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TO: BOARD OF DIRECTORS

FROM: PAUL LENNON
MANAGING DIRECTOR, SAFETY AND SECURITY

SUBJECT: TERM EXTENSION FOR US GUARDS, INC.,
SECURITY SERVICES CONTRACTOR
ON METRO RAIL PROJECTS

ISSUE

Staff is exercising the final one year option to extend the contract term for US Guards, Inc. contract SS002. The extension is for the term August 1, 1998, through July 31, 1999. No increase in contract value is required.

Staff is issuing this administrative change without requesting Board approval because no additional funding is required.

BACKGROUND

In April 1994, the MTA Board approved the award of three security guard service contracts for Metro Rail Construction projects on an as-needed basis. International Services, Inc. (ISI) was awarded the primary contract in the amount of \$7.8 million which was immediately activated to provide security for the Metro Green Line and Metro Red Line construction projects. US Guards, Inc. and Wackenhut Corporation ranked second and third, respectively and were each awarded a two-year contract; US Guards for \$1.8 million and Wackenhut for \$900,000. The Wackenhut Corporation declined to execute their contract as a result of not being recommended for the primary contract.

The services covered an initial two year period with three, one-year options. In June, 1995, the ISI contract was terminated for cause. US Guards, Inc., with minimal notice, assumed the security posts vacated by ISI and became the sole provider of security guard services on these projects. Their performance under the contract has been satisfactory and the MTA has exercised each Board approved, one-year option thereafter, increasing the contract value by the amount budgeted annually for Metro Green Line and construction security.

US Guards is currently providing security services for the Metro Green Line and providing two security patrol units for the Metro Red Line, Segment III. Due to

cost savings realized from security restructuring in FY98 and FY99, no increase in contract value was required to exercise this final one-year option.

A procurement process is being initiated that will continue security services for the Metro Green Line and MTA construction projects. The new contract will become effective no later than August 1, 1999. A staff recommendation resulting from this procurement is scheduled to come before the Board in March, 1999.