satisfaction. We listen to our customers and respond to their needs with innovative security solutions backed by over a half century of service excellence.

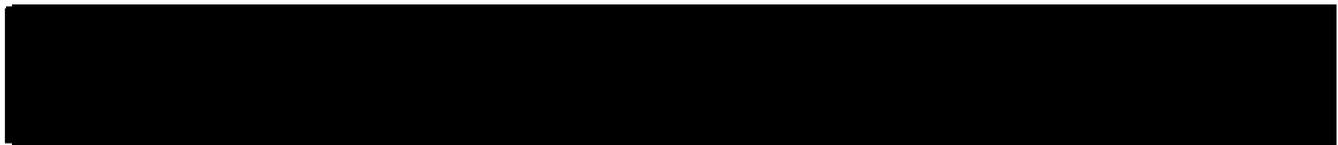
G4S ORGANIZATIONAL STRUCTURE

The Security Services Division is the major business unit of our corporation and is the division responsible for the implementation of government security service contracts. The cornerstone of the Security Services Division is the well-established network of distinct operating units within the U.S. G4S has staffed these operating units (regional, area, district, project, branch and satellite offices) with highly qualified security professionals trained to respond to a myriad of security needs and requirements. These requirements can range from the configuration of a relatively simple physical security plan to contingency planning, special events staffing, and complex, industry-specific requirements.



G4S FINANCIAL CONDITION

G4S's 2010 Financial Report is available publically at <http://reports.g4s.com> for review by Costa Mesa personnel. Because of the size of the report (136 pages), we have provided the above link and a short summary for ease of review. We have also provided some consolidated reports in Appendix



Choosing



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the right security provider today means you can expect continuous performance year after year. Financial strength is an often overlooked indicator of a provider's long-term presence. It provides you greater confidence regarding the provider's ability to:

- ✓ Make payroll 100% of the time, on-time
- ✓ Continuously bring new technologies to your service
- ✓ Maintain an office today & tomorrow
- ✓ Survive during the normal turbulence of doing business
- ✓ Reliably deliver on their promises during today's once in a lifetime economic challenge

In response to Section 4, Subsection E, Subsection 4 of the RFP asks us to: "Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the proposer"...

The nature of the Corporation's business results in civil claims and litigation alleging that the Corporation is liable for damages from the conduct of its employees or others. Additionally, with more than 35,000 employees nationwide, the Corporation is subject to routine compliance investigations conducted by governmental agencies, such as with the Department of Labor, the Occupational Safety and Health Administration and other regulatory agencies. In the opinion of management, there are no such claims or proceedings pending that have had or would have a material effect on the operation of the Corporation or its ability to provide services to the City of Costa Mesa.

EXPERIENCE & DEMONSTRATED COMPETENCE WITH GOVERNMENT CONTRACTS

G4S has extensive experience in providing a variety of government levels with services. From Federal, State, County and City services, we have developed the expertise to meet any challenge and the expectations of clients who depend on professional security services from a proven provider. We have been providing custody services specifically since 1992. (Please see inserted Case Studies)

Of particular pride is our relationship with the Federal government as a Federal Supplier (GSA number provided if needed). **As the largest provider of security services to the U.S. Government**, G4S secures some of the nation's most treasured and vital government sites. Providing proven security solutions to nuclear facilities, detention facilities, transportation services, judicial center, libraries, water treatment plants, office buildings, assessment centers, transit systems, dispatch centers, airports, military facilities and locally service for such organizations as Immigration Custom Enforcement and the Southwest Border Patrol.

KEY STAFF AND REFERENCES

References and Reference Letters can be found in Appendix C & D. Key Staff can be located in Appendix B.



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SECTION F. FEE PROPOSAL



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SECTION G. DISCLOSURE

To the best of our knowledge and belief no employees or officials of G4S have any business or personal relationships with any Costa Mesa elected officials, appointed official, or City employee. As a large corporation with more than 35,000 employees across the United States, it is not possible for us to respond with respect to all employees. The G4S personnel directly responsible for managing the contract have no such relationships.



SECTION H. SAMPLE AGREEMENT EXCEPTIONS

The following exceptions are noted for your consideration. G4S respectfully requests that the below items be open to discussion as they represent in our opinion areas of industry best practices that are beneficial to both parties.

Section 4 - Term and Termination:

The RFP states that the initial term will be 3 years with 2 one-year options to renew. The Agreement has a 12 month period that allows the parties to renew up to 4 one-year periods. Please clarify the term.

G4S requests reasonable termination rights for good cause such as in the event of a breach of the Agreement by the City or legislative, regulatory, or other business factor that makes performance of the contract unreasonable. G4S requests the right to terminate upon 60 days prior written notice to the City.

Section 5 Insurance:

G4S respectfully takes exception to Section 5.1(a) (i), which states: "Operator's assumption of all liability caused by or arising out of all aspects of the provision and operation of the Jail." It is unclear what this provision means. G4S believes its obligations and assumption of liability should be governed by Section 6.9 and requests this language be deleted.

G4S would like to clarify the Fidelity Insurance coverage requested in Section 5.1(e). G4S has the requested coverage, but its customers are covered under an endorsement called 'joint payee'; not a "loss payee." If a loss occurs, its insurer will pay G4S and the City.

G4S requests that Section 5.2(a) be revised to state: "All insurance policies shall contain a Waiver of Subrogation to the extent of Consultant's indemnification obligation under the Agreement."

G4S requests the following language be added to Section 5.2(b): "Consultant's naming of The City of Costa Mesa and its elected and appointed boards, officers, agents, and employees as additional insured on its liability policies pursuant to this Agreement shall afford coverage only for the negligent acts or omissions of Contractor pursuant to this Agreement and shall in no event be construed for any purpose so as to make Consultant or the issuer of such policies liable for the negligence (joint, concurrent, independent or individual), acts, errors or omissions of third parties."

G4S requests Section 5.2(c) be revised to state: "Consultant's insurance shall be primary and any other insurance maintained by the City of Costa Mesa shall be excess and noncontributing with respect to any damages arising from Consultant's negligent acts."



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Section 6.9 Indemnification and Hold Harmless:

G4S requests that Section 6.9 be revised as follows:

To the fullest extent permitted by law, the Consultant assumes liability for and shall save and protect, hold harmless, indemnify, and defend the City and its elected and appointed officials, officers, and employees (all the foregoing, hereinafter collectively, "Indemnitees") from and against all claims, suits, demands, damages, losses, expenses and liabilities of any kind whatsoever (all the foregoing, hereinafter collectively "Claims") including, without limitation, reasonable attorneys' fees, arising out of or resulting from negligent acts or willful misconduct of Consultant (including its subcontractors and suppliers) in the performance of services under this Agreement.

Consultant's indemnity and defense obligations shall cover the acts or omissions of any of Consultant's subcontractors, and suppliers, and the employees of any of the foregoing.

The Consultant's indemnity and defense obligation under this Section includes, without limitation, any claims, suits, demands, damages, losses, expenses, and liabilities arising from allegations of violations of any federal, State, or local law or regulation, and from allegations of violations of Consultant's or its subcontractor's personnel practices or from any allegation of an injury to an employee of the Consultant or subcontractor performing work or labor necessary to carry out the provisions of this Contract, except to the extent such injury is caused by the City's negligence or willful misconduct.

The indemnification obligations in this Section shall not be construed to negate, abridge or otherwise reduce any other obligation of indemnity the Consultant may have with respect to the City which may otherwise exist. If any judgment is rendered against the City or any of the other individuals enumerated above in any such action, the Consultant shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of this Agreement.

As an alternative, G4S would be willing to accept the language in Section 6.9 of the original Agreement released with the RFP.



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SECTION I. CITY OF COSTA MESA REQUIRED FORMS



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APPENDIX A. EMPLOYEE BENEFITS & INCENTIVE PROGRAMS

The following benefits and incentives are provided to officers assigned to your site on an as elected basis:

INSURANCE PROGRAMS

| Insurance | Highlights | Detail |
|--|---|--|
| Health | <ul style="list-style-type: none"> ■ G4S's 42 Choice Plus Plan (CPOs only) ■ Administered by United Healthcare ■ Effective the first day of the month following three months of continuous service. | <ul style="list-style-type: none"> ■ [REDACTED] |
| Prescriptions | <ul style="list-style-type: none"> ■ No deductible and a co-payment of: | <ul style="list-style-type: none"> ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] |
| Life | <ul style="list-style-type: none"> ■ [REDACTED] in life insurance | <ul style="list-style-type: none"> ■ AD&D is provided at no cost to the employee |
| Supplemental Life Insurance | <ul style="list-style-type: none"> ■ G4S employees can purchase up to an additional \$40,000 in life insurance, in \$10,000 increments, and pay the additional premium (premium costs are based on age) through payroll deductions | |
| Accidental Death & Dismemberment Insurance | <ul style="list-style-type: none"> ■ G4S personnel who are not covered by another life insurance plan offered by the company will be entitled to occupational accidental death and dismemberment insurance in the amount of [REDACTED] | |



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RETIREMENT PLAN

G4S provides a 401(k) Plan to qualified employees (employees considered highly compensated under ERISA do not qualify). Qualified employees:

- *May contribute [redacted] of their compensation on a pre-tax basis*
- *Have the opportunity to save for retirement with current tax-deferral advantage*
- *Can take loans from their 401(k) Plan, repaying through convenient payroll deductions*

EMPLOYEE ASSISTANCE PROGRAM

Employee Assistance Program (EAP) is a voluntary program providing confidential assessment, counseling and referral services for employees and their families to help resolve personal concerns.

The majority of G4S employees using EAP are served through Horizon Health; select locations use a different EAP local provider. To use the program, an employee or dependent simply calls Horizon Health at 888-293-6948 to set up an appointment or discuss their concerns.



Assistance is available for:

- | | | |
|-----------------------------|-----------------------------|-----------------|
| ■ Marriage & family issues | ■ Divorce | ■ Mental health |
| ■ Coping with change | ■ Credit & financial issues | ■ Grief & loss |
| ■ Stress | ■ Eating disorders | ■ Depression |
| ■ Alcohol & substance abuse | | |

VOLUNTARY BENEFITS

G4S provides additional voluntary benefits (employee paid) that complement our core benefits (company provided). These voluntary benefits are available at competitive rates through G4S's negotiated group rates.

Enrollment is easy with a single call to the G4S Benefit Enrollment Center at 866-999-7702 for individualized information and rates. Voluntary benefits include:

| Item | Description |
|------|-------------|
|------|-------------|



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| Item | Description |
|--|---|
| Short Term Disability Insurance | ■ Helps replace a portion of the individual's salary in the event of sickness or injury. Level premiums are offered based on age at the time of purchase and will not increase over time. |
| Accident Insurance | ■ Covers a wide variety of injuries and accident-related expenses such as hospitalization, physical therapy, etc. Individual and family coverage options are available |
| Critical Illness / Cancer Insurance | ■ Offers financial protection in the event of a critical illness or cancer. A lump sum benefit is payable when diagnosed with a covered critical illness. Premiums are based on age at issue and tobacco status |
| Whole Life Insurance | ■ In addition to death benefits, this policy has cash value. Individual and family coverage options are available |

TUITION ASSISTANCE

Tuition assistance is available, when provided for in the contract, to full-time security personnel who have completed 90 days of uninterrupted employment. Courses must be job-related and taught by an accredited college or university. Tuition assistance amounts may vary and are reimbursed based on the grade achieved. If desired by the client, G4S can provide this benefit and direct bill, as incurred.

DIRECT DEPOSIT

G4S offers the convenience and safety of direct deposit of paychecks as well as paycards for our employees.

EASTERN FINANCIAL FEDERAL CREDIT UNION

G4S employees are eligible to join the Eastern Financial Federal Credit Union, one of the top 25 credit unions in the nation with over \$1 billion in assets and more than 155,000 members.

Services can be accessed using various methods, to include Bank-By-Phone, ATM cards, and Eastern online internet banking. Our employees can take advantage of services such as:

- *Checking*
- *Savings & investment accounts*
- *Mortgage, auto & student loans*



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Credit cards

EMPLOYEE DISCOUNT PROGRAMS

G4S's Human Resources department maintains an employee discount program that has negotiated group discounts for the following:

| Item | Description |
|--------------------------|---|
| Bank Discounts | ■ Special savings on financial services are offered through Bank of America |
| Vehicle Purchase Program | ■ Through G4S's relationships with automotive manufacturers employees can buy vehicles at a savings through a hassle-free, streamlined process |
| Home Buying Assistance | ■ Fannie Mae and GMAC Mortgage & Real Estate Services offer timesaving applications, discounts and savings on home mortgages as well as other discounts and cash-back opportunities |
| Computers | ■ Dell Computers offers discounted products, shipping and services |
| Cell Phone Services | ■ Discounted cell phone services are offered through AT&T, Verizon and Sprint Nextel |

CAREER DEVELOPMENT PROGRAM

G4S maintains a program that develops and trains field personnel at all levels to encourage advancement and promotion through various levels of operation within the company.

The current G4S President of North America is proof of this commitment, having risen from local operational management to his current position.

INCENTIVE PROGRAMS

SPECIAL RECOGNITION AWARDS

| Award | Description |
|----------------------------|---|
| Certificate of Achievement | ■ Awarded for the successful completion of a G4S North America Training Institute Program |



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| Award | Description |
|--|--|
| Certificate of Appreciation | ■ Presented in response to a letter of commendation for a job well done, or for performance of a valued act of service for the customer / G4S |
| Certificate of Recognition | ■ Presented in recognition of unusual & outstanding service, & for courage & initiative |
| Certificate of Distinction | ■ Presented for the performance of an act of valor above & beyond the call of duty; an act that reflects great credit on the individual, the customer, & G4S |
| W-Valor Award | ■ Presented to employees who have received a Certificate of Distinction & are eligible for this prestigious award |
| Officer of the Quarter/Year Award | ■ Program of recognition administered on a corporate-wide basis |

SERVICE AWARD PROGRAM

G4S offers an attractive service award program as a tribute and expression of gratitude for the valuable contributions and loyalty that our long-term employees have shown to the company.

The service milestones are in five-year increments as they reach their anniversaries with G4S. Gifts vary, based on length of service, from service pins to mantle clocks to gold rings and watches.

GRANDFATHERING OF INCUMBENT PERSONNEL

Incumbent employees who pass pre-employment screening and that may be retained will be grandfathered for group insurance purposes. This means we will count prior service toward the standard 90-day waiting period for the group insurance.



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APPENDIX B. LOCAL MANAGEMENT RESUMES

G4S's best-in-class status is due in large part to the skill and professionalism of our management and supervision. The following personnel are immediately responsible for delivering our promised security service to the City of Costa Mesa.

Regional Vice President

[REDACTED]

Responsibilities

- Provides overall guidance & management for the operations of all area offices within their specific region
- Responsible for developing new markets, implementing company strategy, & maintaining operational excellence
- Responsible for coordination of regional resources to assist in startup & operations for complex accounts & emergency or disaster response services

Experience

- Joined G4S in 1992
- 15 years of successful experience in management, training, sales, investigations & marketing within the security field

Associations & Certifications

- ASIS, BOMA, Law Enforcement & Private Security (LEAPS), National Association of Chief of Police
- Sits on the advisory board for Cal-State Fullerton, Board of Directors, California Association of Licensed Security Agencies, Guards and Associates (CALSAGA)

Education

- B.S. Degree in Business, Minor in Psychology of Marketing, San Diego State University

General Manager

[REDACTED]

Responsibilities

- Provides direct supervision, guidance, & support to all of their office personnel to assure continued delivery of quality security services to all customers within their geographic area
- Overall responsibility for ongoing business development & growth for their area office
- Responsible for maintaining an active, strong partnership with all current clients



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Experience

- Joined G4S in 1992 and has held numerous positions
- Former Police Officer for the Ventura County Sheriff's Department
- Former Police Sergeant and SWAT team member in the U.S. Army.

Associations & Certifications

- ASIS, LEAPS, BOMA, CAI

Operations Manager

[Redacted]

[Redacted]

Responsibilities

- Assists General Manager in the operations of their area office to include quality assurance and contract compliance for current customers.
- Coordinates recruiting, training and assignment of newly hired security officers that will meet the stringent G4S requirements
- Ensures that contract-required training and screening for security officers are met providing customers reduced risk of turnover at sites.
- Responsible for the staffing, scheduling and discipline of security officers and supervision of payroll and billing for invoicing and payroll accuracy

Experience

- Experience in Customer Service Management, McDonnell Douglas (20 years)
- Former Law Enforcement with Brachville, NJ Police Department (11 years)

Education

- B.A. degree in Business Administration, National University

Regional Administration Manager

[Redacted]

[Redacted]

Responsibilities

- Supports the entire region on transitioning new startups as needed, training the branches within the region on HRMS and Financial system, human resources, and daily administration functions



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- Responsible for keeping all offices up to date on current topics, from financials to human resources, and provides guidance with a variety of tasks and activities conducted primarily within a specific region of field locations, to include acting as a liaison for offices with various G4S departments and/or divisions in matters including operational, administrative, policy and/or procedures

Experience

- Joined G4S in February 2003 and has held numerous positions

Associations & Certifications

- Society for Human Resources Management (SHRM)
- California Chamber of Commerce

Education

- Professional Human Resources Management through Chapman University

Regional Training Manager

Responsibilities

- Responsible for project management including planning, organizing coordinating, and implementing training and education programs and procedures throughout the region
- Manages all professional training and education of line personnel and supervision
- Develop and produce policies, procedures and training
- Extensive experience in educational development for managers

Experience

- Joined G4S in February 2008
- Buena Park Police Dept. 1979 – 2005 (Retired Captain)

Associations & Certifications

- State of California, Life Time Teaching Credential
- Board of Trustees – West Anaheim Medical Center
- California Commission on Peace Officer Standards and Training, Management and Supervisory Certificates
- Board of Directors – Taser International – Professional Security Providers

Education

Bachelor of Science Degree in Business Management, University of Phoenix - August 1997

Manager, Contract Compliance and Business Development



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Responsibilities

- Provides service and solution development for new and existing customer
- Responsible for developing new markets, implementing company strategy, & maintaining operational excellence
- Responsible for coordination of transition process on new contracts
- Responsible for consistent and open customer communication and maintaining contract compliance

Experience

- Joined G4S in 2009
- 10 years of successful experience in business operations and management

Associations & Certifications

- ASIS, BOMA, CAI, CACM, , National Association of Chief of Police

Education

- B.S. Degree in Business Management, Cal State University of Fullerton



Securing Your World

APPENDIX C. JAIL SERVICE REFERENCES

Additional Jail Service References available upon request.

| | |
|--|---|
| <p><i>Department of Homeland Security</i> US Customs and Border Protection Size:..... 22,043 Hours per Week; 600 Officers Description:..... Provide approximately 22,043 weekly hours of prisoner/detainee transportation services, medical escort services and guard services to the Customs and Border Protection (CBP) along nine (9) sectors of the southwest border in four states since August of 2006. G4S provided transportation services include escort and guard services for detainees in CBP custody. Transportation service entails bus and van over the road transport services of detainees to courtroom facilities, medical offices/hospitals, and CPB facilities. G4S provides transport for an average of 60,000 personnel per month. G4S provides a total 532 Prisoner Transportation Officers, and an on-site supervision force of 40 Sergeants and 25 Lieutenants. Additionally, G4S provides a Project Manager and full project support staff to include HR personnel, payroll, trainers, administration staff, etc. G4S provides all vans and buses responsible for transporting, escorting, and maintaining custody and security for all detained persons, and or persons arrested by CBP officers along the southwest border.</p> <p>Serving Since:..... 2006</p> |  |
| <p><i>City of Beverly Hills</i> Beverly Hills Police Department Type of Facility: Type I Facility Size:..... 336 Hours per Week; 11 Officers Description:.....G4S Custom Protection Officers provide prisoner custody services, prisoner booking, live scan administration, safety inspections, Title XV, prisoner DNA collection, Pay to Stay Program Serving Since:... 2007 Contact:..... [REDACTED]</p> |  |



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City of Irvine

Irvine Police Department

Jail:.....Temporary Holding Facility

Size:..... 228 Hours per Week; 6 Officers

Description:.....Includes prisoner custody services, prisoner booking, live scan administration, DNA mouth swabbing, transportation to OCJ and safety inspections.

Serving Since:... 1991

Contact:..... [Redacted]
949-[Redacted]



City of La Habra

La Habra Police Department

Jail:.....Type I Facility

Size:..... 168 Hours per Week; 5 Officers

Description:.....Includes prisoner custody services, prisoner booking, live scan administration, and transportation to OCJ and safety inspections.

Serving Since:... 2001

Contact:..... [Redacted]



City of Whittier

Whittier Police Department

Type of Facility:.. Type I Facility

Size:..... 336 Hours per Week; 11 Officers

Description:.....Includes prisoner custody services, prisoner booking, live scan administration, transportation to LA County Jail and safety inspections.

Serving Since:... 2006

Contact:..... [Redacted]





Securing Your World

City of Azusa

Azusa Police Department

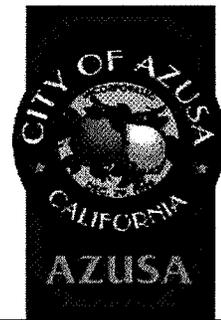
Jail..... Type I Facility

Size:..... 336 Hours per Week; 11 Officers

Description:.....Includes prisoner custody services, prisoner booking, live scan administration, safety inspections, Title XV, prisoner DNA collection

Serving Since:... 2000

Contact:.....





Securing Your World

APPENDIX D. LETTERS OF REFERENCE



Securing Your World

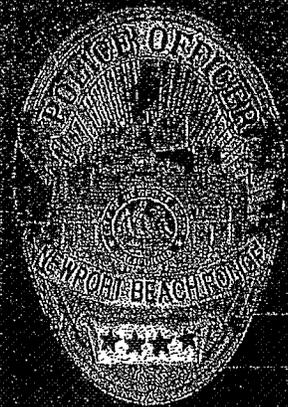
APPENDIX E. FINANCIAL RECORDS

NEWPORT BEACH

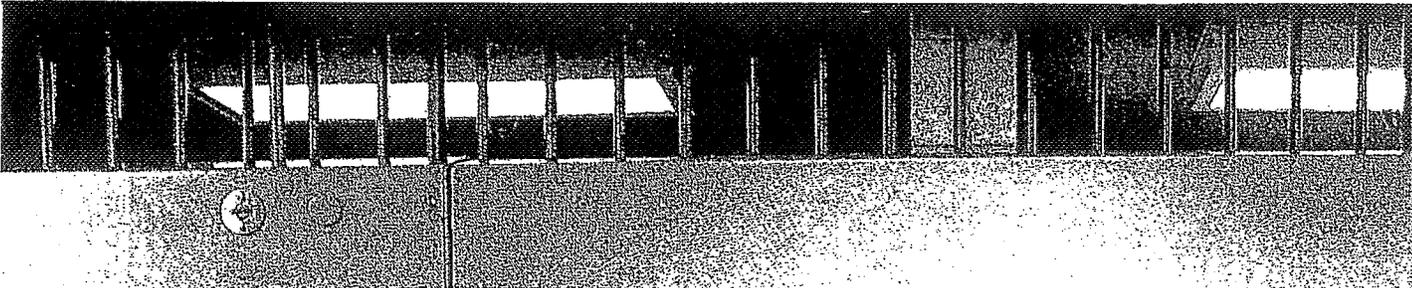


Newport Beach Police Department

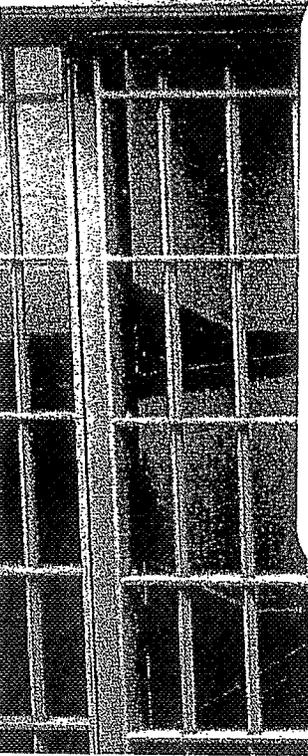
Proposal for Jail Services to
the City of Costa Mesa



Type I Jail Facility



Newport Beach Police Department (NBPD) operates a Type I Jail Facility within its Police building located at 870 Santa Barbara Drive. The Type I Jail Facility is staffed 24-hours a day, seven days a week. Line supervision is provided by the Police Department's on-duty Watch Commander.



The NBPD Type I Jail Facility consists of three holding pods, a male sobering cell, a female sobering cell, two safety cells, an overnight holding cell for female arrestees, and two juvenile holding cells for secure juvenile detentions. The Facility's booking stations and supervisor's office were recently remodeled. The Facility has passed all mandated Federal and State certifications, including the Orange County Juvenile Justice Commission certification.



Proposal

NBPD proposes that arrestees currently booked at the Costa Mesa Police Department (CMPD) Type I Jail Facility be booked at the NBPD Type I Jail Facility.



Scope of Work

CMPD Officers will book all arrestees into the NBPD Jail, unless dictated by policy or directed by the CMPD Watch Commander to book at an alternate facility.

NBPD will provide transportation of CMPD arrestees to the OC Jail after booking at NBPD, as well as to the Harbor Justice Center during days of the week that Court is in session.

NBPD will entertain the possibility of providing arrestee transportation services from the point of arrest by a CMPD Officer to the NBPD Jail.

CMPD arrestees will be processed through the NBPD Jail Management System. This will alleviate the need for the CMPD Records Unit to conduct background checks and the associated arrestee paperwork.

NBPD will assume the responsibility of providing a fully staffed Jail to include female custody officers, bilingual (Spanish) custody officers, and staffing to address special events that occur in the City of Costa Mesa.

NBPD custodial staffing will include contract custody officers. NBPD will consider the possibility of hiring current CMPD custodial staff members through a private contract corporation. NBPD would also consider hiring CMPD Records Unit personnel that have been displaced due to downsizing as a result of this Proposal.

In conclusion, CMPD will no longer have to process prisoners, sustain costs associated with Jail maintenance, or employee salary and benefit costs related to the operations of a Type I Jail Facility.



Pricing Proposal

The Newport Beach Police Department proposes charging the City of Costa Mesa an annual fee of \$1,055,550 in consideration for providing custodial services to the CMPD. Following are the anticipated costs for providing the proposed services:

PROJECTED COSTS

Custody Expense
Training
Personnel and Training Services
Private Contract (8 Custody Officers)
4.5 Community Services Officers/Records Support
.5 Full-Time Equivalent Jail Supervisor

TOTAL COSTS:

\$1,055,500



THE GEO GROUP PROPOSAL



October 21, 2011

City of Costa Mesa
City Attorney – 5th Floor
Attn: Kimberly Hall Barlow
77 Fair Drive
Costa Mesa, CA 92628-1200

Western Regional Office
6100 Center Drive, Suite 825
Los Angeles, California 90045

MAIN TEL: 310 348 3000
www.geogroup.com

Re: Operation of the Costa Mesa Police Department's Type I Jail Facility

Dear Ms. Barlow,

The GEO Group, Inc. (hereinafter referred to as "GEO") is pleased to submit our response to the RFP for management of the Costa Mesa Police Department's Type I Jail Facility, as released by the City of Costa Mesa on September 21, 2011.

The GEO Group is headquartered in Boca Raton, Florida and is a world leader in the delivery of private correctional, detention and community residential re-entry services to federal, state and local government agencies. We presently operate and manage 116 correctional, detention and residential treatment facilities encompassing approximately 80,000 beds.

GEO has enjoyed a professional partnership and sound working relationship with the State of California since 1987, when we began housing and providing services to the California Department of Corrections and Rehabilitation. Since the acquisition of Cornell, our services have expanded into providing detention services for eight City Jails in Los Angeles County, San Bernardino County and Orange County, respectively.

The eight city jails currently under operation by GEO have provided a platform for understanding the needs of the City and how our role contributes to the mission of the Police Department. Our goal is to ensure that a cohesive partnering relationship develops and thrives with the City and its affiliates, to include public officials, auditors, inspectors and visitors. We take pride in value-based services that maximize the efficiency of existing operations and minimize disruption to routine business.

Our responsibility for providing custodianship of detainees confined to a correctional, detention and/or jail facility is not only grounded in hiring qualified personnel to carry out the mission, ensuring ongoing training is established, providing proven correctional practices and prioritizing a healthy and safe environment for all concerned, but it also encompasses attention on ensuring the civil liberties of the detainees are appropriately enforced.

To summarize, our proposal, which accompanies this cover letter, is very simple. We demonstrate our qualifications for providing the requested services as it relates to our financial, operational and organizational abilities; we illustrate our understanding and knowledge of the scope of services as well as strategize a compatible approach for delivering the requirements; and we incorporate innovated performance enhancements that will result in operational efficiencies.

City of Costa Mesa RFP: Type I Jail Facility
Cover Letter – 10/21/11

GEO is offering a proposed fixed price for operation of the Type I Jail Facility, which we believe will generate a cost-savings for the City. As stipulated in the RFP, the pricing offered by GEO (as referenced in the pricing documents) will remain valid for a period of at least 180 days from the date of this letter.

Enclosed you will find our Proposal (Exhibit A) and required Bid Documents, along with attachments supporting our proposal.

As required in the context of this letter, if operation of the Type I Jail Facility is awarded to GEO, the office from which the project will be managed is the Western Regional Office, which is located at 6100 Center Drive, Suite 825, Los Angeles, California 90045 (310/348-3000).

In closing, GEO believes it has submitted a very competitive proposal for the operation of the Costa Mesa Police Department's Type I Jail Facility and trust it meets the needs of the City. GEO welcomes the opportunity to review any aspects of our proposal with the City, to include the pricing and scheduling details. Based on such review, we are prepared to adjust it in accordance with mutual understandings derived from our dialogue.

GEO appreciates the opportunity to respond to the RFP and looks forward to partnering with you on the operation of the City Jail.

Sincerely,



Western Regional Office

BACKGROUND AND PROJECT SUMMARY

This section of the proposal will describe our understanding of the City, the objectives to be accomplished and the work to be completed as referenced in the RFP.

KNOWLEDGE OF THE CITY

The City of Costa Mesa is located in the heart of Orange County and is governed by a council-manager model consisting of approximately 500 full-time and 60 part-time City employees. It has a population of nearly 115,000. Much like many local governments across the State of California, the City of Costa Mesa is experiencing a slow rebound in the economy and is exploring creative and innovative approaches for delivering public services. Public Safety continues to be the largest component of the City of Costa Mesa budget, with the Police Department leading in size and scope.

The Police Department employs more than one third of the City's employees, making it the largest functioning service provided to the citizens of Costa Mesa. While the budget continues to adequately fund the Police Department, appropriations for the delivery of services has slowly decreased since 2009, prompting the City to seek alternative, cost-effective resources for managing this critical public safety service. The assumption drawn from this development is that the City is striving for greater efficiency in order to maximize not only its existing resources but its delivery of those resources to the public. Outsourcing operation of the Type I City Jail will reduce the amount of time Police Officers spend booking, processing, and transporting detainees and will increase their visibility on the streets, enabling them to spend more time conducting investigations of threat and will provide them with greater freedom to focus on measures dedicated to protecting the public.

In accordance with the RFP, the role of GEO with respect to operation of the Type I Jail Facility is to partner with the Police Department and to ensure that a cohesive, seamless transition in operation of the Jail is achieved. We understand that our responsibility begins with receiving the detainee from the arresting officer and ends with transporting or releasing the detainee. In between the aforementioned duties, GEO will complete the booking process, monitor and supervise confinement, ensure the basic needs are being met, protect the detainee from harm, provide a safe, clean environment and work closely with the Police Department to ensure open and honest communication remains the foundation of our partnership.

We further recognize that our contribution does not end with Jail operations but involves being a good partner with the City of Costa Mesa. Our presence in the community is a role we embrace and value, and we have a long-standing reputation for being a visible neighbor in communities where we conduct business. We understand the need of the City for GEO to provide assistance with special events, parades, DUI checkpoints and miscellaneous City functions through utilization of Jail staff. We are prepared for this responsibility and look forward to the involvement.

OBJECTIVES

Our ongoing mission and objective is to satisfy the RFP requirements with competent and motivated personnel, implement an effective self-monitoring program to ensure that a high level of performance remains a continuous variable and to partner with the City on the changing demands of the Jail. We believe that initial and subsequent training in all required areas is the foundation of operations; therefore, we provide the highest level of training possible for our personnel and ensure job-proficiency is evidenced from inception of employment through advancement in roles and responsibilities.

WORK TO BE COMPLETED

This section will describe in detail our understanding of the work to be completed as referenced in the RFP.

Staffing/Scheduling/Hiring

The staffing plan developed for operation of the City Police Department's Type I Jail Facility includes **one Jail Administrator and ten Custody Officers**, for a total of 11.0 FTE. The GEO staffing pattern reflects two Custody Officers per shift, with appropriate relief to accommodate a seven-day per week, twenty-four hour per day schedule. Based on the number of anticipated bookings, we are confident our staffing plan satisfies the administrative, supervisory and transportation component of Jail operations as well as provides availability for special events requested by the City.

| JAIL STAFFING PLAN | | | | | | |
|--------------------|-----------|---------|---------|---------|--------|------|
| | Non-Shift | Shift 1 | Shift 2 | Shift 3 | Relief | FTE |
| Jail Administrator | 1.0 | | | | | 1.0 |
| Custody Officer | | 2.0 | 2.0 | 2.0 | 1.67 | 10.0 |
| Total Staffing | 1.0 | 2.0 | 2.0 | 2.0 | | 11.0 |

A full-time correctional administrator possessing a minimum of three years experience and the ability to perform the duties of a Custody Officer will serve as the Jail Administrator. The Jail Administrator will provide direct supervision of Custody Officers and management oversight of day-to-day operations. The Jail Administrator will be overall responsible for coordinating activities with the Police Department, providing training to Custody Officers on all shifts, maintaining accurate record keeping, conducting safety and equipment inspections, facilitating external reviews by regulatory entities and enforcing governing laws, policies and mandates.

The Custody Officer positions will be at least 21 years of age and meet all the education guidelines, training requirements, background clearance standards, mental health and physical abilities, professional grooming standards and possess appropriate communication skills for successful performance of the job. Our goal when recruiting staff is to seek professionals who

meet all the qualifications required for the position and who exhibit strong character, motivation and interest.

GEO provides a background screening for all personnel employed by our organization in order to ensure individuals with integrity are hired for selected positions. We understand the screening requirements contained in the RFP and believe that our existing controls associated with this area are compatible with the mission of the City. All candidates recommended for hire will satisfy the background screening process and psychological review prior to being forwarded to the City for final approval. Our procedure for performing background screenings has been tested and proven solid for determining employment suitability (Tab A).

Training

GEO endorses the requirement to provide training for its Jail personnel, to include the Jail Administrator and Custody Officer, in accordance with the standards established by the Corrections Standards Authority, as set forth in the California Code of Regulations, Title 15, commonly referred to as the Standards and Training for Corrections Program (STC). GEO will hire individuals who possess the necessary training or will provide the training as referenced above to new employees upon hire. Each employee will not only receive (or possess) the initial STC program but will receive 24 hours of STC refresher training on an annual basis. GEO utilizes an external resource with appropriate certifications for providing the STC program competencies. In addition to STC training, GEO provides and maintains First Aid and CPR Training (Tab B).

In accordance with the RFP, GEO will provide a City approved Initial Training Program consisting of approximately 50-hours of instruction material derived from the Jail Manual plus sufficient on-going training to ensure continued proficiency in operations (Tab B).

Uniforms

GEO has longstanding relationships with several suppliers of uniforms and equipment for corrections professionals. GEO will supply all uniforms and equipment to Jail staff, to include utility belts, handcuff holders, keepers, key rings as well as any other uniform item deemed necessary. Absent specific preference stated by the City, GEO will evaluate and select desired uniform options and present them to the City for concurrence. GEO recognizes that uniform choices must be mutually agreed upon prior to finalizing them as the Jail uniform.

Security and Control

The eight city jails GEO currently operates provides a sound example of our knowledge and experience in managing jails. We view security as being one of the highest priorities of our business and believe our processes and procedures in this area are second to none. We not only perform daily security checks on each shift, but we ensure the security checks are documented and retained for audit/inspection consideration. GEO's security measures, to include facility control, internal and external security, search and seizure practices and emergency procedures are reviewed annually and updated as needed. While we recognize that operation of the Jail may

require adherence to the Police Department's Jail Manual in these areas, we want to assure the City that we have a strong working foundation as it relates to security and control. GEO policies and procedures in this area will be onsite and available for review.

Emergency Procedures

GEO recognizes that it shall adhere to the Police Department's Jail Manual in the event of an emergency. All Jail staff will be trained in its procedures from the onset of employment and annually thereafter.

Use of Force

GEO recognizes that it shall adhere to the Police Department's Jail Manual regarding use of force and reporting guidelines contained therein. Our staff are trained in use of force from the onset of employment and annually thereafter. We understand the importance of sound correctional practice as it relates to use of force and the liabilities involved for failing to follow established guidelines.

Records

GEO recognizes the requirement associated with timely completion of detainee records and the subsequent responsibility of records retention. All records will be maintained in accordance with Minimum Standards, as well as County and State regulations, as it relates to Jail operations. GEO will provide ample storage of detainee records in both a hard and electronic format as deemed appropriate. Records will be provided for review or inspection as requested.

Risk Management/Health and Safety

GEO places a priority on the health and safety of detainees and ensures strict adherence to its own guidelines in this area. GEO will implement a risk management program in order to deal effectively with identifying, correcting, monitoring and controlling risks that could potentially cause environmental and/or personal safety concerns. We are proactive on making health and safety a part of the daily functions of our operations and will facilitate governing audits and inspections accordingly. GEO will provide results of all inspections and audits to the City accordingly.

Maintenance of Type I Jail Facility/Sanitation & Hygiene

GEO incorporates a daily "housekeeping" plan into its operations, which includes not only inspecting the building and living conditions but also adhering to strict sanitation standards that promote healthy living in a clean environment. GEO will provide all equipment and supplies to ensure sanitation standards are met and maintained. Hygiene items will be provided by GEO to all detainees for their personal use as mandated. In accordance with the RFP, GEO will provide a list of supplies needed on a weekly basis to carry out the duties associated with maintenance demands. GEO will further maintain documentation associated with sanitation and maintenance activity and will provide them to the City and/or appropriate inspection authority upon request.

Use of Type I Jail Facility

GEO will comply with the use of the Type I Jail Facility as stipulated in the RFP and will not engage in any activity, including training, which is not designed for the specific benefit of staff assigned to the Jail.

Food Services

GEO will provide meals through Catering Systems to all detainees in accordance with Minimal Standards specified by all applicable Federal and State requirements, laws and statutes, court orders and the California Corrections Standards Authority now in effect and hereafter. GEO utilizes Catering Systems at our existing city jails for delivery of meal services (Tab C).

Property

GEO will provide ample storage for personal property of detainees. Detainees will receive a jail uniform during the booking process and their "street" clothes and personal property will be inventoried and documented on the booking slip prior to placement in a plastic bag for storage. Property bags will be labeled with appropriate information in order to identify the property with the appropriate detainee. After the appropriate information is catalogued, the plastic bags will be secured and placed in a locked storage room. Personal property will be returned to the detainee upon release or forwarded with the detainee upon transfer. Lost or damaged property will be managed through the grievance process and reimbursed accordingly.

Grievance Procedure

Absent specific guidelines required by the Jail Manual, GEO will utilize its internal process for managing grievances initiated by detainees during incarceration. Our internal process will be modified for "site-specific" relevance to the Jail operations and will include a final level of appeal to the State. The Jail Administrator will be responsible for responding to all grievances submitted by the detainee.

Inmate Services/Correspondence

GEO recognizes it shall be responsible for supplying all required bedding materials and for allowing telecommunications access to all detainees as mandated by Minimum Standards specified by applicable Federal and State requirements, laws and statutes, court orders and the California Corrections Authority, now in effect and hereafter. GEO understands that the City will provide City owned telephones and payphones inside the housing unit, which will be solely maintained and serviced at the expense of the City.

Medical Attention and Medical Clearances

GEO's understanding of this requirement is that the arresting officer will ensure that the detainee is medically cleared during the "pre-booking" process prior to accepting the detainee. GEO staff will be trained to recognize when a detainee is precluded from being processed into the Jail. If

the detainee is medically determined to be unfit for incarceration, GEO staff will request that a medical clearance be received by the arresting officer and/or will request that the detainee be redirected to another custody facility as specified in the RFP.

ICE Liaison

GEO has had a strong working relationship with ICE since 1987, when we partnered with them for the first time on a 300-bed facility in Aurora, Colorado. Today, our ICE partnership has grown to include multiple facilities in several states across North America; due to this exposure, we are confident we can not only meet, *but can exceed*, the delivery of services identified in the RFP associated with maintaining a positive working partnership with ICE (Tab D).

City Custody Van/Transportation

GEO will provide transportation of detainees to court arraignments and to and from other locations using the City-owned custody van as specified in the RFP. GEO shall use the City-owned custody van solely for the purpose of business directly related to Jail operations. All GEO employees will possess the required license and an approved DMV record before receiving authorization to drive the City-owned vehicle. Drivers will drive safely and courteously at all times. GEO will furnish its own full coverage vehicle insurance as required by the contract and will be responsible for any vehicle-related accidents (Exhibit C).

Additional Services/Overall Operations

GEO will partner with the City on providing Custody Officer support beyond what is specified in the RFP provided such work is mutually agreed upon by both parties. Further, GEO will operate the Type I Jail Facility in accordance with all appropriate state and local building, zoning, health, safety and fire statutes, ordinances and regulations as set forth in the Minimum Standards adopted by the CSA and Title 15.

METHODOLOGY

This section of the proposal will speak specifically to the proposal guidelines criteria as it relates to the method and approach GEO intends on utilizing to satisfy the Scope of Work.

1. Having successfully conducted the opening and/or transition of operational management of nearly all of the correctional, detention, residential treatment and jail facilities within our organization, to include simple and complex models, GEO has developed a comprehensive approach to the preparation of managing projects of this scope and beyond. Our controls for a successful operation begin with a strong understanding of the contract deliverables and ensuring that seasoned personnel are selected to activate the project. The "start-up" team assembled by GEO will include specialists in contracting, finance, project management, security services and facility support. This group, headed by [REDACTED], GEO [REDACTED] Vice President, will have the knowledge and experience needed to recruit, select, train and deploy staff and resources as required by the RFP. This "taskforce" approach will create the synergy needed to coordinate the transition of the Jail in accordance with the RFP, and within budget, meeting all contractual requirements and obligations. From the inception of award of the contract, GEO will assign [REDACTED] [REDACTED] Director of Jail Operations, as the Project Manager. Mr. [REDACTED] will be onsite during transition of the Jail and will work closely with the "start-up" team and experienced "activation" team initially assigned to the Jail in order to ensure a seamless transition.

GEO recognizes that there are internal and external stakeholders associated with the RFP and is sensitive to the interest, scrutiny and ongoing involvement by public officials and citizens concerning operational management of the City Jail by a private contractor. We value solicited and unsolicited views of those having a stake in the project and welcome feedback accordingly. Publicity regarding operation of the Jail will be handled with transparency in order to assure confidence in our management of this critical public service. Relevant opinions and our responsiveness thereafter will be documented in order to protect the interests of those involved. Our partnering philosophy with the City and the Police Department will ensure ongoing satisfaction in the delivery of service. GEO recognizes that the City is the customer and our mission is to ensure that customer satisfaction maintains top priority, which simply means that we will solicit the City's opinion on how we are performing.

Our partnership does not conclude with the City and Police Department but extends to the citizens of Costa Mesa. An important component of our implementation strategy is to be a good neighbor with the community in which we will be doing business. Our mission is to familiarize ourselves with the dynamics of the City and to incorporate involved action of the same. Recognition of the needs of the community as it relates to carrying out the work contained in the RFP is a deployment element that is often overlooked, but GEO believes there is strength in its consideration; therefore, it is incorporated into our planning. Finally, GEO will monitor trends in Jail operations, to include those transpiring across city lines, to ensure new techniques are at the forefront of our approach for gaining efficiency in operations.

2. GEO recognizes the vital role of achieving client satisfaction through fulfilling requirements of the Scope of Work. In addition to soliciting feedback regarding our performance, GEO believes that it is incumbent upon our actions to ensure the customer is satisfied and the contract deliverables are met.

Quality Control Program

GEO will administer a comprehensive Quality Control Program (QCP) that ensures all requirements of the RFP are achieved. We have designed our plan in accordance with Minimal Requirements and governing Jail Standards by regulatory agencies. All staff will utilize GEO's QCP on a scheduled basis to ensure high quality in all aspects of operations. The QCP identifies the scope of quality control for the Jail, to include responsibilities of staff, lines of authority, required documentation and interaction with City personnel. GEO QCP will be an integral part of operations of the City Jail (Tab E).

Activation

With respect to quality control as it relates to satisfying deliverables during activation of the Jail, the assigned Project Manager (Steve Lechuga) will ensure application of quality initiatives are in effect for achieving the following:

- Conduct no less than weekly meetings with the "start-up" team
- Complete hiring/relocation of staff (as required), to include the activation team
- Ensure staff training is appropriately scheduled and completed
- Develop policies and procedures in accordance with applicable standards
- Meet all contract requirements in accordance with the "task" schedule

Ongoing Monitoring

In addition to adherence to the GEO QCP designed for Jail operations, the Project Manager (██████████) will ensure full compliance with all policies contained in the contract and will work directly with the Jail Administrator to ensure a working application is employed. The Project Manager, through the Jail Administrator, will ensure accurate and timely daily, weekly, monthly and annual reports are provided to the City as required. The Project Manager will engage in weekly meetings with Jail staff and the Police Department's liaison to ensure satisfaction is being achieved and the delivery of services is being accomplished in accordance with requirements and expectations. The Project Manager will be responsible for responding to City requests in a prompt and efficient manner and for ensuring positive relationships are formulated.

Each quarter, the Project Manager will compile a list of audit activity and reports and assimilate them into a single report for submission to the City for review. The report will include summaries of inspection and audits from the most recent quarter as well as analysis of any identified deficiencies and corrective actions taken.

3. A comprehensive schedule has been developed for identifying all tasks and deliverables to be completed by GEO during activation of the Jail. The schedule includes duties associated with Administration, Human Resources & Staffing, Business Support, Training, Security & Operations, Maintenance & Safety, Contract Compliance, Health Services, Food Service and Programs (Tab F). In addition, a summary of contract deliverables from start up through the duration of operations has been developed and is attached for your records (Tab F).
4. Assuming GEO is awarded the contract, GEO is confident it can perform the requirements referenced in the Scope of Work in its entirety but will rely on partnering with the City and/or Police Department to assist in matters involving shared information or support, to include the following:
 - GEO requests Point of Contact for communicating issues affecting Jail operations
 - GEO requests coordination with POC for transporting detainees to "other" locations
 - GEO requests access to the Jail Manual for areas requiring policy/procedural reliance
 - GEO requests inclusion of Police Department activities affecting Jail operations
 - GEO requests courtesy notification of pending audits/inspections/tours of the Jail
 - GEO requests advanced notice when Jail staff is needed for City special events
 - GEO requests access to Jail to inspect building, equipment & supplies upon award
5. GEO is continuously searching for innovative, creative and progressive approaches that produce cost-effectiveness and/or efficiency in operations. As part of our desire to incorporate these efforts at the City of Costa Mesa Police Department's Type I Jail Facility, the following is offered.
 - As part of our booking procedures, GEO proposes to implement a "simple" booking record report for completion by the arresting officer. The arresting officer will quickly complete the "simple" booking record report in hand-writing and submit it to Jail staff at the time an arrestee is received. Jail staff will use the "simple" booking record report to load arrestee data in any required computer programs. Creation of an efficient form and process will minimize the amount of time officers spend at the Jail in booking activities. Officers will have more time available dedicated to patrols and other services in the community.
 - As operator of the Costa Mesa Jail, GEO will devote time to marketing efforts in order to publicize the self-pay program among defense attorneys in the community. Revenue generated from the self-pay program will be credited to the City of Costa Mesa, helping to further reduce the cost of Jail operations for the City. One of our Jails in the Los Angeles area has benefitted enormously from our creative efforts to market the self-pay program. The City's cost of contracting Jail services to GEO has been offset by self-pay revenue approximately 37 percent so far this calendar year.
 - GEO offers electronic monitoring as part of its total range of services. If the City desires a work furlough program with tracking capability for monitoring inmates released from jail to work in the community, GEO Jail staff will provide electronic

monitoring devices that are funded by the person on furlough status. Our electronic monitoring services are comprised of state-of-the-art technology innovations that can be offered at no cost to the City.

- GEO will make available informational brochures to incarcerated individuals on a range of topics, to include substance abuse, financial assistance, employment resources and local community program assistance agencies.
6. GEO will honor the City's intent to recruit, hire and retain former City employees who have been displaced in the past. It is our initial plan to staff the new operation with selected existing personnel already within our organization to get the jail operating at an optimal level from the onset. Commensurate with that, we will screen those former employees who choose to be considered for positions within the Jail Facility. We will partner with representatives from the City as needed in order to select individuals who are fully qualified and able to perform the required functions of the job. As necessary, we will advertise and establish select times to screen those applicants.

STAFFING

This section of the proposal will describe a list of individuals who will be working on the project and the functions each person will perform. Resumes for each are included as required. GEO recognizes that if the individuals named herein change upon award and/or during the contract period, the City must approve them before they can begin work.

- ██████████, GEO Director of Jail Operations – Assigned as Project Manager
Mr. ██████████ will represent GEO and serve as the liaison with the City Jail on all issues affecting Jail operations. Mr. Lechuga will provide oversight responsibility and ensure compliance with all Minimum Standard as well as coordinate activity of the same.
- ██████████, GEO Director of Business Management
Mr. ██████████ serve as the GEO representative for all things relating to business operations, to include billing and invoicing, cost adjustments and sub-contractor issues.

909

Director, Jail Operations
The GEO Group, Inc.

8/10 – Present
Los Angeles, California

Oversee eight city police jails throughout the counties of LA, San Bernardino and Orange. Responsibilities include quarterly audits of jail facilities, reviewing and approving the budget for all facilities, monthly management meetings with all Jail Administrators, employee and leadership evaluation and development, facilitate creation of all monthly reports and be in direct contact as a liaison to all clients to assure that their facilities are in compliance with the CSA-Title 15 requirements.

Director, Jail Operations
Cornell Companies, Inc.

2/06 – 8/10
Los Angeles, California

General oversight of eight city police jails throughout the counties of LA, San Bernardino and Orange. Responsibilities included oversight responsibility of all aspects of Jail operations, to include budgets, reports, employee development and generation of required reports.

Jail Administrator
Correctional Systems, Inc.

11/99 – 2/06
Montebello, California

Manage and directed the operations of the jail facility at the Montebello police station ensuring optimal processing of offenders in support of day to day police activities.

Detention Officer
Correctional Systems, Inc.

4/97 – 11/99
Montebello, California

Performed in and out processing of individuals arrested and brought into the police station by officers. Included fingerprinting, other required documentation and oversee the welfare and safety of those in temporary custody.

Education

Northview High School, Covina, CA
Graduated 1987

Training

Rio Hondo STC Core Course
LA County Sheriff Department Livescan Operator Training Qualified
American Correctional Association (ACA) 1 & 2 Certified
American Correctional Association Supervisor (ACA) 1 & 2 Certified
California Standards Authority: Certified, Manager and Administrator Core Course
California Gang Investigator Associations Certified
Red Cross CPR / First-Aid Qualified



Director, Business Management
The GEO Group, Inc.

9/10 – Present
Los Angeles, California

Manage GEO's Western Region contracts with annual revenues \$340 - \$360 million, producing an operating margin from \$55 - \$65 million annually. Provide direction and expertise to regional facilities business management.

Business Manager
The GEO Group, Inc.

6/08 – 9/10
Conroe, Texas

Manage and direct the business operations of a \$20 million security contract. Oversaw purchasing, payroll, monthly financial close, reporting requirements, and contract management

Multi-Unit Business Manager
The GEO Group, Inc.

11/06 – 6/08
Houston, Texas

Manage and direct the business offices at three separate business centers. Oversee purchasing, payroll, monthly financial close, reporting requirements, and contract management.

Manager, Budgeting and Planning
The GEO Group, Inc.

9/05 – 11/06
Boca Raton, Florida

Direct and guide the budgeting process for an \$850 million public company. Produce business plans for new subsidiaries, integrate acquisitions, and develop and maintain the company's five year business plan.

Assistant Director, Business Management
The GEO Group, Inc.

12/03 – 9/05
New Braunfels, Texas

Manage regional contracts valued from \$130 - \$150 million, producing an operating margin from \$15 - \$25 million. Train, manage and mentor all facility-level business managers and staff. Provide leadership in all business skills to subordinates and peers through both formal and informal instruction designed to maximize individual and facility results.

Regional Staff Accountant
WACKENHUT CORRECTIONS CORPORATION

04/01 – 12/03
New Braunfels, Texas

Management oversight of twelve facilities with total revenues of \$135 million annually.

Education

Bachelor of Science in Accounting
University of Florida, Gainesville, Florida

QUALIFICATIONS

The information contained in this section will describe the qualifications of the Proposer, key staff and sub-contractors performing projects within the past five years similar in size and scope.

1. The GEO Group, Inc. (formerly known as Wackenhut Corrections Corporation) was incorporated in the State of Florida on April 5, 1988. GEO is a publicly traded corporation listed on the New York Stock Exchange (NYSE) under the symbol "GEO." It is the world's second largest private prison management company. GEO is a world leader in the delivery of correctional and detention management, residential treatment and other diversified services to federal, state and local government agencies around the globe. GEO offers a turnkey approach that includes design, construction, financing and operations. GEO represents government clients in the United States, Australia, South Africa and the United Kingdom. GEO's worldwide operations include the management and/or ownership of 116 correctional and residential treatment facilities with a total design capacity of approximately 80,000 beds, including projects under development.

Since our inception in 1984, our global operations have demonstrated a responsible management and public/private business philosophy that emphasizes public safety, facility security, positive and productive programming for inmates and strong public-private partnerships with our customers and the communities in which we are located.

GEO has conducted business in the State of California since 1987, when it first partnered with the California Department of Corrections and Rehabilitation. A copy of GEO's certificate to conduct business in the **State of California** is attached as part of our proposal demonstrating our qualifications (Tab G). A copy of GEO's **Articles of Incorporation** is available upon request.

In addition to GEO's nearly 300 corporate staff, GEO has three regional offices with nearly 60 full-time personnel in security, contract compliance, business management, food service, maintenance, risk management, human resources and information systems. The regions are overseen by a Regional Vice President and competent, seasoned directors as well as support personnel. The Western Regional Office is located in Los Angeles, California and collectively represents "key staff" responsible for oversight of projects occurring in its jurisdiction, to include new and existing contracts of various size and scope.

As referenced on Pages 11-13, [REDACTED] and [REDACTED] will be working on the project and will serve as primary contacts as it pertains to their designated responsibilities. Additionally, GEO has had longstanding relationships with the following vendors for at least five years at one or all of our eight city jails. It is anticipated that these partnerships will continue for the Costa Mesa Police Department's Type I Jail:

- Catering Systems, Inc. (Fullerton, CA) - Meals
- Accurate Background, Inc. (Lake Forrest, CA) - Background Screening
- Bob Barker Company (Fuquay-Varina, NC) - Uniforms, Bedding
- Grainger Industrial Supply (Worldwide) - Tools, Equipment

2. In August 2010, GEO finalized acquisition of Cornell Companies, Inc. Through this acquisition, GEO absorbed eight city jails, both newly awarded contracts and at least one that had been in operation since 1996. Under GEO's management of the Jails, contract renewals have been exercised, partnering on cost-savings initiatives have been realized and joint problem-solving on gaining efficiency in operations have been implemented. GEO's reputation for satisfying contractual requirements and being responsive to the client have contributed to the confidence our customers place in our ability to provide the delivery of services in a professional and consistent manner.
3. GEO operates eight city jails in Los Angeles, San Bernardino and Orange Counties in same size and scope as the Type I Jail referenced in the RFP. A customer profile of each with appropriate contact information is being furnished for your reference (Tab H).
4. GEO recognizes the requirement to provide the latest audited financial statement or other pertinent information in order to allow the City a reasonable opportunity to formulate a determination about our financial capacity. GEO not only has the financial means to support the project as referenced in the RFP but also has strict financial controls in effect to preserve the integrity of our financial processes. A copy of GEO's financial statement is attached as Tab I. Additionally a copy of GEO's litigation list is attached as Tab J.

FEE PROPOSAL

GEO has evaluated the staffing needs anticipated at the Type I Jail Facility and has developed a proposed staffing plan as a result. The staffing plan, along with the additional service requirements contained in the RFP, have been combined and incorporated into the total proposed fixed price for operation of the Jail. (Appendix D).

| | Year 1 |
|--|--|
| Wages | <div style="font-size: 2em; margin: 0;">[REDACTED]</div> |
| Labor Related Costs | |
| Operational Expenses | |
| Insurances (Worker's Comp., General Liability, Property) | |
| Administrative Fee | |
| Total Cost Proposal | \$665,549 |

DISCLOSURE

GEO recognizes this requirement and declares that it has no past or current business and/or personal relationship with any current Costa Mesa elected official, appointed official, City employee or family member of any current Costa Mesa elected official, appointed official, or City employee.

SAMPLE AGREEMENT

GEO has reviewed the sample Professional Agreement for Services referenced as Appendix B in the RFP and has determined to have no exceptions or conditions to the Agreement. If awarded the contract, GEO fully intends to accept and execute the Agreement as written, with the understanding that the City may modify the Agreement (Appendix B).

CHECKLIST OF FORMS TO ACCOMPANY PROPOSAL

The following forms have been reviewed, completed, signed and/or acknowledged as written and have been incorporated into our proposal as accepted or executed:

| FORM | FORM DESCRIPTION | ACTION TAKEN | LOCATION IN PROPOSAL |
|-------------|---------------------------------------|---------------------|-----------------------------|
| Appendix A | Vendor Application Form | Completed | Attached/Cover Letter |
| Appendix B | Professional Services Agreement | Accepted | Appendix B Section |
| Appendix C | Ex Parte Communications Certification | Signed | Appendix C,E,F Section |
| Appendix D | Pricing Proposal Form | Completed | Pricing Section |
| Appendix E | Disqualification Questionnaire | Completed | Appendix C,E,F Section |
| Appendix F | Disclosure of Government Positions | Provided | Appendix C,E,F Section |
| Exhibit A | Consultant's Proposal (GEO) | Provided | Exhibit A Section |
| Exhibit B | City Policy – Drug Free Workplace | Accepted | Exhibit B Section |
| Exhibit C | Certificate of Insurance | Provided | Exhibit C Section |

Appendix D

PRICING PROPOSAL FORM OPERATION OF THE COSTA MESA POLICE DEPARTMENT TYPE I JAIL FACILITY

Provide hourly rates, along with estimated annual pricing in accordance with the City's current requirements, as set forth in section VII. SCHEDULE REQUIREMENTS. (These hours are subject to fluctuation, but shall be used for the purpose of pricing comparison.) Also provide your firm's proposed Staffing Plan on a separate sheet of paper.

Pricing shall remain firm for a minimum of one and one half (1.5) years. Any and all requests for pricing adjustments for follow-on-contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at www.bls.gov.)

| Employee | Hourly Rate | Overtime Rate |
|-----------------|---------------|-------------------------|
| Supervisor | \$ [REDACTED] | \$ Exempt Position (NA) |
| Custody Officer | \$ [REDACTED] | \$ [REDACTED] |
| | \$ | \$ |

| | |
|--|-------------------|
| Supervisor Hourly Rate x 40 hours/week x 52 weeks/year | \$ [REDACTED] |
| Custody Officer Hourly Rate x 400 hours/week x 52 weeks/year | \$ [REDACTED] |
| | \$ |
| Total Estimated Annual Price | \$ 665,549 |

**THE GEO GROUP, INC
COSTA MESA JAIL
LOS ANGELES AREA
JAIL STAFFING PLAN**

City of Costa Mesa, Orange County

| | Non Shift | Shift 1 | Shift 2 | Shift 3 | Relief | FTE | Annual Salary | Hourly Wage | Total Wages |
|--------------------|-------------|-------------|-------------|-------------|--------|--------------|---------------|-------------|-------------|
| Jail Administrator | 1.00 | | | | 1.00 | 1.00 | | 0.00 | 0 |
| Jail Officer | | 2.00 | 2.00 | 2.00 | 1.67 | 10.00 | | 0.00 | 0 |
| Costa Mesa | 1.00 | 2.00 | 2.00 | 2.00 | | 11.00 | | | 0 |
| | | | | | | | | | |



The GEO Group, Inc.

INSURABILITY. GEO has had a long-standing relationship with American International Group (AIG), our providers for various liability coverage's for over nine years.

The following table highlights GEO's financial strength and sustained growth. Over the past 10 years, Revenues and Income, before change in accounting principle, have grown at compound annual rates (1999-2009) of 9.26% and 14.75%, respectively.

(\$ amounts in thousands)

| 10 YEAR EARNINGS HISTORY | | | | | | | | | | |
|---|------|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Year | 2009 | 2008 | 2007 ^{**} | 2006 ^{**} | 2005 ^{**} | 2004 ^{**} | 2003 ^{**} | 2002 ^{**} | 2001 ^{**} | 2000 ^{**} |
| REVENUES | | | | | | | | | | |
| NET INCOME | | | | | | | | | | |
| COMPOUNDED ANNUAL GROWTH RATE (1999-2009) | | | | | | | | | | |
| Revenues | | | | | | | | | | |
| Net Income | | | | | | | | | | |

FISCAL YEAR ENDING JANUARY 3, 2010

| | |
|---|--|
| \$ Equity | |
| Liquidity Ratio (current assets/ current liabilities) | |
| Liquidity Position | |

* Income before impact of change in accounting principle.
 ** PCG sale excluded.
 *** Revenues and Net Income not adjusted for discontinued operations and restatements.

PROPOSAL EVALUATION DOCUMENTS



Evaluation Committee Agenda

Team: Jail Facility

Process/Project: Contracting City Services

Date: December 20, 2011

Time: 10:30AM

Place: City Hall Room 1A

| | |
|--|-----------------------------|
| Meeting Facilitator: [REDACTED] | |
| Evaluators and Other Attendees: | |
| [REDACTED] | |
| [REDACTED] | |
| [REDACTED] | |
| [REDACTED] | Resource: [REDACTED] |

| Time | Agenda Topics: | Person Providing Information: |
|------|---|-------------------------------|
| | Review Action Items | [REDACTED] |
| | Topic 1: References checks | [REDACTED] |
| | Topic 2: Dun & Bradstreet | [REDACTED] |
| | Topic 3: Evaluation Comments | [REDACTED] |
| | Topic 4: Evaluation Scores Discussion | [REDACTED] |
| | Topic 5: Team Scores | [REDACTED] & Committee |
| | Topic 6: Interviews – Where/When & Questions | [REDACTED] & Committee |
| | Identify Items for Evaluation Committee | Committee |



Evaluation Committee Interview Agenda

Team: Jail Facility

Process/Project: Contracting City Services

Date: January 9, 2012

Time: 2:45PM

Place: City Hall Room 1A

| | | |
|---------------------------------|--|----------------------|
| Meeting Facilitator: [REDACTED] | | |
| Evaluators and Other Attendees: | | |
| [REDACTED] | | Resource: [REDACTED] |

| Time | Agenda Topics: | Person Providing Information: |
|------|--------------------------------|-------------------------------|
| | Review Action Items | [REDACTED] |
| | Topic 1: Proposal Scores | [REDACTED] |
| | Topic 2: Interview | [REDACTED] |
| | Topic 3: Reference checks | [REDACTED] |
| | Topic 4: D&B reports | [REDACTED] |
| | Topic 5: Interview/Team Scores | Committee |
| | Topic 6: Outsourcing Checklist | Committee |
| | Topic 7: Negotiation Checklist | Committee |
| | | |



**CITY OF COSTA MESA
FINANCE DEPARTMENT
INTEROFFICE MEMORANDUM**

TO: EVALUATION COMMITTEE

FROM: [REDACTED], RFP FACILITATOR

DATE: NOVEMBER 23, 2011

SUBJECT: *EVALUATION OF OPERATION OF THE COSTA MESA POLICE DEPARTMENT'S TYPE 1 JAIL FACILITY.*

You have been chosen for the evaluations of the following proposals:

- G4S Secure Solutions
- The GEO Group, Inc.
- Newport Beach Police Department

Attached is an evaluation template you will be using for each proposal that will be distributed to you. For each criterion, enter the number in the score box based on the following scale:

- 0 - (Zero) Criterion was not address at all.
- 1 - Unacceptable
- 2 - Below Average
- 3 - Average
- 4 - Above Average
- 5 - Exceptional

You should evaluate the proposal independently and each proposal is to be evaluated against RFP requirements. If you need further clarification, do not contact the proposer but e-mail your questions to me instead.

After your review, please forward your evaluation sheets to me not later that than [REDACTED], so I can summarize your scores. I will then schedule a meeting so we can discuss the scores given to each proposal and develop a team score.

If you have any questions regarding this process, please call me at 714-754-5227 or email me at [REDACTED]. Thank you for your participation and cooperation in this project.

Distribution:

[REDACTED]

JAIL FACILITY SERVICES

EVALUATION COMMITTEE MEMBER STATEMENT

Request for Proposal:

OPERATION OF THE COSTA MESA POLICE DEPARTMENT'S TYPE 1 JAIL FACILITY

You have been asked to participate in the evaluation of proposals that have been received as the result of the competitive solicitation referenced above. A proposal was received from each of the companies listed on the attached Inter-Departmental Communication dated November 23, 2011.

It is essential that the integrity of the evaluation process be maintained to insure that each Proposer is given fair and equal consideration. Your knowledge of and/or past or current association with particular firms and/or individuals must not influence your evaluation. The proposals and any subsequent respective clarifications and/or negotiations must stand alone, and you are required to be particularly objective and guard against any tendency to favor a particular firm or individual. (This does not mean that you are to ignore past or current experiences with a particular firm in which goods or services they supplied to the City were sub par.)

You are required to report to [REDACTED], any actual or potential conflict of interest and the nature of the conflict. (You personally, or if your spouse or child has or had any association or interest with the business entity or any principal employee of the business entity.)

An additional consideration is the need to maintain confidentiality during the evaluation regarding the contents of the Proposers' responses, as well as the proceedings of the evaluation committee. Any inquiries regarding the evaluation of this particular solicitation must be directed to Rick Amadril.

You are asked to read and sign the following statement:

I have read, understand, and agree to the above, and I will adhere to the policies presented. I know of no conflict of interest on my part, nor have I accepted any gratuities or favors from Proposers, which would compromise my objectivity. I have no personal interest in seeing that a specific Proposer is awarded a contract. I shall keep all evaluation proceedings in strict confidence prior to contract award. I will do my best to base my recommendation for contract award solely upon the evaluation criteria in the solicitation and each Proposer's response.

Committee Member Signature _____ Date _____

Printed Member Name _____

Please sign and return this form to Richard Amadril immediately upon receipt.

Best Regards,

██████████

RFP Facilitator

City of Costa Mesa

Tel: (714) 754-5227

██████████

Fax: (714) 754-5040

Email: ██████████

JAIL FACILITY EVALUATION FORM

PROPOSER:

Scores are given from 0 - 5 points indicating:
 0 - the criterion was not addressed at all
 1 - unacceptable
 3 - acceptable
 5 - exceptional

| | | RATER | |
|--------|---|-------|-------|
| WEIGHT | CRITERIA | | SCORE |
| 25 | Qualifications of Entity and Key Personnel: Includes ability to provide the requested scope of services, the Proposer's Financial capacity, recent experience conducting work of similar scope, complexity, and magnitude for other public agencies of similar size, references. | | |
| | Comments: | | |
| | | | |
| | | | |
| 10 | Approach to Providing the Requested Scope of Services: Includes an understanding of the RFP and of the project's scope of services, knowledge's of applicable laws and regulations related to the scope of services. | | |
| | Comments: | | |
| | | | |
| | | | |
| 50 | Price Proposal: Price Proposal will be evaluated on the bases of the Total Estimated Annual Price submitted in Appendix D. | | |
| | Comments: | | |
| | | | |
| | | | |
| 15 | Innovative and/or creative approaches to providing the services that provide additional efficiencies or increased performance capabilities. | | |
| | Comments: | | |
| | | | |
| | | | |



Evaluation Committee Agenda

Team: Jail Facility

Process/Project: Contracting City Services

Date: December 20, 2011

Time: 10:30AM

Place: City Hall Room 1A

Meeting Facilitator: Rick Amadril 714-754-5227 or 714 475-9503

Evaluators and Other Attendees:

| | | |
|------------|------------|---------------------|
| [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | Resource [REDACTED] |

| Time | Agenda Topics: | Person Providing Information: |
|------|--|-------------------------------|
| | Review Action Items | [REDACTED] |
| | Topic 1: References checks | [REDACTED] |
| | Topic 2: Dun & Bradstreet | [REDACTED] |
| | Topic 3: Evaluation Comments | [REDACTED] |
| | Topic 4: Evaluation Scores Discussion | [REDACTED] |
| | Topic 5: Team Scores | [REDACTED] & Committee |
| | Topic 6: Interviews – Where/When & Questions | [REDACTED] & Committee |
| | Identify Items for Evaluation Committee | Committee |



CITY OF COSTA MESA

77 FAIR DRIVE, P.O. BOX 1200, COSTA MESA, CA 92628-1200

FINANCE DEPARTMENT
PURCHASING

DATE

(Reference Name)

The City of Costa Mesa is in the review and evaluation process from a Request for Proposal we have submitted for Operation of the Costa Mesa Police Department's Type 1 Jail Facility. _____ has put your company down for references. Please fill out the attached forms and fax back to my attention no later than _____. My fax # is 714-374-1530 or you can email me at _____.

Thank you in advance for your assistance. If you have any questions regarding the attached please feel free to contact me at 714-754-5227.

Sincerely,

RFP Facilitator
714-754-5227



**For
City of Costa Mesa
Jail Facility Services
Questions of References**

1. What type of work did they do for you?

- Dollar amount (estimate)

2. How would you rate this consultant, on total cost?

1 – unacceptable

2

3 – acceptable

4

5 – exceptional

On Timeliness

1 – unacceptable

2

3 – acceptable

3

5 – exceptional

On Problem Responsiveness

1 – unacceptable

2

3 – acceptable

4

5 – exceptional

On Quality of Services

1 – unacceptable

2

3 – acceptable

4

5 – exceptional

On Attitude of Personnel

1 – unacceptable

2

3 – acceptable

4

5 – exceptional

9. How would you rate your contract jail services with regard to staff turnover rate at the time you began contract services?
- A. Unacceptable
 - B. Acceptable

If unacceptable, what problems did the turnover rate cause for you agency?
Circle all that apply.

- A. Continual and/or remedial training from in-house personnel to jail staff on in-house booking processes.
- B. Bookings often needed correction from in-house Records staff or from Watch commanders.
- C. Turnover caused constant unfamiliarity with contract staff on premises for PD personnel
- D. Increased need by in-house personnel for the daily oversight on jail services – lack of confidence.
- E. Other?

What is the contract staff's turnover rate now?

- A. Unacceptable
- B. Acceptable.

If unacceptable, what problems does the turnover rate cause for your agency?

- A. Continual and/or remedial training from in-house personnel to jail staff on in-house booking processes.
- B. Bookings often needed correction from in-house Records staff or from Watch commanders.
- C. Turnover caused constant unfamiliarity with contract staff on premises for PD personnel
- D. Increased need by in-house personnel for the daily oversight on jail services – lack of confidence.
- E. Other?

10. Are you satisfied with the employment background checks provided by the contractor?

_____ Yes _____ No If no, why?

11. Does your jail contract provider have access to CLETS?
_____ Yes _____ No

Negotiation Team Checklist for Contract Discussions for Jail Facility Services

| Contract Terms and Conditions | What Should Be Included In the Final Contract? | Ideas for Negotiating |
|-------------------------------|--|--|
| Software Licensing | <ol style="list-style-type: none"> 1. A description, including the version number and release date, of all prime and third-party software being purchased. 2. Detail of the ownership rights to the source code and object code-including all enhancements and modifications to the software-as well as technical and functional documentations 3. Stated limitations on who has the right to use the software. 4. Terms for outsourcing of support services for the software. | <ol style="list-style-type: none"> 1. Considering placing the source code in escrow. 2. Ensure that all rights of usage apply to the third-party products as well as the base software. 3. Obtain recent versions of the functional, technical, and end-user documentation 4. Include a copy of the original RFP as exhibits to the contract. 5. Outsourcing protection clause. |
| Scope of Services | <ol style="list-style-type: none"> 1. A comprehensive description of the scope of the contract and services that will be provided during implementation. 2. The process for adjusting the scope of services. | <ol style="list-style-type: none"> 1. Construct language in the contract that details the scope of services for the services. Make reference to the original RFP and SOW. 2. Develop a clear change control process that details the procedures for amending or modifying the scope. |
| Pricing Metrics | <ol style="list-style-type: none"> 1. The pricing/licensing metric used to determine the cost of the services. 2. The user pricing formula 3. Price protection for each unplanned service hour. 4. The fixed hourly rate and total cost of the implementation services. | <ol style="list-style-type: none"> 1. Negotiate terms that make the most long-term economical sense for the city 2. Watch for hourly rate increases for services that are outside of the current scope of the contract. Negotiate a cap on the hourly rate for such services. 3. Request hourly rates and total cost for each of the services being provided by the vendor, including the training, change management, process re-engineering, data conversion, and interface development. |
| Payment Schedule | <ol style="list-style-type: none"> 1. Terms and conditions for release of payment to the vendor for the software. 2. Terms and conditions for release of payment to the vendor for each of the implementation services. 3. The method that the vendor will use to track and report receivables. 4. The predetermined time frame for payment to the vendor. 5. The procedures for resolving disputes over invoiced amounts. | <ol style="list-style-type: none"> 1. Avoid paying on standard invoicing terms. Develop a results-based agreement in which you only paid when a product or service is accepted. 2. No large deposits for implementation services. Clearly link the project timeline to the payment schedule and tie all payments to acceptance of a specific deliverable or major milestone. 3. Define the time frame for paying the vendor once a deliverable is accepted. 30 days. 4. Develop performance incentives and penalties that are manageable and meaningful. 5. Negotiate a holdback of payment for each milestone. 6. Release the final milestone payment, including holdbacks, after the full system, as described in the SOW, has been delivered, installed, tested and accepted. |

Negotiation Team Checklist for Contract Discussions for Jail Facility Services

| Contract Terms and Conditions | What Should Be Included In the Final Contract? | Ideas for Negotiating |
|--|--|---|
| Procedures and Qualifications for Acceptance of the System | <ol style="list-style-type: none"> 1. The definition of acceptance of each project milestone. 2. The procedures for accepting each deliverable. 3. Clearly defined responsibilities for acceptance. 4. The process for resolving issues that prevent acceptance. | <ol style="list-style-type: none"> 1. Specify acceptance test criteria for all major deliverables including the installation of the off-the-shelf-software, customized training documentation, interface development, data conversion, and the final system. 2. Use the SOW as a basis for developing the acceptance criteria. 3. Final acceptance should relate to the successful operation of the entire system-including how it performs on the hardware. 4. Define time frames for conducting acceptance tests that are reasonable. Allow ample time for your implementation team to fully test the system. 5. Clearly define the process for correcting deficiencies and rerunning tests. 6. Define deadlines, review procedures, and responsibilities for acceptance of each deliverable. |
| System Warranty | <ol style="list-style-type: none"> 1. The start and end of the warranty period. 2. The term and scope of the vendor's warranty obligation. 3. The definition of acceptable performance of the system after it is implemented. | <ol style="list-style-type: none"> 1. The warranty period should begin after full and final acceptance of the system. 2. Include a provision that warrants that the software will work in an acceptable manner on the hardware that is being used to run the system. 3. Negotiate a six to 12 month warranty period that not only covers the base software, but also all enhancements, modifications, and third-party applications. 4. Ensure that all bug-fixes are available before the maintenance period begins and are licensed free of charge during the warranty period. |
| Maintenance and Support | <ol style="list-style-type: none"> 1. The provisions of the maintenance agreement including bug-fixes and version upgrades/uploads. 2. The term of the maintenance period. 3. The response time within which the vendor must respond to a problem. 4. The type of technical support received as part of the maintenance agreement. 5. The acceptable uptime of the system | <ol style="list-style-type: none"> 1. Define the types of support like telephone, on-line and on-site support. 2. Ensure that all third-party software is supported by the agreement. 3. Negotiate a service level agreement and escalation procedure for each type of support. Develop the SLAs based on critical and non-critical problems. 4. Require the vendor to provide at least 18 months of support after the release of a new version of the software. 5. Negotiate for the period to begin after the warranty expires. 6. Negotiate a cap on all future maintenance fees. Use a standard index like CPI + 2% |

Negotiation Team Checklist for Contract Discussions for Jail Facility Services

| Contract Terms and Conditions | What Should Be Included In the Final Contract? | Ideas for Negotiating |
|--------------------------------------|---|--|
| Term and Termination | <ol style="list-style-type: none"> 1. The term of the contract and provisions for extending the time frame 2. The circumstances under which vendor or we can terminate the agreement. 3. The lead-time to terminate. 4. The procedures for developing a transition plan. 5. The responsibilities of each party should termination occur. | <ol style="list-style-type: none"> 1. Develop clearly defined procedures for creating new work-orders or extending the contract beyond the originally agreed upon term. 2. Maintain the flexibility to terminate, with or without cause, at any time during the project. 3. Clearly define what constitutes cause such as violation of the warranty agreement or any other material breach of the contract. 4. Construct terms that allow us to receive a portion of our investment back should the project end prematurely. 5. Request delivery of all documentation developed up to the point of termination. 6. Clearly define the length of the transition period. 7. Ensure that all terms and conditions in the contract remain in effect during the transition period. |
| Dispute Resolution | <ol style="list-style-type: none"> 1. The process for resolving disputes between the vendor and the City. 2. The time frames and terms for raising issues. | <ol style="list-style-type: none"> 1. Identify a process for resolving and elevating disputes that is reasonable, manageable, and efficient. Define the types of issues that should be resolved at the project management, senior management, and legal level. 2. Provide the vendor with a structured forum for communicating and resolving issues. |
| Liability and Remedies | <ol style="list-style-type: none"> 1. Limitations on liability including restrictions on punitive and consequential damages. 2. Comprehensive remedies for material and non-material breaches of the contract terms and conditions. | <ol style="list-style-type: none"> 1. Negotiate a limit on the vendor's liability that is reasonable and practical. Bond performance 2. Litigation and financial remedies should not be the only form of recourse. Develop remedies that are enforceable and motivate the vendor to comply with the original contract terms. |

REFERENCES

References

| | G4S | | | |
|---|--|--|---|---|
| Respondent | City of Beverly Hills | City of Irvine | City of La Habra | City of Azusa |
| What type of work did they do for you? | Contract Jail Service | Custody services for our jail facility, 24/7/365 | Book inmates, court transport, clean jail, assign and monitor trustee work, conduct jail checks, feed inmates. | They have provided jailers and an on-site supervisor to operate our Type 1 jail facility since July 1999. |
| Dollar Amount (estimate) | \$600,000 | \$345,000 | \$230,000 | \$466,510 |
| How would you rate this consultant on total Cost? | 3 | 5 | 3 | 5 |
| On Timeliness? | 4 | 4 | 3 | 5 |
| On Problem Responsiveness? | 5 | 3 | 3 | 5 |
| On Quality of Service? | 4 | 5 | 3 | 5 |
| On Attitude of Personnel? | 5 | 4 | 3 | 5 |
| On Customer Service? | 5 | 3 | 1 | 5 |
| If you had to go out and bid today for a similar project, would you choose this firm again? | We would consider them again | Yes, G4S, formerly Wachenhut, has been providing services in our jail since 1991, after going out to bid a few times during that time period. | Yes | Yes, most definitely; in the 12 years we have had privatized jailers we have not had a successful hanging death in our facility and have had many, "saves". In the previous 16 years when we had city jailers, we had three hanging deaths. |
| If you had a choice between continuing with privatized jail services or with having city employed custody staff, which would you chose? Why? | Privatized Services have proved to meet our needs. | There are pros and cons to having contract employees. The con would be the limited ability you have to reward good employees and you want them to be afforded with some of the same benefits City employees receive. | I feel having our own jail staff gives us a good opportunity to recruit in to police officer positions and we have more control over employee behavior. Also we can order in our employees where G4S employees cannot be ordered to work. Our Staff is held to our department policy standards. | I would choose privatized jail services. We have improved staffing levels at half the cost. Moreover, we no longer have the recruitment problems we once had; we used to have difficulty recruiting female and bilingual jailers, but that has not been an issue since privatizing. Also, now if there is a jailer that is not performing to our standards, we simply have the company replace him/her without a lengthy process. |

References

| | G4S | | | |
|--|--|--|---|--|
| Respondent | City of Beverly Hills | City of Irvine | City of La Habra | City of Azusa |
| What are the strengths about this firm? | Customer Service and "Can-Do" attitude of staff and management | Good customer relations. Their manager meets with the agency once per month and addresses concerns. The personnel they provide to us works well for our agency. | Training of staff to title 15 compliance. Willingness to adapt to the needs of the customer in regard to budgetary needs. | Recruitment; the ability to replace jailers when a vacancy occurs due to sickness or other reason; and they provide \$5 million general liability insurance. |
| What are the weaknesses of this firm? | | We need a combination of males and females to cover our custody facility. We seem to have a difficult time finding good, quality female candidates and retaining them. | Should an existing staff employee have a long term injury/illness G4S does not have immediate backfill staff to respond and assist. Must pay OT and existing employees do not get time off or vacation. | The turnover rate of jailers was a bit high in the beginning, but that leveled off over time and now with the struggling economy the turnover is much more manageable. There were definitely "growing pains" the first year we privatized; that is, department personnel was not very receptive since six city jailers lost their jobs and the first on-site supervisor they provided was sub-standard. There was also a "learning curve" for the new jailers, but once a new on-site supervisor was selected with PD involvement, improvement was immediate. To sum up, the first year was "rocky," but the past 11 years have been smooth. |
| Did they exceed their proposal cost? | No | No | No | No |
| If so, by how much? | N/A | N/A | | N/A |
| If applicable, do you feel the exceeded costs were justified? | | N/A | | N/A |

References

| | G4S | | | |
|--|-----------------------|---|--------------------------------|---|
| Respondent | City of Beverly Hills | City of Irvine | City of La Habra | City of Azusa |
| How would you rate your contract jail servicew with regard to staff turnover rate at the time you began contract services? | | The City has been using this company for a number of years. I can only answer for the past couple of years. The turnover for the females is higher, and it is more difficult to find good quality replacements. | | |
| A. Unacceptable/B. Acceptable | B | | A. | A. |
| If unacceptable, what problems did the turnover rate cause for your agency? | | | | |
| A. Continual and/or remedial training from in-house personnel to jail staff on in-house booking processes. | | | | X |
| B. Bookings often needed corection from in-house Records staff or from Watch commanders. | | | X | X |
| C. Turnover caused constant unfamiliarty with contract staff on premises for PD personnel | | | X | X |
| D. Increased need by in-house personnel for the daily oversight on jail services - lack of confidence. | | | | X |
| E. Other? | | | Extended time to replace staff | As stated in #5 above, the first yeard we experienced all of the above, but once the vendor provided abetter qualified on-site supervisor and we had a sergeant oversee the jail operation as a collateral duty, the transition ran smoothly. |
| What is the contract staff's turnover rate now? | | Other than the turn over for the females, we've had good luck with retention of Custody personnel. | | |
| A. Unacceptable/B. Acceptable | B | | B | B |

References

| | G4S | | | |
|--|-----------------------|----------------------|---|-----------------------|
| Respondent | City of Beverly Hills | City of Irvine | City of La Habra | City of Azusa |
| If unacceptable, what problems did the turnover rate cause for your agency? | | | | |
| A. Continual and/or remedial training from in-house personnel to jail staff on in-house booking processes. | | | | |
| B. Bookings often needed corection from in-house Records staff or from Watch commanders. | | | | |
| C. Turnover caused constant unfamiliarty with contract staff on premises for PD personnel | | | | |
| D. Increased need by in-house personnel for the daily oversight on jail services - lack of confidence. | | | | |
| E. Other? | | | | |
| Are you satisfied with the employment background checks provided by the Contractor? Y= Yes N= No If no, why? | | | | |
| | Y | Y | N = Would like G4S employees to go throguh our hiring process and be interviewed by LHPD supervisors for quality control. | Y |
| Does your jail contract provider have access to CLETS? Y=Yes N=No | | | | |
| | Y | N | N | Y |
| How many bookings (on average) your facility has per year? | 1500 inmates per year | 2625/3 years average | 1803 adults + 350 juveniles | 1700 booking per year |

References

| | The GEO Group | | | |
|---|--|---|--|---------------------------|
| Respondent | City of Ontario | City of Garden Grove | City of Montebello | Unknown |
| What type of work did they do for you? | GEO Group is contracted to perform all duties related to the day to day operation of our jail facility. ((24/7 - 365) | GEO provides the staffing necessary to run the jail facility, to include transportation to the county jail, juvenile hall, state prison contract jails and back to state prison. They maintain all their own personnel files and training files. Full insurance coverage is provided by GEO for the jail operation. | The GEO Group manages the day to day operation of our Jail facility | Jail Services |
| Dollar Amount (estimate) | 3rd year \$493,611 | \$491,583 | Yearly operation budget for jail is \$450,000 | \$638,708.00 |
| How would you rate this consultant on total Cost? | 3 | 3 | 5 | 5 |
| On Timeliness? | 5 | 3 | 5 | 5 |
| On Problem Responsiveness? | 5 | 5 | 5 | 5 |
| On Quality of Service? | 5 | 5 | 5 | 5 |
| On Attitude of Personnel? | 5 | 3 | 5 | 4 |
| On Customer Service? | 5 | 5 | 5 | 4 |
| If you had to go out and bid today for a similar project, would you choose this firm again? | Absolutely, I have an extremely good working relationship with Geo. They are always responsive to my needs and requests. They respect our decisions and preferences in regards to personnel matters that affect their staff as well as our officers. | Yes, if possible. | Yes, our agency is pleased with the work of GEO Group | Yes |
| If you had a choice between continuing with privatized jail services or with having city employed custody staff, which would you chose? Why? | Had you asked this question three years ago I would have preferred city employed staff, only because from my outside prospective, I envisioned losing control of the day to day operations of the jail facility. After becoming involved with the jail as the PD Manager, I see this is not the case. Geo provides a civilian supervisor to oversee the contracted staff, but the supervisor and I work closely together on a regular basis to ensure that the jail is running smoothly and as I intend for it run. I also know that, if necessary, I can disconnect from the day to day jail operations knowing that the jail will be operated (by Geo) as I expect it to be. So I would definitely recommend using an outside contractor (such as Geo) to handle the day to day operations. | We would continue to utilize private jail service due to the cost savings and several labor issues. | Has a matter of fiscal responsibility, we would continue to use a private company to run this jail. It is more cost effective. | Privatized - Cost Savings |

References

| The GEO Group | | | | |
|--|---|--|---|--|
| Respondent | City of Ontario | City of Garden Grove | City of Montebello | Unknown |
| What are the strengths about this firm? | Several, they have structured their staff to include a supervisor who handles all of the day to day operational needs. This includes staff scheduling for normal operations and additional staff scheduling for planned details / events / check points, etc. Geo handles all incidental costs that occur during the term of the contract such as cleaning supplies, blankets, paper suits, (inmate care items). Although we provide a transportation van, Geo is responsible for all insurance costs. Finally, Geo pays for all costs associated with hiring, from recruitment to uniforms, travel and training. | Staff | Staff/Corporate staff is accessible/work ethic of employees/management is thorough with projects and documenting expenditures | Large Company that has numerous contracts excellent jail supervision |
| What are the weaknesses of this firm? | The only weakness I have identified is the background investigation done on prospective new hire staff. I believe it falls well short of what is required for staff to work in a police / jail facility. After Geo has interviewed and settled on a prospective new hire, I personally conduct a final interview and maintain final approval the new hire. At times, I personally conduct a supplemental background investigation to ensure that the new hire meets our/my expectations. | I have yet to find any in my dealing with them | The company has no real "weaknesses", however, could improve in the area of management training. | None noted |
| Did they exceed their proposal cost? | No they are locked into a contract for a fixed amount, so if a situation did arise (for example salaries overage because of unplanned overtime) they are responsible for the overage. | No | The company has always been at or below the budget. We have off set some costs by our pay to stay program. | No - They were under |
| If so, by how much? | N/A | N/A | N/A | |
| If applicable, do you feel the exceeded costs were justified? | N/A | N/A | N/A | |

References

| Respondent | The GEO Group | | | |
|--|--|----------------------|--------------------|---------|
| | City of Ontario | City of Garden Grove | City of Montebello | Unknown |
| How would you rate your contract jail services with regard to staff turnover rate at the time you began contract services? | B. Acceptable, for the most part, but I (and Geo) have had to address certain issues that have resulted in turn over. | | | |
| A. Unacceptable/B. Acceptable | B | B | B | |
| If unacceptable, what problems did the turnover rate cause for your agency? | | | | |
| A. Continual and/or remedial training from in-house personnel to jail staff on in-house booking processes. | x | | | |
| B. Bookings often needed corection from in-house Records staff or from Watch commanders. | x | | | |
| C. Turnover caused constant unfamiliarty with contract staff on premises for PD personnel | | | | |
| D. Increased need by in-house personnel for the daily oversight on jail services - lack of confidence. | | | | |
| E. Other? | There been times when repeated data entry errors become an issue. This is not the norm, but it has happened. The Geo supervisor and I work to resolve the problem. | | | |
| What is the contract staff's turnover rate now? | | | | |
| A. Unacceptable/B. Acceptable | B | B | B | B |

References

| Respondent | The GEO Group | | | |
|---|---|--|--------------------|---------|
| | City of Ontario | City of Garden Grove | City of Montebello | Unknown |
| If unacceptable, what problems did the turnover rate cause for your agency? | | | | |
| A. Continual and/or remedial training from in-house personnel to jail staff on in-house booking processes. | | | | |
| B. Bookings often needed corection from in-house Records staff or from Watch commanders. | | | | |
| C. Turnover caused constant unfamiliarity with contract staff on premises for PD personnel | | | | |
| D. Increased need by in-house personnel for the daily oversight on jail services - lack of confidence. | | | | |
| E. Other? | | | | |
| Are you satisfied with the empl | | | | |
| | N = I believe it falls well short of what is required for staff to work in a police / jail facility. After Geo has interviewed and settled on a prospective new hire, I personally conduct a final interview and maintain final approval the new hire. At times, I personally conduct a supplemental background investigation to ensure that the new hire meets our/my expectations | N = I would perfer a complete POST type background, but the city does not want our background investigators doing this. At this time GEO utilizes a private investigative firm to do the background. We do require full psychological testing with a clinical psychologist of our choosing | Y | Y |
| Does your jail contract provide | | | | |
| | N | N | N | N |
| How many bookings (on average) your facility has per year? | | | | |

PROPOSAL EVALUATION SCORES

| JAIL FACILITY | | | | | | | | | | | |
|----------------------|-----------------|---|---|---|---|--------|-----|--|--|--|--|
| | | 1 | 2 | 3 | 4 | Totals | | | | | |
| 25 | | Qualifications of Entity and Key Personal | | | | | | | | | |
| G4S Secure Solutions | | 3 | 3 | 5 | 5 | 16 | 400 | | | | |
| The Geo Group | | 4 | 3 | 4 | 3 | 14 | 350 | | | | |
| Newport Beach PD | | 2 | 0 | 2 | 2 | 6 | 150 | | | | |
| | | | | | | | 0 | | | | |
| 10 | | Approach to Providing the Requested Services | | | | | | | | | |
| G4S Secure Solutions | | 4 | 3 | 5 | 3 | 15 | 150 | | | | |
| The Geo Group | | 4 | 3 | 3 | 3 | 13 | 130 | | | | |
| Newport Beach PD | | 1 | 0 | 3 | 1 | 5 | 50 | | | | |
| | | | | | | | 0 | | | | |
| 50 | | Price Proposal | | | | | | | | | |
| G4S Secure Solutions | | 3 | 3 | 4 | 3 | 13 | 650 | | | | |
| The Geo Group | | 4 | 3 | 5 | 2 | 14 | 700 | | | | |
| Newport Beach PD | | 1 | 1 | 3 | 1 | 6 | 300 | | | | |
| | | | | | | | 0 | | | | |
| 15 | | Innovative and/or Creative Approaches | | | | | | | | | |
| G4S Secure Solutions | | 4 | 3 | 5 | 5 | 17 | 255 | | | | |
| The Geo Group | | 2 | 3 | 3 | 2 | 10 | 150 | | | | |
| Newport Beach PD | | 3 | 1 | 1 | 1 | 6 | 90 | | | | |
| | | | | | | | 0 | | | | |
| Proposers | Proposal | Totals | | | | | | | | | |
| G4S Secure Solutions | 1455.00 | | | | | | | | | | |
| The Geo Group | 1330.00 | | | | | | | | | | |
| Newport Beach PD | 590.00 | | | | | | | | | | |

TEAM SCORES

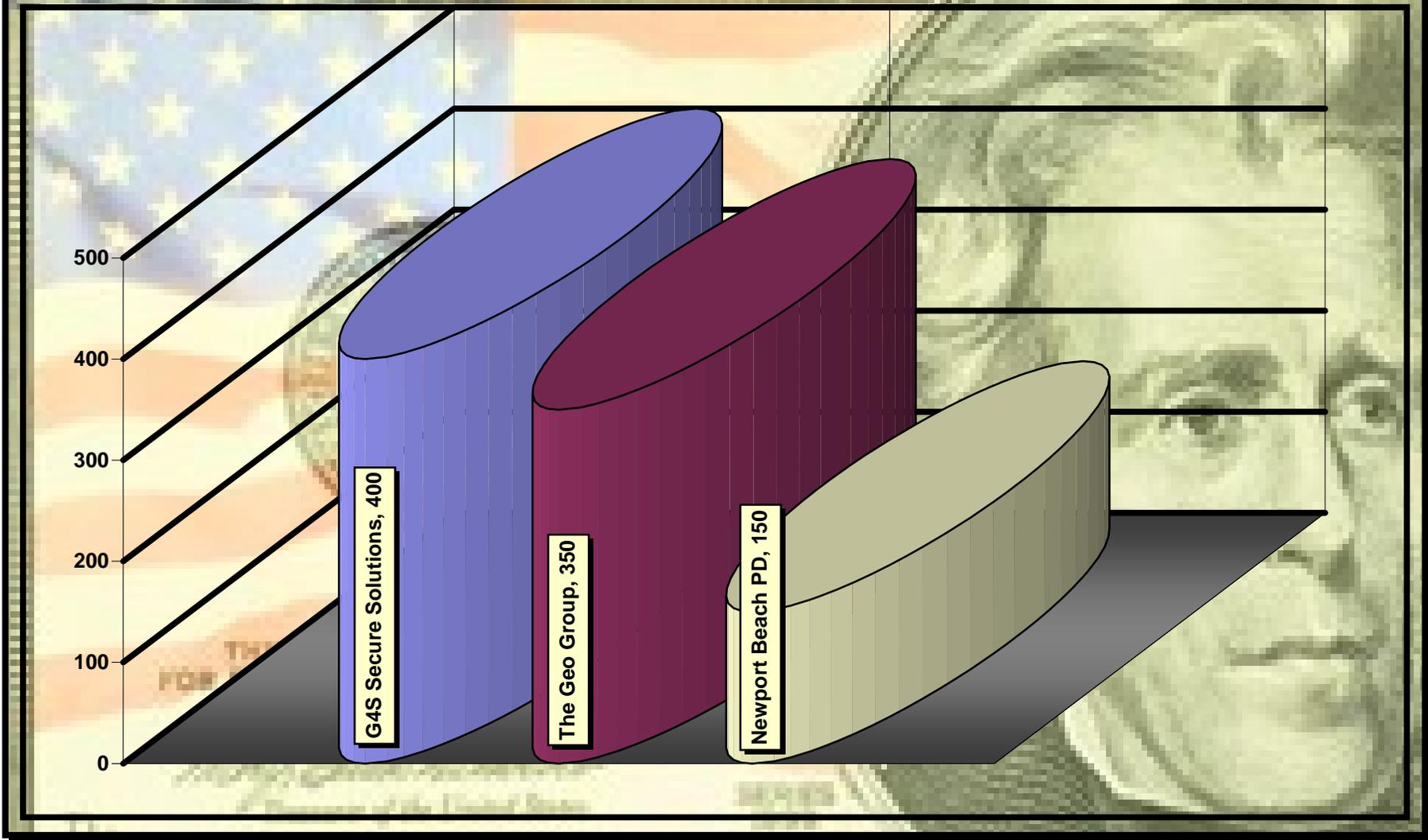
PROPOSAL COMMENTS

| | G4S | The GEO Group | Newport Beach PD |
|-------|--|---|--|
| Rater | | | |
| 1 | Staffing Plan is unclear | Good description of staffing plan. Good Plan to hire City staff | |
| 1 | Good Implementation plan & timeline | Good description of implementation process & on going operations and monitoring/supervisorn. Includes detailed implementation action plan | Very brief no detail included in proposal |
| 1 | Staffing Plan & cost proposed sloppy & unclear. Need clarification. | | Most expensive plan |
| 1 | Seems to have good use of technology to enhance service delivery | | Creative plan but totally different than other RFP's |
| 2 | I question the lack of supervision on two shifts per day. Supervisors are the key to reducing risk. They do address using sdadl personnel, but their is not enough into determine if that is enough. | | |
| 2 | | | |
| 2 | | F did not understand their proposed scheduling model. The numbers on htier charts do not add up or make sense. | Based on the amount it would cost Costa Mesa about \$627.90 per inmate they book at Newport Beach |
| 2 | | | |
| 3 | Appear to have many current clients and the ability to provide the services. Also include timeline to implement /contract. | Appear to have many clients, however how many are a type1 facility. Many references appear to be written the same. | Currently operate a type 1 facility with experience staff. However didn't follow RFP format. |
| 3 | With experience, have knowledge of laws and requirements of providing services for a type 1 facility. Staffing detail after page 14 | Would like to see more information on specific scheduling. 2 per shift. | Obviously have knowledge of service to be provided. However, no description of practical approach/implementation (i.e. - tranport detainees to facility) |
| 3 | Pricing looks competitive. Benefit information looks right for private industry. | Low hourly pricing. Worry about first year pricing. | However no discussion about booking fee and how that would offset cost. |

PROPOSAL COMMENTS

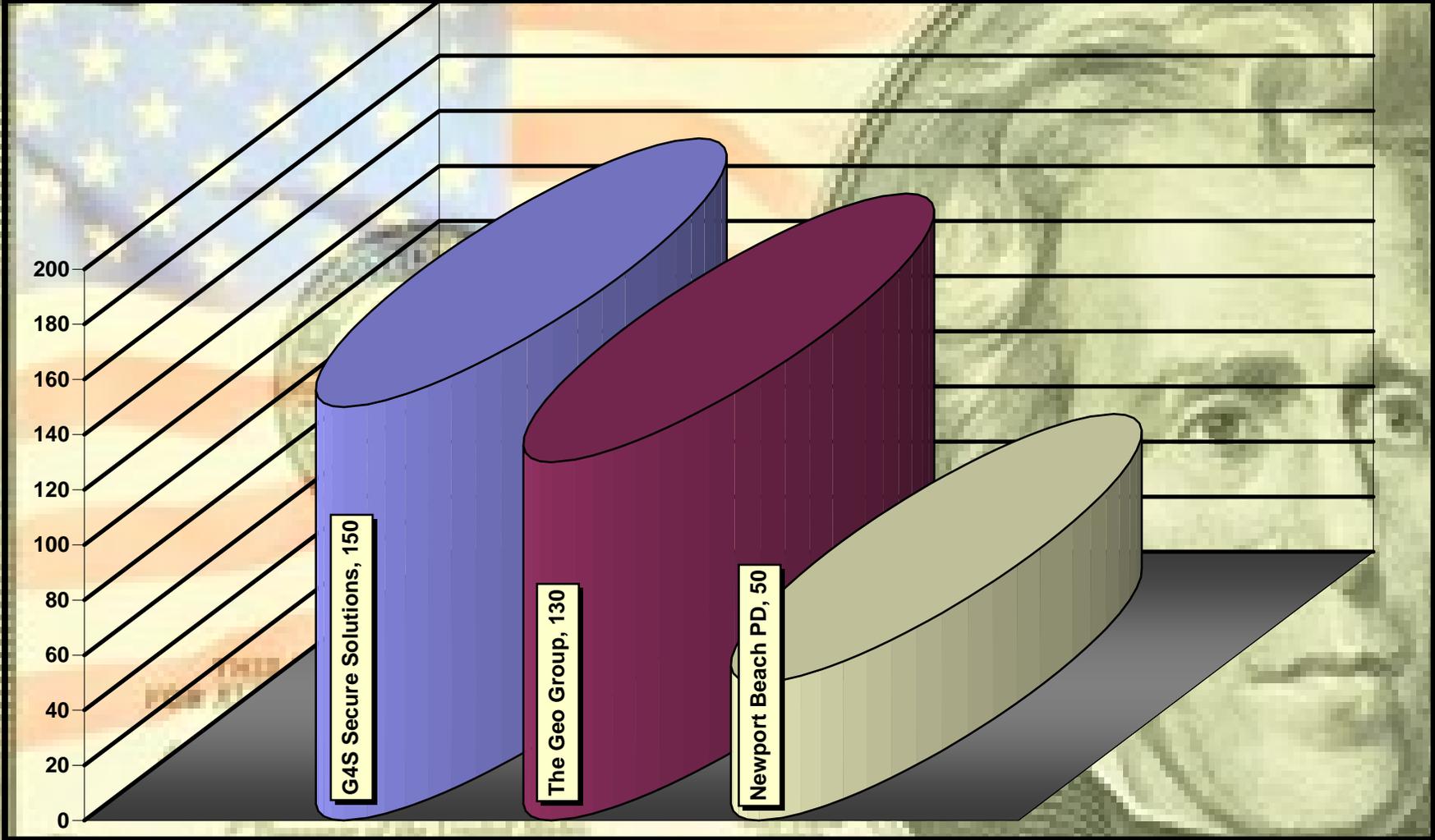
| | G4S | The GEO Group | Newport Beach PD |
|---|--|---|---|
| 3 | Lots of innovative tools to provide services on page 13. | Didn't note anything in addition to basic staffing | |
| 4 | Sound scope, personnel numbers, Annual Financies, Similar agencies, Incum pres., Wage rate, 3-5 yr renewal, Tome off/Benefits. | Staffing correct, Hrs Light, Hourly wage to low, agency comparison similarity weak, like ICE Liaison, Cleaning Hygiene good | Qualification exist but weren't demonstarated, Financial capacity is there. |
| 4 | State Law, Dept Policy/procedure, ISO 9000 + | Lack transportation, Attention to existing personnel, Local office LA, Support Pers not addressed. | Not comprehensive, lacks detail |
| 4 | Numbers appear correct. Living wage, attract personnel, significant savings | Seems Low, Not competative, 1.5 year secure period. | To high |
| 4 | Ref'd agencies - similar service, Sound proposal | | |

Qualifications of Entity and Key Personnel



JAIL FACILITY

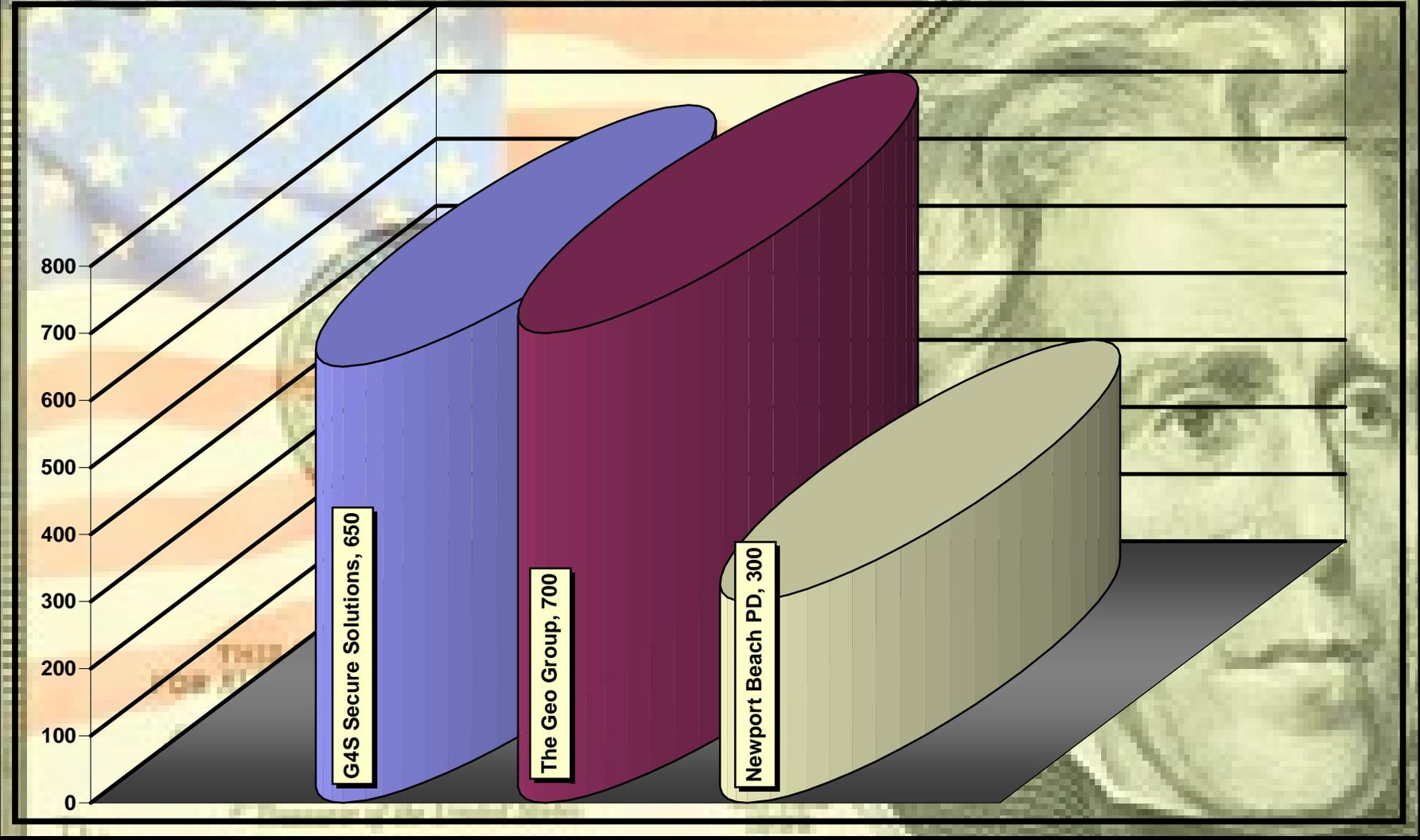
Approach to Providing the Requested Scope of Services



JAIL FACILITY

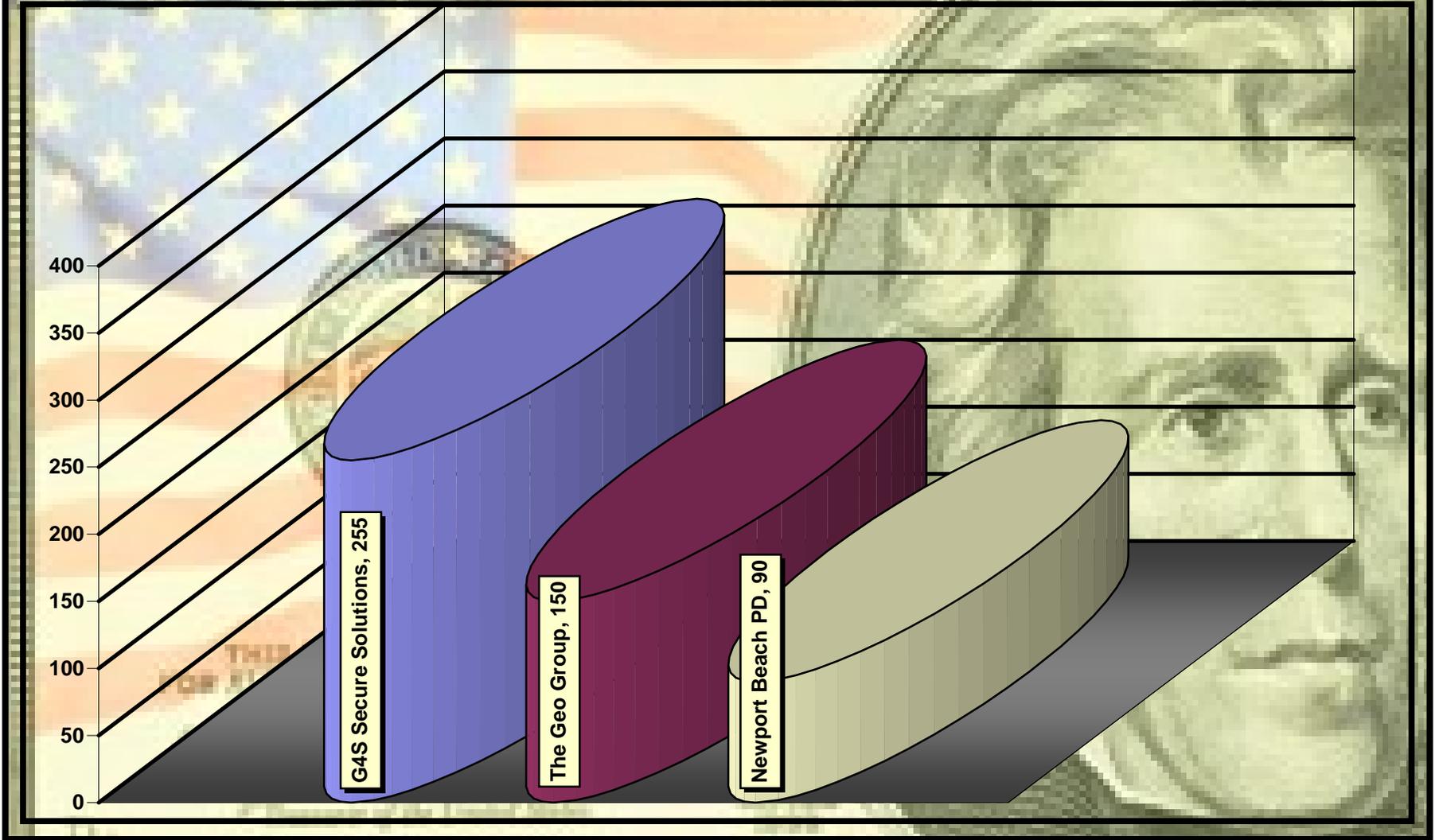
FEDERAL

Price Proposal



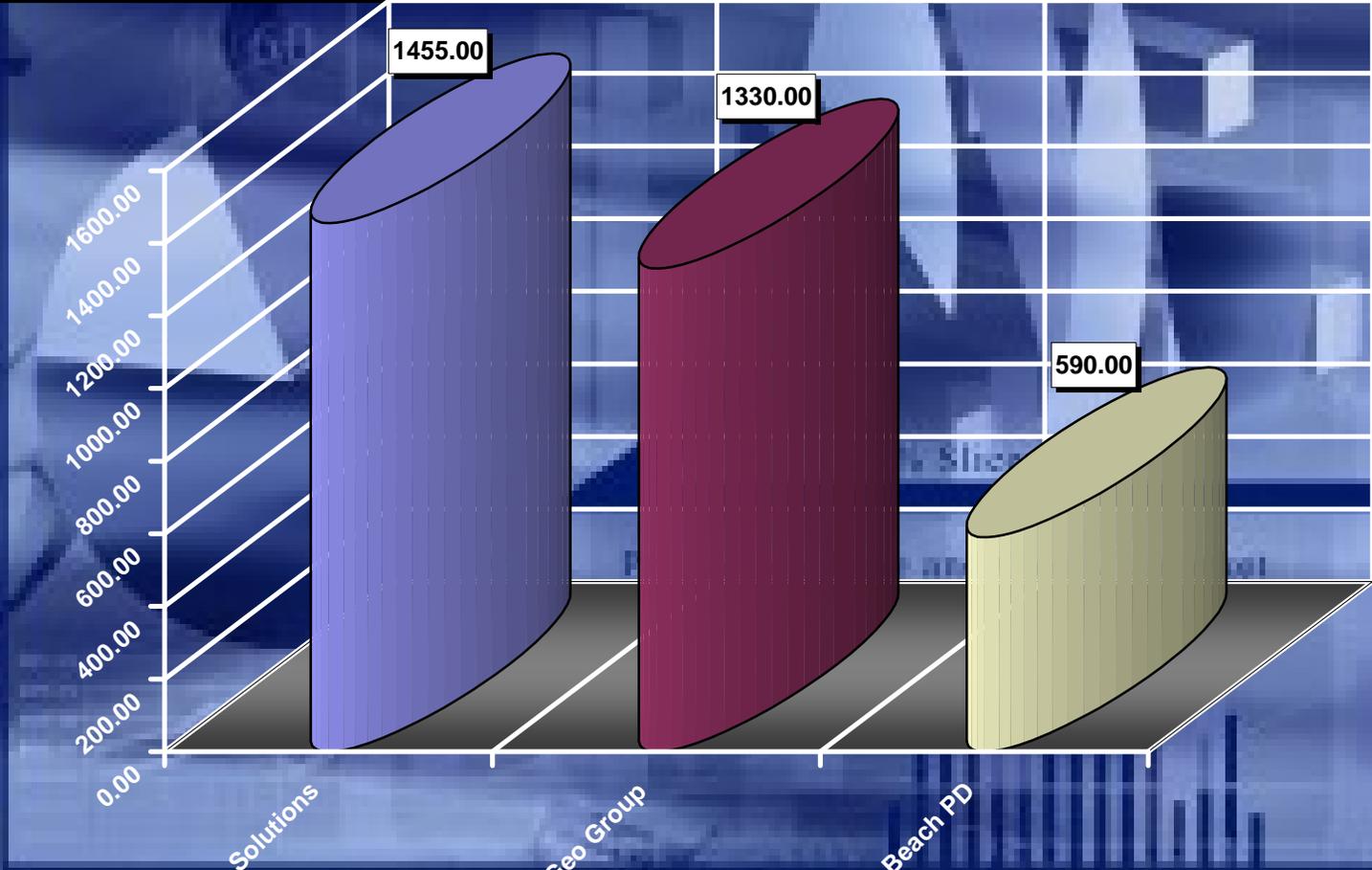
JAIL FACILITY

Innovative and Creative Approaches



JAIL FACILITY

Proposal Totals



10,000 100,000 125,000 150,000 200,000

JAIL FACILITY

Interview Evaluation Documents



Evaluation Committee Interview Agenda

Team: Jail Facility

Process/Project: Contracting City Services

Date: January 9, 2012

Time: 2:45PM

Place: City Hall Room 1A

Meeting Facilitator: [REDACTED] 714-754-5227 [REDACTED]

Evaluators and Other Attendees:

| | | |
|------------|------------|---------------------|
| [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] | Resource [REDACTED] |

| Time | Agenda Topics: | Person Providing Information: |
|------|--------------------------------|-------------------------------|
| | Review Action Items | [REDACTED] |
| | Topic 1: Proposal Scores | [REDACTED] |
| | Topic 2: Interview | [REDACTED] |
| | Topic 3: Reference checks | [REDACTED] |
| | Topic 4: D&B reports | [REDACTED] |
| | Topic 5: Interview/Team Scores | Committee |
| | Topic 6: Outsourcing Checklist | Committee |
| | Topic 7: Negotiation Checklist | Committee |
| | | |

CITY OF COSTA MESA JAIL FACILITY SERVICES INTERVIEW QUESTIONS

1. Grasp of the Project

- a. Describe your understanding of the City's Jail Facility services.
- b. Describe your understanding of the Costa Mesa and your relationship with them.
- c. To be successful, should the scope of the project be limited to the scope of services requirements? If not, what else should be included and why?

2. Approach and Work Plan

- a. Describe your approach and work plan for creating a transition with the city's including specific deliverables.
- b. What are the issues that you have experience in past implementations?
- c. Describe the City's responsibilities, requirements, supporting efforts needed in meeting your effort and delivery of services.
- d. What is the normal support you provide to clients with similar contracts (i.e., technical support for implementation/integration and trouble shooting of services)? Is this reflected in your schedule of cost?
- e. Describe your support outside of our primarily requirements.
- f. How will you comply with the city during emergency situations?
- g. Explain your staffing schedule that you have proposed. Are you willing to be flexible with your schedule? If so, how will that affect your cost?

3. Qualifications and Experience

- a. Describe your firm's competence, support staff and willingness to adjust to specific needs and the differences in qualification/experience between the proposed classifications of positions.
- b. Of contracts that you have been awarded in the past, what percent have stayed within the proposal cost? Briefly describe the reason(s) for cost deviation on other similar projects/services.
- c. Describe one or two engagements where your firm may have had difficulty and explain why. How was it resolved?
- d. Is any portion of this service sub-contracted out?
- e. Describe your employee turnover rate and the type of background checks you perform. What are some of the main causes for turnover within your company?

4. Please describe any additional cost as it relates to response time, emergency call outs and any other items we need to be aware of.

- a. Also, describe your annual fixed cost and what formulas are used to achieve minimum increases.

JAIL FACILITY SERVICES INTERVIEW EVALUATION

Scores are given from 0 - 5 points indicating:
 0 - the criterion was not addressed at all
 1 - unacceptable
 3 - acceptable
 5 - exceptional

| Evaluation Criteria | Maximum Score |
|-------------------------------------|------------------|
| Grasp of the project | |
| Requirements including | 15 Points |
| Identification of critical | |
| Elements and key issues. | |
| | |
| Approach and | |
| Work plan for the project, | |
| Including innovative | 25 Points |
| Approaches | |
| | |
| Qualification and experience | |
| Of the Project manager, other | 25 Points |
| Key individuals | |
| | |
| Communication skills of | |
| Personnel | 20 Points |
| | |
| Quality of the overall | |
| Presentation | 15 Points |
| | |
| Subtotal | |
| | |

Response to key questions Points

Total

COMMENTS: _____

Rated By: _____

ATTENTIVE LISTENING SKILLS

- Be motivated to listen
- If you must speak, ask questions.
- Be alert to nonverbal cues.
- Let them tell the story.
- Do not interrupt when they are speaking.
- Fight off distractions.
- Do not trust your memory. (We will have a recorder at these interviews)
- Listen with a goal in mind. (I.e. how well will I work with these people.)
- Look at them in the eye.
- React to the message, not the person.
- Don't get angry.
- Remember, it is impossible to listen and speak at the same time. Poor listeners tend to concentrate on what they have to say rather than on what their counterpart is saying, and they use their listening time preparing for their next turn to speak.
- Listening is not a passive role for this acquisition.

PROPOSER HANDOUTS/SLIDES

**Proposal Interview for the
Operation of the Costa Mesa Police Department's
Type 1 Jail Facility**

January 9 2012
City of Costa Mesa
1st Floor Conference Room 1A
Civic Center
77 Fair Drive
Costa Mesa, CA 92626

The GEO Group, Inc

1:00PM – 1:45 PM



G4S Secure Solutions (USA) Inc

2:00 PM – 2:45 PM



Panel Members



NOTE: Please do not contact any Panel Member prior to presentations

RFP Facilitator

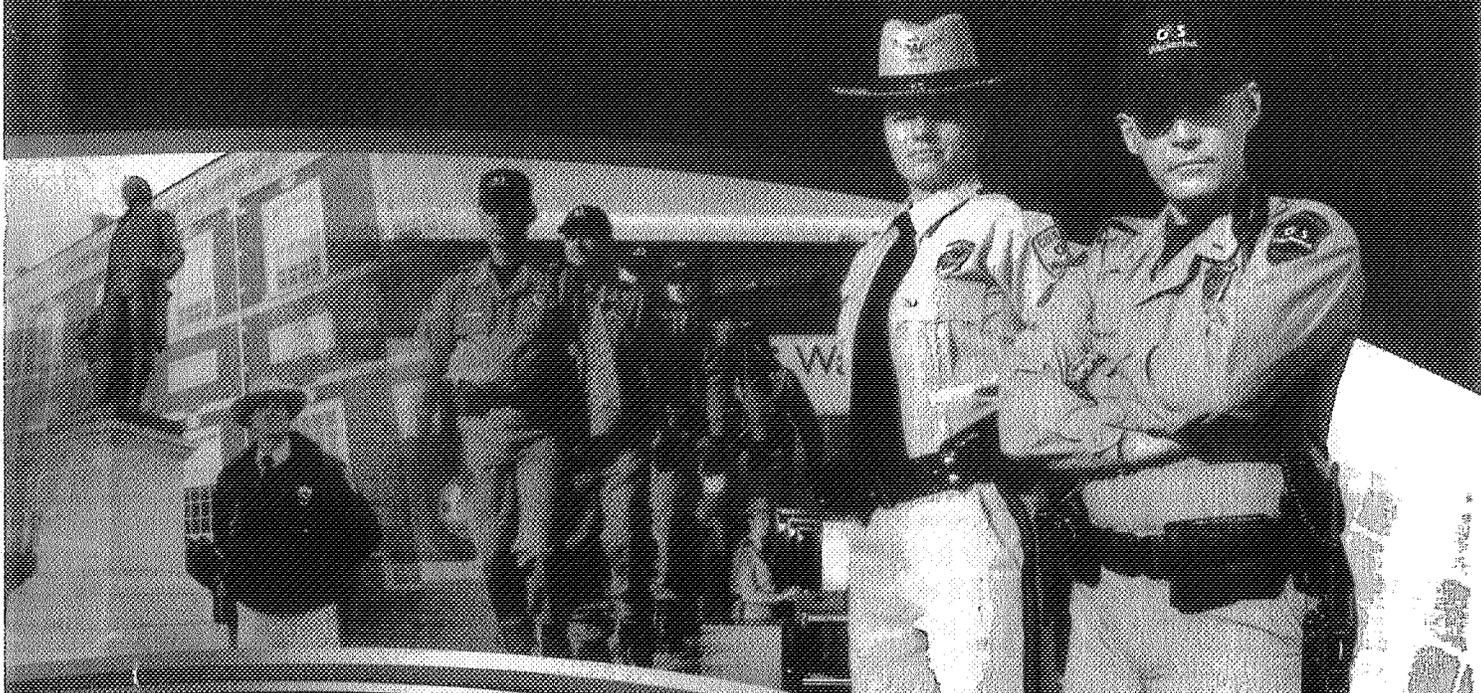


714-754-5227

ramadril@ci.costa-mesa.ca.us



G4S Is Proud To Support California Police Jail Operations



**G4S supports the following
California operations:**

**Azusa Police Department
Bell Police Department
Beverly Hills Police Department
Desert Hot Springs Police Department
Irvine Police Department
La Habra Police Department
Redlands Police Department
Rialto Police Department
Whittier Police Department**

Whether your location involves extensive interaction or significant security challenges, G4S has the right personnel and technology for the job. Call us today and ask about the security solutions G4S has provided to clients in your area.

Regional Director, [REDACTED]

G4S Secure Solutions USA

4929 Wilshire Blvd., Suite 601, Los Angeles, CA 90027

Office 323.938.9100 • [REDACTED]

• g4s.com/us



Securing Your World



**Presentation to
The City of Costa Mesa**





Introduction

A proven track record of service excellence protecting critical infrastructure & high value assets especially focused in heavily regulated environments

G4S Secure Solutions (USA) - Who we are...

- The largest custody and security services provider to the US Government
- 100+ year history of innovation and industry leadership
- ISO certified in HR, Training, and Strategic Accounts
- Service most Fortune 100 companies
- Specializing in assessing risks and developing secure solutions to minimize their impact across a wide range of geographic markets and business sectors
- Department of Homeland Security SAFETY Act Certification and Designation



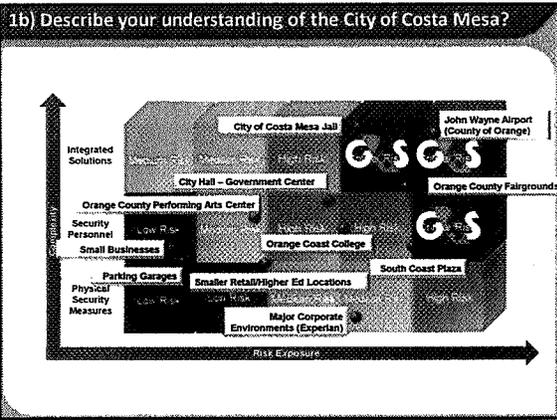
G4S Partnerships in the Orange County Business Community

G4S Local Government Partnerships

City of Costa Mesa Questions

Grasp of Project

A proven track record of service excellence protecting critical infrastructure & high value assets especially focused in heavily regulated environments





- 1a) Describe your understanding of City Jail Facility?**
- City Jail is a Type I Facility, operating 24/365
 - Averages approximately 400 bookings per month
 - Intake include:
 - Drunk in Public Arrestees
 - Alcohol and Drug related detainees
 - Working Partnership with ICE in housing ICE detainees
 - Primarily Male detainees
 - Staffing – consists of 10 Custody Officers and 1 Sergeant
 - All must be over age of 21
 - CPR/First Aid Certified
 - Title 15 Certified
 - Additional 50 Hours of Instruction from CMPD Jail Manual

G4S Local Jail Operation Partnerships

City/County Booking Services – Jails & Prisons:

City of Irvine – Irvine Police Department
 G4S providing services since 1991
 Includes detention/custody officer services, prisoner booking, live scan administration, and transportation to OCJ and safety inspections
 Average Monthly Bookings: 200



City of La Habra – La Habra Police Department
 G4S providing services since 2001
 Includes custody officer services, prisoner booking, live scan administration, and transportation to OCJ and safety inspections
 Average Monthly Bookings: 175



City of Whittier – Whittier Police Department
 G4S providing services since 2006
 Includes custody services, prisoner booking, live scan administration, transportation to LA County Jail and safety inspections
 Average Monthly Bookings: 330




G4S Local Jail Operation Partnerships

City/County Booking Services – Jails & Prisons:

City of Beverly Hills – Beverly Hills Police Department
 G4S providing services since 2007
 Includes G4S Custom Protection Custody officers, prisoner booking, live scan administration, safety inspections, Title XV, prisoner DNA collection, Transport
 Average Monthly Bookings: 75



City of Azusa – Azusa Police Department
 G4S providing serving since 2000
 Includes custody officer services, prisoner booking, live scan administration, safety inspections, Title XV, prisoner DNA collection, transport
 Average Monthly Bookings: 170



City of Redlands – Redlands Police Department
 G4S providing services since 1998
 Includes custody officer services, prisoner booking, live scan administration, safety inspections, Title XV, transport services
 Average Monthly Bookings: 350



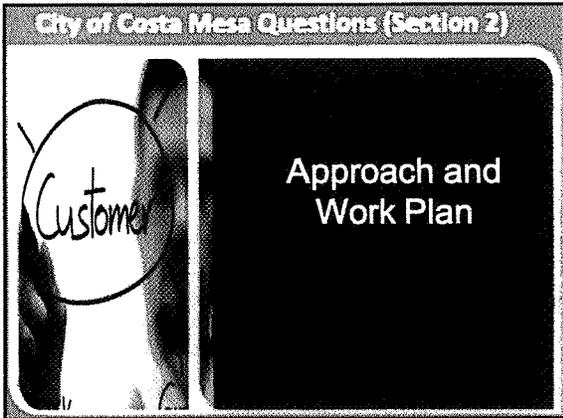
*Additional Jail Operations: City of Desert Hot Springs – 75 Bookings/Month
 City of Bell – 300 Bookings/Month, City of Rialto – 400 Bookings/Month*



1c) To be successful, should the scope of the project be limited to the scope of services requirements? If not, what else should be included and why?

- G4S recommends limiting the scope of service to jail staffing/training/staff management
- G4S recommends CMPD retain existing linen/food service contracts
 - Proven successful model with other jails
 - Unlikely to result in any cost savings for CMPD by outsourcing through G4S
 - G4S has experience managing these other services & vendors with the exception of the taking on the contract
- G4S also recommends that CMPD retain an existing in house Manager to provide oversight of contract and jail operations, acting as a single point of contact for G4S
 - G4S would take on 10 custody officer positions, appointing one as Supervisor (Post Commander)





2a) Describe your approach and work plan for creating a transition with the city's including specific deliverables

Week -8 Week -6 Week -4 Week -2 Contract Commencement

- Kick-Off Meeting/Project Kick-off
- G4S CMPD Jail Site GO
- Design Requirements
- Set Timetables, Tasks
- G4S meet with existing staff
- Begin Recruitment
- Review CMPD Jail Manual
- Begin G4S Background/Screening Process
- Order Additional Equipment
- Finalize Involving
- Project Teams Meeting
- Transition Update Meeting w/ CMPD Key Personnel
- Review Operational Criteria
- Review Training Schedule
- Review Field Support
- Review 1st

2b) What are the issues you have experienced in past implementations?

- Title 15 Classes are not continuous year round, and have limited availability for classes/space
- Recruitment of Female jailers
- Gaining confidence of sworn officers working with contracted jailers at the onset of the contract

2c) Describe the City's responsibilities, requirements, supporting effort needed in meeting your effort and delivery of services

- Sensitivity to the potential of Co-Employment issues
- New Officers being supported by CMPD staff for On the Job Training
- Provide a strong CMPD Liaison for G4S (i.e. Jail Manager)
- Embrace a G4S and City of Costa Mesa partnership



2d) What is the normal support you provide to clients with similar contracts?

- Recruitment of Qualified and Experienced Candidates
- Formalized Training
 - Classroom
 - Title 15 Scheduling
 - Continuous and Refresher Trainings
- Uniforms and Uniform Maintenance
- Payroll
- Benefit Administration
- Field Supervision
- Additional HR Related Support
- Regional Support



Local Management Involvement & Oversight

- **G4S Orange County is Locally Rooted**
 - General Manager
 - 2 Operations Managers
 - Recruiting Manager
 - Human Resources Manager
 - 2 Dedicated Trainers
 - 24 Hour Road Field Supervision
 - Contract Compliance Manager
 - Technology Coordinators
- **CA Regional Support Staff**
 - Regional Vice President
 - Regional Director Business Support and Development
 - Regional Trainer
 - Regional Director – Shared Services



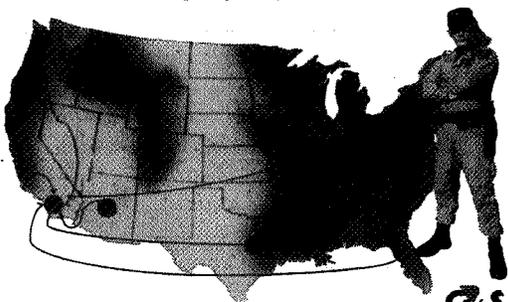
2e) Describe your support outside of our primary requirements

- Detainee/Prisoner Transportation Services
- Medical Watches (when needed)
- Additional Security Services – as needed such as:
 - Additional Support Staff for events for Orange County Fair
 - Checkpoints
 - Special holidays Coverages
- Security Technology Solutions
- Compliance and Investigation Services



How will G4S comply with the City during an Emergency?

G4S Emergency Response Teams



2g) Explain your staffing schedule that you proposed. Are you willing to be flexible with your schedule? How will Cost be affected?

Two Staffing Models (All Based on 8 Hour shifts)

440 Model (Proposed Model Based off RFP Specifications)

- 11 Contracted Officers or (440 Labor Hours per week)
 - 1 G4S Custody Manager (Working Post Commander)
 - 3 G4S Lead Custody Officers (Shift Leads)
 - 7 G4S Custody Officers

400 Model (Proven Successful Model in All G4S Local Jails)

- 10 Contracted Officers or (400 Labor Hours per week)
 - CMPD retains an In House Jail Manager
 - 1 G4S Custody Supervisor (Working Post Commander)
 - 3 G4S Lead Custody Officers (Shift Leads)
 - 6 G4S Custody Officers

Flexible on scheduling? Yes



Cost Summary

Cost Summary:

G4S 440 Model Program - \$743,000/annually

G4S 400 Model Program - \$681,000/annually



City of Costa Mesa Questions (Section 2)



Qualifications and Experience

Effective protection of critical infrastructure and high value assets, especially in regulated environments, requires the deployment of best in class people and quality management.

3a) Describe your firm's competence, support staff and willingness to adjust to specific needs and the differences in qualifications/experience between the proposed classifications of positions

G4S Custom Protection Officers (CPO)



Minimum Qualifications:

Parameters for Hire & Screening:

- Former Law Enforcement (former Costa Mesa Custody Officers receive first consideration)
- Former Military Police with Police Academy Certificate
- Former Military or Government Corrections Officers with a recognized corrections academy certification
- Former Military Special Forces
- Leadership and Management Experience is required for all leadership positions
- Favorable Employment History and successfully complete all
- Pass all G4S required screening & background checks



3c) Describe one or two engagements where your firm may have had difficulty and explain why.

US Customs & Border Patrol (CBP)

California Arizona Texas

Current Fact Sheet (CBP Contract)
 Personnel: Over 800
 Vehicles: 155
 Buses: 99
 Vans: 56
 Over 3 Million Detainees Transported

Immigration Customs Enforcement (ICE)

- Total number of detainees transported since the beginning of the contract: Over 300,000
- Types of pick-ups/transport include: Point of apprehension, detention to detention, City/County/State/Federal jails/prisons, detention to Port of Entry, Federal Court, hospitals, field mobile detention, airports
- Local Operations include pickups out of:
 - Huntington Beach Jail
 - Anaheim Jail
 - Santa Ana Jail
 - Buena Park Jail
 - LASD West Valley Detention
 - Riverside County Jail
 - Costa Mesa Jail
 - Orange County Jail
 - Pomona Jail
 - Alhambra Jail
 - San Luis Obispo County Jail
 - Santa Barbara County Jail
 - Ventura County Jail
 - CMC, San Luis Obispo




3d) Is any portion of this service sub-contracted out?

- G4S will not use subcontractors for the staffing of custody officers at CMPD Jail

3e) Describe your employee turnover rate and the type of background checks you perform? What are the main causes of turnover?

- Custom Protection Officer program in Orange County for 2011 = 18% Turnover/Annually
- Causes for Turnover:
 - Hired By Law Enforcement Entity
 - Military Deployment
 - Disciplinary Action
 - New Job outside Security Services
 - Customer Request



Reasons for Low Turnover

- G4S's United Health 042A Medical Plan - 71% Employer Paid
- Dental and Vision Options
- 80 Hours Annually of Paid Vacation
- 6 Paid Holidays - (Paid at time and one-half, if worked)
- 401k Options
- Life and Disability Insurance
- Company Paid Training
- Leadership Training Course
- EAP Program
- Employee Recognition Programs (Officer of Quarter/Year)
- Employee Discounts and Incentives



**CMPD Jail - Proposed Staffing Model
"440 Model"**

The following model is just a proposed model and can be adjusted to fit the needs of CMPD and its staff.

(11) G4S Contracted Officers:

- (1) G4S Jail Supervisor @ 40 Hours Per Week
- (3) G4S Lead Custody Officers (Shift Leads) @ 120 Hours Per Week
- (7) G4S Custody Officers @ 280 Hours Per Week

| | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday | Hours Per Week |
|-------------------------|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------------|
| Day Shift | | | | | | | | |
| G4S Jail Supervisor | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | | | 40 hours per week |
| Custody Officer 1 | | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | | 40 hours per week |
| Custody Officer 2 | filled by CO #5 | | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | 40 hours per week |
| Swing Shift | | | | | | | | |
| Lead Custody Officer 1 | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | 40 hours per week |
| Custody Officer 3 | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | | 40 hours per week |
| Custody Officer 4 | | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | | 40 hours per week |
| Custody Officer 5 | 0700-1500 | | | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | 40 hours per week |
| Night Shift | | | | | | | | |
| Lead Custody Officer 2 | 2300-0700 | 2300-0700 | 2300-0700 | 2300-0700 | 2300-0700 | 2300-0700 | 2300-0700 | 40 hours per week |
| Custody Officer 6 | 2300-0700 | 2300-0700 | 2300-0700 | 2300-0700 | 2300-0700 | 2300-0700 | | 40 hours per week |
| Custody Officer 7 | | | 2300-0700 | 2300-0700 | 2300-0700 | 2300-0700 | 2300-0700 | 40 hours per week |
| Off Day Coverage | | | | | | | | |
| Lead Custody Officer 3 | | | 2300-0700 | 2300-700 | 1500-2300 | 0700-1500 | 0700-1500 | 40 hours per week |
| | | | | | | | | 440 total hours per week |

* No Lead Coverage on Thursday 1500-2300 but three jailers on duty

**CMPD Jail - Proposed Staffing Model
"400 Model"**

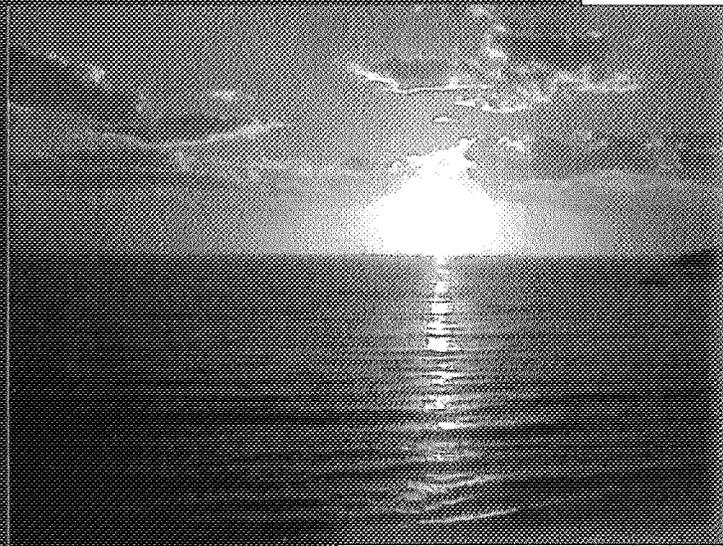
(10) G4S Contracted Officers:

- (1) G4S Jail Supervisor @ 40 Hours Per Week
- (3) G4S Lead Custody Officers (Shift Leads) @ 120 Hours Per Week
- (6) G4S Custody Officers @ 280 Hours Per Week

| Day/Shift | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday | Hours Per Week |
|-------------------------|-----------------|-----------|-----------|-----------|-----------|-----------------|-----------------|-----------------------------|
| G4S Jail Supervisor | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | | | hours per week |
| Custody Officer 1 | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | | hours per week |
| Custody Officer 2 | filled by CO #5 | | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | 0700-1500 | hours per week |
| Swing Shift | | | | | | | | |
| Lead Custody Officer 1 | 1500-2300 | 1500-2300 | 1500-2300 | | | 1500-2300 | 1500-2300 | hours per week |
| Custody Officer 3 | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | | | hours per week |
| Custody Officer 4 | | | 1500-2300 | 1500-2300 | 1500-2300 | 2300-0700 | 2300-0700 | hours per week |
| Custody Officer 5 | 0700-1500 | | | 1500-2300 | 1500-2300 | 1500-2300 | 1500-2300 | hours per week |
| Night Shift | | | | | | | | |
| Lead Custody Officer 2 | 2300-0700 | 2300-0700 | | | 2300-0700 | 2300-0700 | 2300-0700 | hours per week |
| Custody Officer 6 | 2300-0700 | 2300-0700 | 2300-0700 | 2300-0700 | 2300-0700 | filled by CO #4 | filled by CO #4 | hours per week |
| Off Day Coverage | | | | | | | | |
| Lead Custody Officer 3 | | | 2300-0700 | 1500-2300 | 1500-2300 | 0700-1500 | 0700-1500 | hours per week |
| | | | | | | | | total hours per week |
| | | | | | | | | 400 |

* No Lead Coverage on Thursday 0700-1500 but three jailers on duty + Sergeant

City of Costa Mesa Jail Facility





To offer high-quality, cost-efficient partnership solutions that provide "best value" to government agencies responsible for the provision of correctional, detention, and residential care treatment services.

Mission Statement

The GEO Group brings an extraordinary reservoir of knowledge and expertise unparalleled in the industry, and well prepared for the challenges of the future.

CITY OF COSTA MESA JAIL FACILITY SERVICES INTERVIEW QUESTIONS

1. Grasp of the Project

a. Describe your understanding of the City's Jail Facility services.

If awarded the contract, GEO will operate the City's 32 bed Type 1 Jail facility in accordance with all Costa Mesa Jail Manual policies, State Statute 6031.6 CPC, and CSA (Corrections Standards Authority) Standards. Services will include 24/7 operation of all booking procedures (receiving, processing and detaining arrestees), jail supervision of confined detainees, and transportation services. Services will also include work performed in the community such as the Orange County Fair, checkpoints, special holidays, etc. as assigned by the City.

The contractor will be responsible for completion of detainee records as required by the City. We will provide Food Services to all detainees, as well as all bedding materials and hygiene items for personal use. We will emphasize maintaining cleanliness and sanitation so the facility is "inspection-ready" at all times. We understand that our role associated with medical screening consists of issuing a questionnaire to all arrestees at the start of the booking process and to share any medical concerns with the City's arresting Officer or transport Officer.

b. Describe your understanding of the Costa Mesa and your relationship with them.

Our understanding of the City of Costa Mesa and its Type I Jail Facility is that it is seeking a safe, secure, and cost-effective alternative for managing its Jail operations. We recognize that the decisions to contract work associated with public operations are often difficult, but not without a thorough assessment of the long-term benefit to the City. We understand there may be sensitivity associated with displaced workers and are prepared to interview and hire qualified candidates who meet the training and certification requirements necessary for employment at the Jail.

In terms of our existing relationship with the City and/or its Type I Jail, no person from our organization has had a historical or a current relationship with them or any City employee.

- c. To be successful, should the scope of the project be limited to the scope of services requirements? If not, what else should be included and why?

GEO has responded with our proposal based on the request for services contained in the RFP. We feel comfortable with the scope of services as it compares favorably to our current operations at our existing jail facilities. However, if the City would like to include additional services, we are capable of expanding the scope of our proposed operation to provide any requested services.

As part of a routine service at no additional cost to the City, GEO would be willing to assist in marketing the self-pay program. Beds occupied by self-pay detainees can reduce costs significantly. For example, self-pay program occupants in one community jail have helped the City pay almost one-half of the total jail costs.

2. Approach and Work Plan

- a. Describe your approach and work plan for creating a transition with the city including specific deliverables.

Our work plan for creating a smooth transition with the City includes a turnkey approach to doing business, whereby our experienced staff are present prior to (if able), during, and following the effective date of the contract to ensure an operational familiarity of Jail operations is understood and implementation of functional processes are in progress. An aspect of our familiarization interests include partnering with the client in an effort to determine its protocols and/or expressed needs. Information gained from this partnership serves as a working roadmap for prioritizing our deliverables.

Our "on-the-ground" approach from the onset of the contract enables us to assess the physical plant for any concerns requiring attention, ensure supplies and necessities are available for operation of the Jail, enables proficiency in management of the Jail to be realized, provides for an opportunity to establish and test vendor services and allows us an opportunity to develop internal processes, such as development of internal forms, standardized inspection techniques, and site-specific policies.

- b. What are the issues that you have experienced in past implementations?

The GEO Western Region has a strong background in the activation of new facilities (and in the transition into existing facilities as the new operator). In the past year, we have activated three separate facilities. Because of our vast experience, we are able to anticipate issues that tend to

develop in any activation. Common issues include the timely completion of the security background clearance process for some staff, the receipt of all supplies and equipment necessary to operate successfully, and recruitment of staff for specialized occupations.

Any transition in services believed to present a challenge will involve thoughtful planning in the forefront to minimize potential issues and to ensure a smooth transition in management of the Jail occurs. We are known for our advanced planning and for being proactive rather than reactive, which will lend itself to a seamless process.

- c. Describe the City's responsibilities, requirements, supporting efforts needed in meeting your effort and delivery of services.**

We are confident we are able to meet the delivery of services contained in the scope of work with minimal responsibility, requirements and/or supporting needs of the City, partnering efforts notwithstanding. We believe our greatest success for managing the Jail will be the relationship we build with the City and the City's Police Department. We want to engage in a partnering relationship that fosters open communication, particularly as it relates to detainee movement, transportation demands, replenishment of supplies required by the City, trouble-shooting detainee concerns (if any), information sharing as it relates to inspections/reports of the Jail from outside agencies, security assistance in the community, and miscellaneous issues that may develop.

- d. What is the normal support you provide to clients with similar contracts (i.e., technical support for implementation/integration and trouble shooting of services)? Is this reflected in your schedule of cost?**

In our experience with our eight Los Angeles area jails, we have provided technical support at no additional cost when troubleshooting was required on computers and the electronic fingerprint machines. Our Director of Information Technology is based out of our Regional Office in Los Angeles, and has visited all the jails for various assistance projects. Ordinarily, the Director of Information Technology will collaborate with a local Police Department IT staff member and work together on any issues that develop (troubleshooting connectivity and software issues related to GEO applications primarily). Because our Regional Office location is in Los Angeles with experts in virtually every correctional discipline, we can respond quickly to trouble-shooting issues in every service category.

e. Describe your support outside of our primary requirements.

With our Regional Office located in Los Angeles, our team of professionals is available to provide assistance and oversight in all disciplines that might be needed as they relate to Jail operations. In our Regional Office, we have on staff IT specialists, Human Resources personnel, Accounting/Business staff, Contract Compliance managers, Operations specialists, as well as Directors of Training and Facility Maintenance to assist on this project. The oversight and assistance provided from these team members for Jail operations is included in our proposed price.

GEO is a company with a strong tradition of partnering with clients and communities to support charities and civic activities far beyond the scope of any contract requirement. We want clients and the communities in which we operate to see us as "good neighbors" and we take pride in our positive contributions to communities.

f. How will you comply with the city during emergency situations?

The RFP is very clear in outlining a contractor's responsibilities to follow the procedures contained in the Jail Manual in the event of an emergency. We are committed to meeting your expectations in responding to emergency situations.

GEO places special emphasis on pro-active staff actions to prevent emergencies. GEO also emphasizes classroom training and on-site emergency drills to practice responding to actual emergencies.

The best way we can comply with the City in emergency situations is to prepare in advance by educating staff on expectations as reflected in the Jail Manual. We are more than willing to participate with the City in any emergency preparedness exercises. We also commit to providing resources from other locations if the City needs such assistance.

g. Explain your staffing schedule that you have proposed. Are you willing to be flexible with your schedule? If so, how will that affect your cost?

Our proposal includes one (1) Jail Administrator and ten (10) Custody Officers. Our staffing plan has two (2) Custody Officers on three (3) shifts to provide continuous coverage at the Jail. Our relief factor (1.67 per post) allows for flexible coverage should the need arise on a temporary basis for additional Custody Officers to be working.

GEO understands the dynamics of jails and the financial pressures that affect our clients. We have worked with our clients on staffing patterns that best fit their needs while maintaining the integrity of our operations. A prime example of this type of partnership occurred recently at one of our operations, where, due to City-wide funding issues, we worked with the Police Chief on changes to procedures that reduced our staffing level on one shift. This change reduced our staffing related costs, which we passed on to the City, resulting in a reduction of the City's monthly invoice while maintaining operational integrity. This true partnership with our clients allows GEO to develop an effective operational plan that results in successful operations and satisfied clients.

3. Qualifications and Experience

- a. Describe your firm's competence, support staff and willingness to adjust to specific needs and the differences in qualification/experience between the proposed classifications of positions.**

The GEO Group is the world leader in the delivery of correctional, detention, residential treatment, and electronic monitoring services to federal, state, and local government agencies around the globe with 116 facilities and 80,000 beds, including projects under development.

GEO's corporate headquarters is located in Boca Raton, Florida, while the Western Region Office, which will oversee this project, is located in Los Angeles, California. Our experienced team of professionals, in all disciplines, will be implementing, assisting, monitoring, and training the staff on the operations of jail, and we are located just fifty miles from the facility.

Our Jail Administrators have, on average, over nine (9) years of experience with our company. For the initiation of a new contract, we will select from our current Jail Administrators to provide experienced leadership and direction. Additionally, our current Custody Officers, on average, have 3.5 years of experience working in our jails. We believe this illustrates our ability to recruit, hire, and retain capable jail staff committed to providing the best service possible. Additionally, within the first year of employment, all jail staff who do not already possess STC Certification will attend the Corrections Officer Core Course STC Certification as a condition of employment.

- b. Of contracts that you have been awarded in the past, what percent have stayed within the proposal cost? Briefly describe the reason(s) for cost deviation on other similar projects/services.

Nearly all of our contracts stay within the proposed cost unless partnering efforts with the client on cost-savings initiatives dictate otherwise. However, we have experienced an upward departure in the proposed costs associated with many of our larger prison operations primarily due to Healthcare and Transportation demands that drastically changed from the original RFP scope. We have not encountered a deviation from the proposed cost on our Jail operations that was not eventually covered in a planned CPI increase.

- c. Describe one or two engagements where your firm may have had difficulty and explain why. How was it resolved?

- 1) *In early June 2011, GEO was awarded a contract to activate an ICE contract at a new 625 bed facility in Adelanto, California. The client requested we expedite activation and be ready to accept our first detainees by late August. The Regional Office dedicated resources from our office and other facilities in the Region to meet the client's expectations to activate in August. The first staff members were hired in late July, and the Regional Office staff prepared all policies, emergency plans, building schedules, FF&E coordination, etc. while Adelanto staff were being trained. A Pre-Inspection Audit in early August certified the facility was ready, and we received our first detainees on the exact date (August 29, 2011) the client requested with such short notice in June.*
- 2) *We suffered an escape from the Montebello Jail facility in late 2011 – the first escape from any Western Region prison or jail in more than five years. The escapee, who was unrestrained during the booking process as was standard protocol, ran through an unlocked egress door to gain access to an outside recreation yard. From the recreation yard, the escapee ran to the perimeter fence (no razor wire), scaled the fence, and ran to a nearby park, where he was captured without incident about 40 minutes later.*

When [REDACTED] Director of Jail Operations, learned about the escape shortly after it occurred, he immediately responded to the Jail to review the incident with our staff and with Montebello Police Department officials. The next day, the Western Region sent a team of staff to Montebello to conduct a critical incident review of the escape. Additionally, the next day, the Region sent a team of staff to each Jail to conduct a special security assessment.

This particular escape occurred due to complacent staff who failed to lock an egress door. Disciplinary action was taken. While the escape incident was a failure on our part, the incident and subsequent security assessments helped us identify some additional security practices and physical security enhancements to make our Jail operations even stronger.

d. Is any portion of this service sub-contracted out?

At our jails, we have partnered with Catering Systems, Inc. of Fullerton, California to provide meals to detainees. These meals typically come as individual frozen meals and are delivered weekly, however they are also available on demand. These meals are supplemented with fresh fruits purchased locally.

In our recruitment and hiring process, GEO's jails use Baechler Investigative Services and Psychological Consulting Associates to provide required pre-employment screenings.

e. Describe your employee turnover rate and the type of background checks you perform. What are some of the main causes for turnover within your company?

The turnover rate for GEO, company-wide, through November 30, 2011, was approximately 16.4 percent. Employee turnover occurs for various reasons, but we attribute the primary cause of our turnover due to employees being hired by the Client agency, employees promoting to positions within the correctional environment, and/or employees seeking external employment with law enforcement agencies.

Background Checks are performed by Baechler Investigative Services, and includes a full background investigation (credit, DMV, school record, employment history, criminal history, drug screening, personal interview with applicant and current neighbors etc.), with the exception of a polygraph test .

4. Please describe any additional cost as it relates to response time, emergency call outs and any other items we need to be aware of;

a. Also, describe your annual fixed cost and what formulas are used to achieve minimum increases.

GEO has offered a fixed price contract in response to this RFP. The majority of expenses related to this project are labor and labor related (85% of total expenses), based upon our understanding of the requests for services contained within the proposal. Other fixed costs are related primarily to insurance coverage (worker's compensation and general liability) making up another 5% of overall

costs. Variable costs, to GEO, make up 10% of our expenses and include food service expenses, cleaning and office supplies, and communications equipment. Again, based on the history of operations of similar facilities, we are confident that our pricing includes all contingencies based on the requested services outlined in the RFP. We believe a fixed price contract benefits the client from a budgetary and administrative standpoint and also allows for budget certainty for GEO.

Historically, and with this proposal, GEO requests annual increases based on the CPI, typically 2-3%. This increase is used to fund merit increases for our staff and to adjust the contract for inflation. We do recognize the uncertainty in the economy which might affect the ability of the City to guarantee this escalator, and as such, we will commit to working with the City when a rate adjustment is requested.

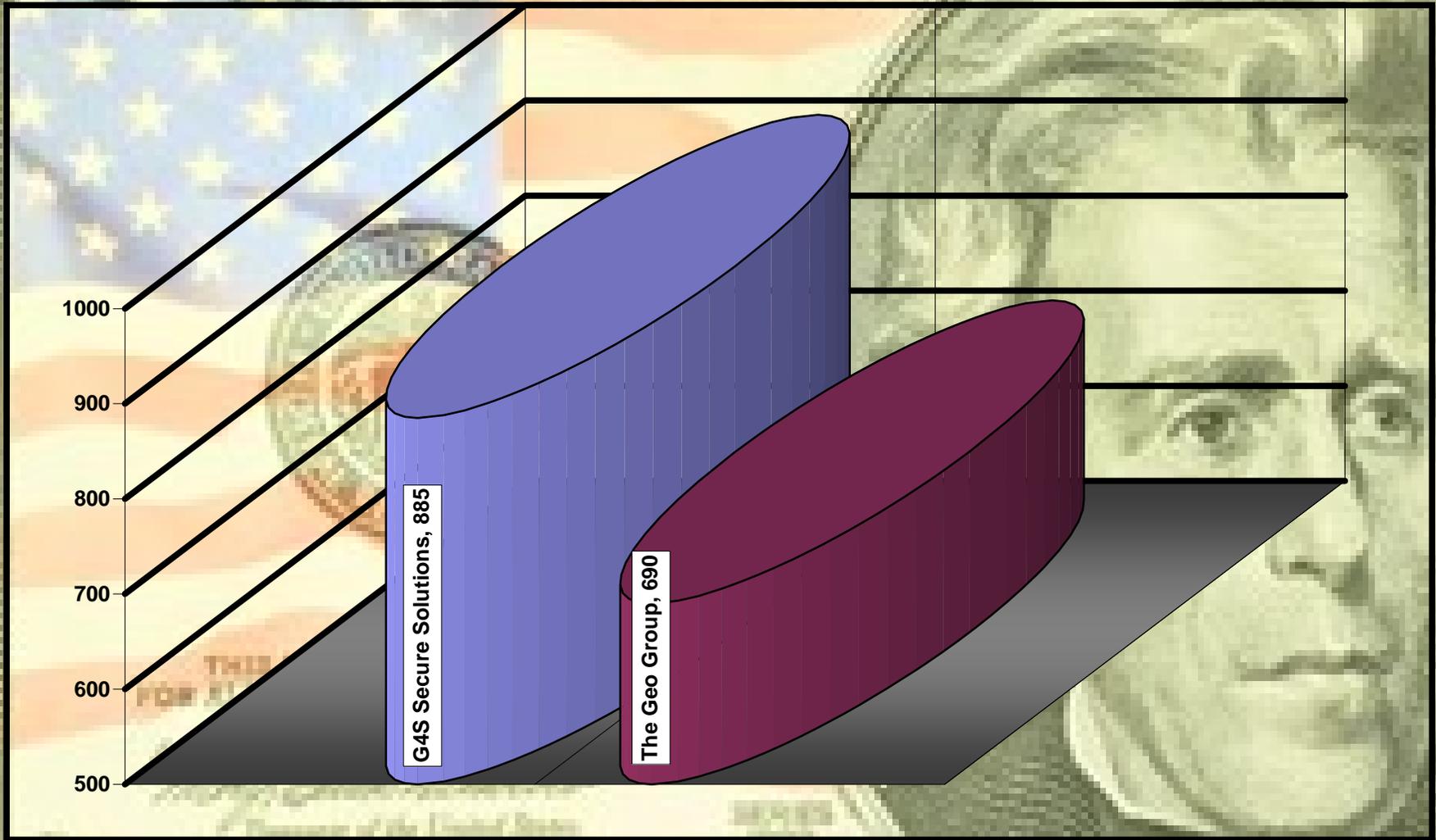
INTERVIEW EVALUATION SCORES

JAIL FACILITY SERVICES INTERVIEWS

| JAIL FACILITY SERVICES INTERVIEWS | | | | | | | | |
|-----------------------------------|------------------|--|----------------|-------|-----|-----------|------|--|
| | | 1 | 2 | 3 | 4 | Totals | | |
| | | Tammy | Mike | Bobby | Tom | | | |
| 15 | | Grasp of Project | | | | | | |
| G4S Secure Solutions | | 15 | 15 | 15 | 14 | 59 | 885 | |
| The Geo Group | | 10 | 12 | 12 | 12 | 46 | 690 | |
| | | | | | | | 0 | |
| 25 | | Approach and Work plan | | | | | | |
| G4S Secure Solutions | | 25 | 20 | 25 | 23 | 93 | 2325 | |
| The Geo Group | | 15 | 20 | 20 | 20 | 75 | 1875 | |
| | | | | | | | 0 | |
| 25 | | Qualification and experience | | | | | | |
| G4S Secure Solutions | | 25 | 20 | 22 | 24 | 91 | 2275 | |
| The Geo Group | | 23 | 20 | 20 | 20 | 83 | 2075 | |
| | | | | | | | 0 | |
| 20 | | Communication / Presentation | | | | | | |
| G4S Secure Solutions | | 20 | 20 | 18 | 20 | 78 | 1560 | |
| The Geo Group | | 17 | 17 | 18 | 18 | 70 | 1400 | |
| | | | | | | | 0 | |
| 15 | | Quality of the overall Presentation | | | | | | |
| G4S Secure Solutions | | 13 | 15 | 14 | 15 | 57 | 855 | |
| The Geo Group | | 13 | 12 | 12 | 12 | 49 | 735 | |
| Newport Beach PD | | | | | | | 0 | |
| | | | | | | | 0 | |
| Proposers | Interview | Proposal | Totals | | | | | |
| G4S Secure Solutions | 7900.00 | 1455.00 | 9355.00 | | | | | |
| The Geo Group | 6775.00 | 1330.00 | 8105.00 | | | | | |
| City of Newport Beach | 0.00 | 590.00 | 590.00 | | | | | |

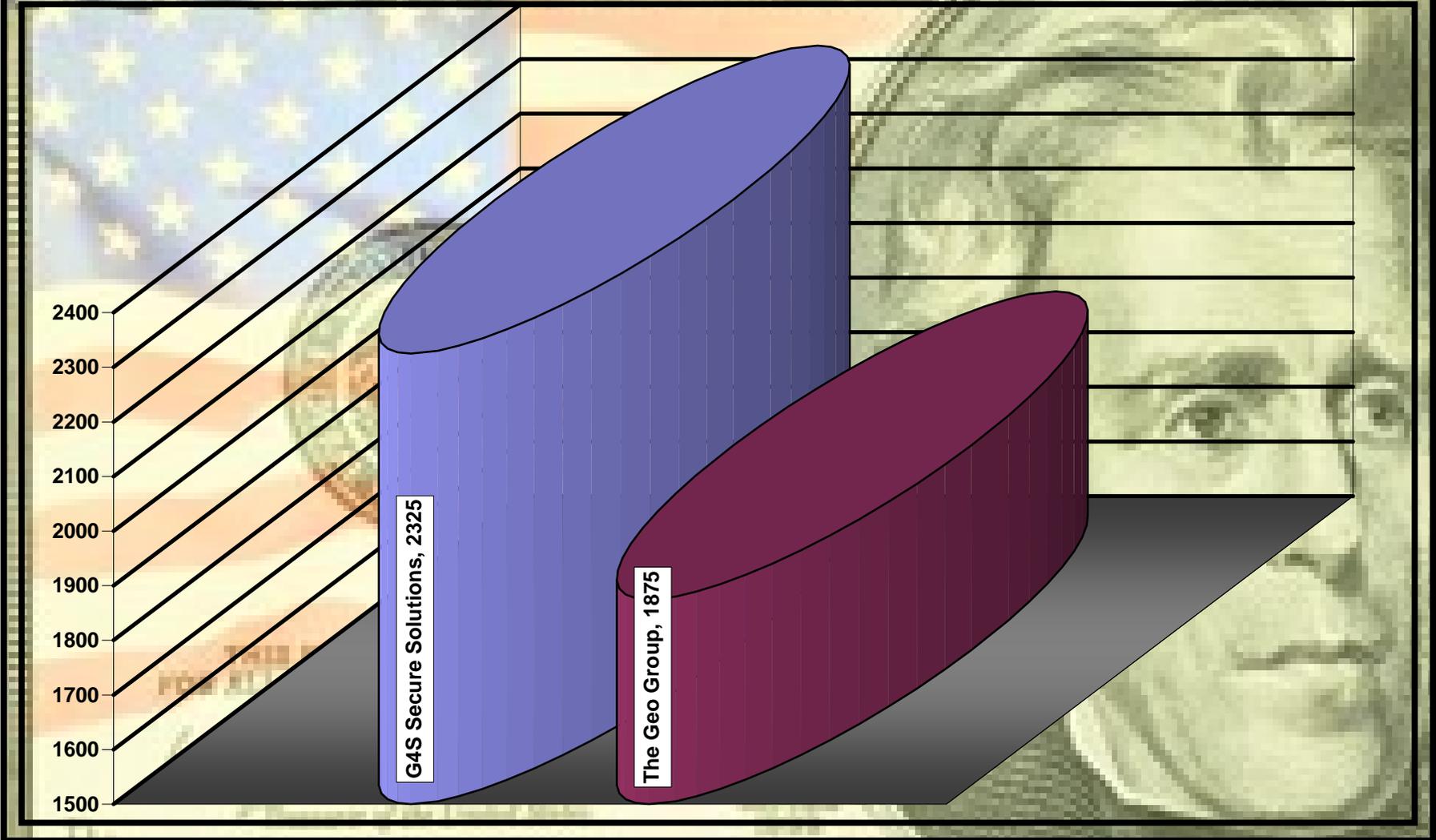
| | G4S | The GEO Group |
|--------------|---|---|
| Rater | | |
| 1 | Extensive hiring & screening process. Thorough presentation. Good Transition plan. | Concerned about their staffing plan and lack of supervision. Also, concerned about the low pay rate and potential turnover. Not explained will in presentation. |
| 2 | Very professional. Good grasp of issues & solutions. Outstanding presentation. | Good overall presentation. Good Info. From presenters. |
| 3 | Good presentation and communication of experience and transition period | Still concern over jail employees pay rate, turnover and untract pricing. Staffing related to supervision |
| 4 | Point to point requirements very professional. Several similar transition. Thorough. Highly similar. Like incumbent, pay, benefits. | Fairly strong. To the point. Staffing # tight. High litigation #. Didn't address all questions. No incumbant Model. |

Grasp of Project



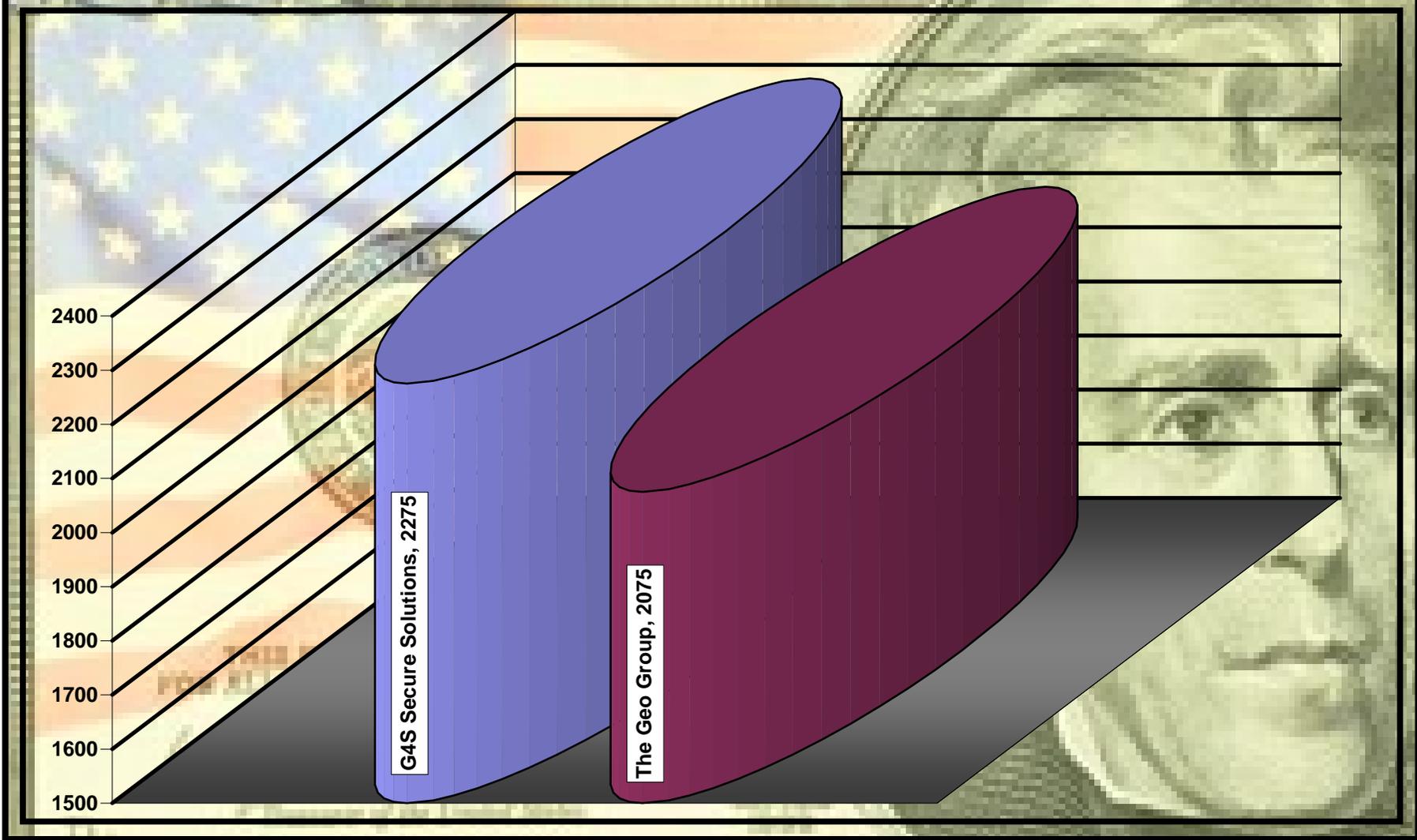
Jail Facility Interviews

Approach and Work Plan



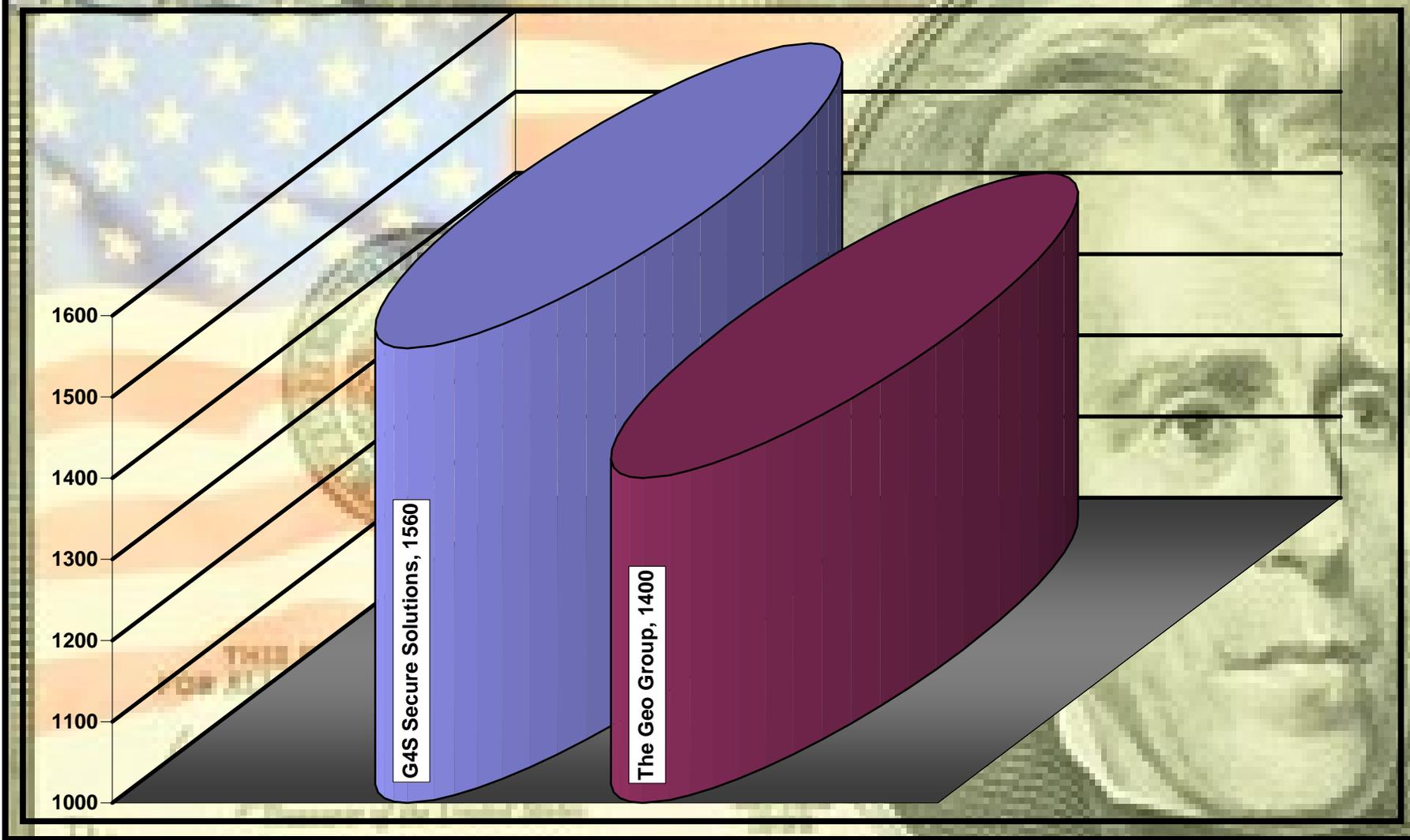
Jail Facility Interviews

Qualification and Experience

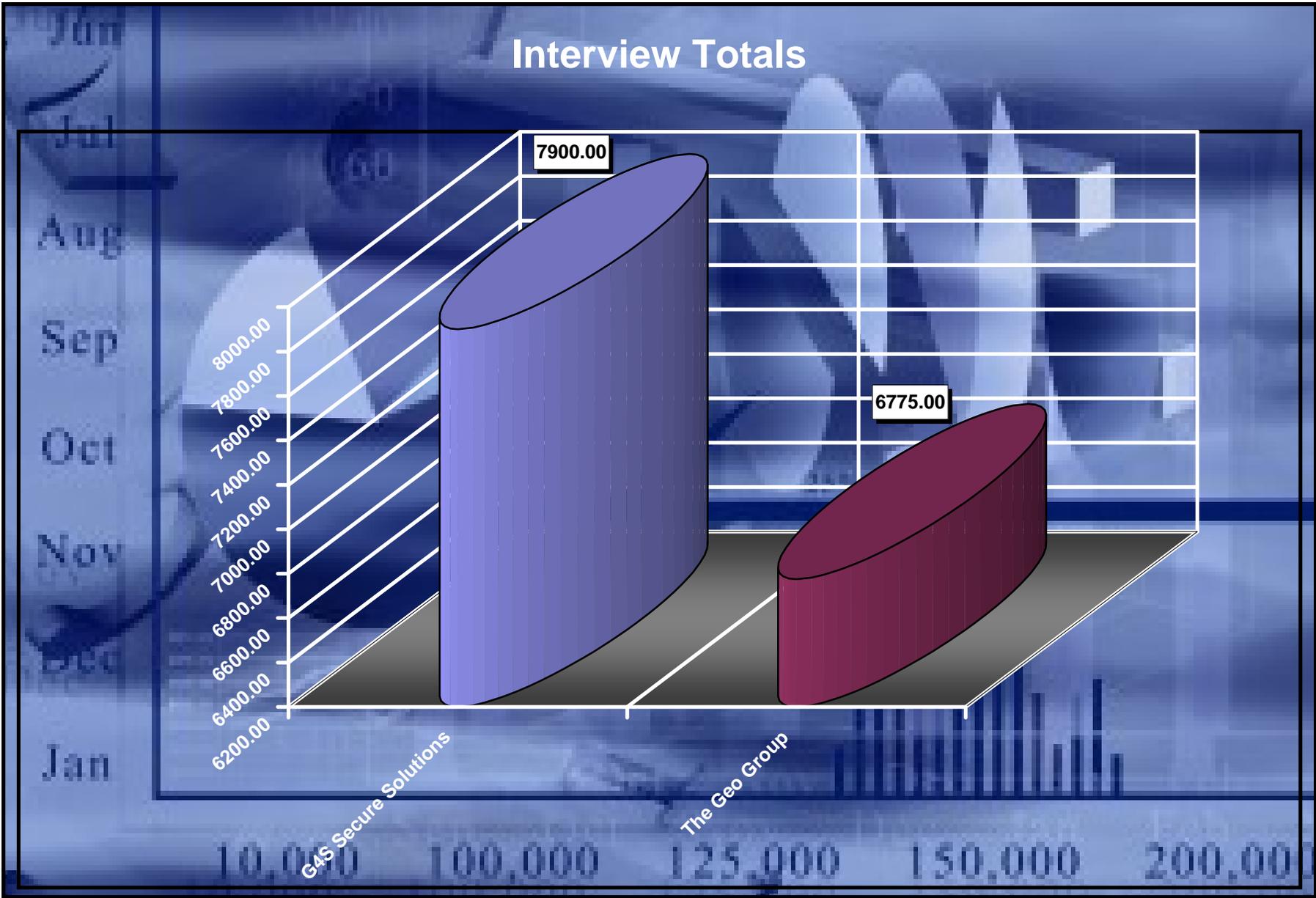


Jail Facility Interviews

Communication/Presentation



Jail Facility Interviews



Jail Facility Interviews

MANAGEMENT STAFF REPORT