



MEMORANDUM

Date: May 22, 2014

To: California State Lottery Commission

From: Paula D. LaBrie, Acting Director 

Prepared By: Stephen Tacchini, Deputy Director
Security/Law Enforcement Division

Subject: Item 8(c) - Ratification of Contract for Security Guard Services

ISSUE

Should the California State Lottery Commission (Commission) ratify the award of contract #50012 for security guard services to Andrews International, LLC (Andrews)?

RECOMMENDATION

Staff recommends that the Commission ratify the award of contract #50012 to Andrews, for emergency security guard services. This ensures continuous security guard services to protect California State Lottery (Lottery) staff and assets and allows the Lottery sufficient time to complete an Invitation for Bid (IFB) to award a long-term contract with a qualified security guard contractor. This contract has a term of six (6) months, from May 20, 2014 through November 19, 2014. Total expenditure authority for the six (6) month term is \$800,000.00. The cost may be funded using the current security guard contract funds (Cypress Security contract #16117). The Lottery will incur only minimal costs over current budgeted amounts during this transitional period.

BACKGROUND

Since 1985, the Lottery has contracted to provide security guard services on a 24 hour, 7 day a week basis. These services include monitoring and controlling access to Lottery facilities, responding to alarms, escorting visitors, providing security services at special events, and protecting Lottery assets.

The previous security guard services contract, #16117 with Cypress Private Security, Inc. (Cypress), was terminated and expires on May 19, 2014. To avoid a break in services until a new solicitation could be completed, the Acting Director approved contract #50012 to Andrews, effective May 20, 2014. Due to the necessity of having a security guard company in place at the time the Cypress contract expired, the Acting

Director authorized execution of the contract, under Lottery's regulations, Section 8.1.2. Exceptions: Notwithstanding the general rule, the Lottery may procure goods or services valued at more than \$100,000 without utilizing formal competitive procedures where any of the following circumstances exist:

- A. There is insufficient time for a formal competitive process because of an urgent and compelling need to contract for goods or services necessary for the immediate preservation of Lottery operations, the integrity and security of Lottery operations, or the protection of Lottery property. In such situations, where feasible, an information competitive bid process should be used that adheres as closely as possible to the procedures outlined in section 8.2.1.

DISCUSSION

Security/Law Enforcement Division (SLED) staff conducted an informal bid solicitation of five (5) security guard companies with four (4) of those companies submitting proposals. Those four companies consisted of: Lyons Security Service, Inc., Monument Security, Inc., Andrews International, LLC, and Securitas USA.

The Lottery is currently conducting a solicitation process to select a new long-term security guard contract. The Lottery anticipates releasing a competitive solicitation to select a new contractor to perform the Lottery's new security guard services contract. This solicitation process is expected to take up to six (6) months to finalize.

Given the Lottery's positive relationship with Andrews in the past and the time constraints the Lottery was facing, plus the fact that the background investigation would take approximately 2-3 weeks less time to complete than if a new company was selected, SLED staff recommended Andrews as the best value company to secure emergency security guard services. Staff requests that the contract be ratified by the Commission.